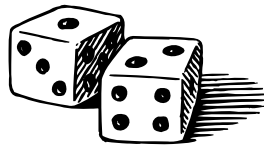


# How To Negotiate ... With Vendors

National Association of Campus Card Users  
15<sup>th</sup> Annual NACCU Conference  
Riviera Hotel & Casino • Las Vegas, Nevada



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Education Group Session #4  
Tuesday, April 8, 2008

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## Agenda

1. What is Negotiations?
2. Traditional vs. Principled Negotiations
3. Top Ten Negotiations Rules
4. Top Ten Negotiations Tips



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## What is NEGOTIATIONS ?



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## Definitions

### ■ **Negotiations –**

A process during which two or more parties attempt to reach an agreement.

### ■ **Negotiator –**

A party directly involved in a negotiations process.

### ■ **Strategist –**

A person who provides ideas to achieve a goal or objective.



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## ■ **Lead Negotiator –**

A designated person who is responsible for serving as a spokesperson for a party involved in negotiations.

## ■ **Mediator –**

A designated person or party (i.e., perceived as impartial) who is engaged to assist parties to reach a hospitable agreement.

## ■ **Arbitrator –**

A designated person or party (i.e., perceived as impartial) who is engaged to resolve a dispute between two or more parties by whose decision the parties agree in advance to be bound.



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## **Top Personal Negotiations Events**

- Buying A Car
- Asking For A Raise
- Purchasing A Home
- Planning A Wedding
- Divorce Settlement
- Childhood Duties
- Elderly Medical Care
- Funeral Services



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## **Negotiations** **Formula For Success**

1. **Visualize**
2. **Prepare**
3. **Strategize**
4. **Empathize**
5. **Commit**
6. **Follow-up**



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## Vendor Solicitation Documents

- **R.F.P.** –  
Request For Proposal
- **R.F.B.** –  
Request For Bid
- **R.F.Q.** –  
Request For Quotation
- **R.F.I.** –  
Request For Information
- **I.T.B.** –  
Invitation To Bid
- **I.T.N.** –  
Invitation To Negotiate
- **Bid Specs** –  
Vendor Bid Specifications



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## “Active” Listening

- Eyes
- Ears
- Tone
- Expressions
- Inflection
- Emotions
- Pauses
- Body Language
- Telephone Calls
- Note Taking



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## Negotiations Goals

WIN

WIN

WIN

WIN



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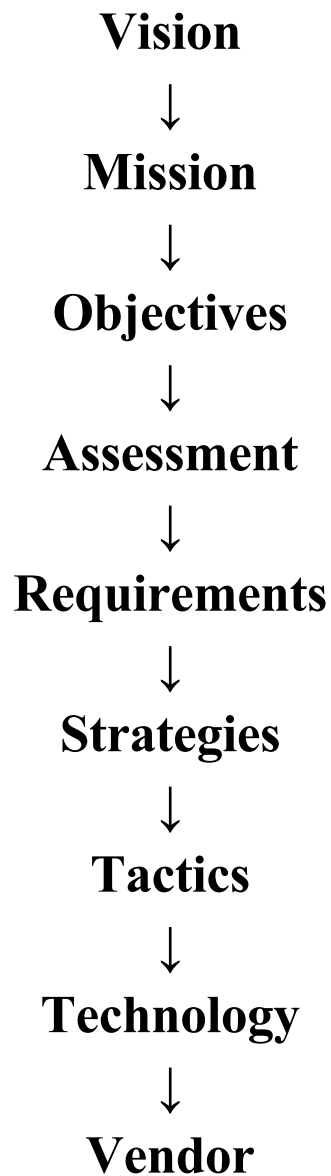
## Traditional vs. Principled NEGOTIATIONS ?



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## Strategic Planning 101



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## “Traditional” Negotiations Styles

**HARD**

vs.

**SOFT**



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## “Principled” Negotiations

A process during which two or more parties exchange common interests, diverse viewpoints, creative ideas, and positive solutions in order to develop an equitable agreement for the benefit of all the parties.



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## “Principled” Negotiations Goals

- Promote Understanding
- Set Positive Tone
- Utilize Fair Standards
- Develop Creative Options
- Promote Merit Evaluation
- Build Productive Relationships
- Promote Shared Accomplishments





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## “Principled” Negotiations Team Examples

- Financial & Legal
- Technical
- Operations
- Implementation



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## “Principled” Negotiations Statements

“Since our objective is fairness for everyone...”

“I am confused. Can you can help me understand...”

“Let me see if I understand what you are proposing...”

“Can I ask a few questions to be sure I understand...?”

“We very much appreciate your assistance...”

“Would a fair solution be the following...?”

“Can we agree on this point...?”

“What do you suggest...?”

“I feel...”



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## **“Principled” Negotiations**

**Best Viewed As An**

**Exercise In**



**Shared**

**Problem Solving**



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## Top Ten Negotiations Rules?



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## Strategic Negotiations Rules

- Rule #1 – A bad relationship cannot be resolved by a good contract.
- Rule #2 – Successful negotiations require mutual commitment to an equitable agreement.
- Rule #3 – All contracts must first be negotiated.
- Rule #4 – A legitimate negotiations process only begins when the parties are willing to commit to a possible agreement.
- Rule #5 – Your reputation is your most important negotiations tool.
- Rule #6 – Serve food.



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Rule #7 – Room layout has a direct effect on meeting productivity.

Rule #8 – Application of the “X=X” factor increases the success of most negotiations.

Rule #9 – At some point both parties must trust each other to proceed forward.

Rule #10 – You always have other choices.



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## Top Ten Negotiations Tips?



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## Strategic Negotiations Tips

- Tip #1 – “Frame” all negotiations meetings.
- Tip #2 – Determine in advance who should and who should not be included in negotiations meetings.
- Tip #3 – Use your “Secret” Negotiations Tools.
- Tip #4 – Ask “Open-Ended” vs. “Leading” questions.
- Tip #5 – Keep all options open for all parties.
- Tip #6 – Be alert to “Quicksand” and “20-Ton Elephant” issues and situations.



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- Tip #7 – Body language speaks volumes.
- Tip #8 – Cultures can be worlds apart.
- Tip #9 – Men are (still) from Mars and women are (still) from Venus.
- Tip #10 – Surgery should be delegated to trained professionals.



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**All**  
**Organizations**  
**Reflect**  
**“The Personality”**  
**Of Its**  
**Leadership**

Robert C. Huber, CMC



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## Negotiating Strategies

### WOMEN

- Avoid Apologies
- Be Brief
- Don't Hint
- Avoid Emotional Displays



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## Negotiating Strategies

### MEN

- Share Before Decision
- Be Humanistic
- Avoid Condescension
- Avoid Emotional Displays



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## R.F.P. Recommendations

- Single Author
- Use Industry Terms
- Avoid Vendor Specific Terms
- Use A Spell Checker
- Avoid Repetitive Questions
- Avoid “Fishbowl” Process
- Avoid Vendor Boilerplates
- Plagiarism Is Problematic
- Customize To Organizational Goals
- Avoid Pre-Bid Conferences



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## **Negotiations** **Formula For Success**

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## Summary

- People reach most decisions with others through \_\_\_\_\_.
- Everyone negotiates something on a \_\_\_\_\_.
- Negotiations is simply about \_\_\_\_\_.
- “Principled” Negotiations is not only recognized as a Business Principle, but often integrated as a \_\_\_\_\_.
- Negotiations is simply an exercise in \_\_\_\_\_.



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## Recommended

- The 7 Habits Of Highly Effective People  
Dr. Stephen Covey
  
- Getting To YES  
– *Negotiating Agreement Without Giving In*  
Roger Fisher and William Ury
  
- Men Are From Mars, Women Are From Venus  
Dr. John Gray
  
- Negotiating For Dummies  
Michael Donaldson



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**Let Us Never  
Negotiate Out of Fear,  
But Let Us Never  
Fear To Negotiate.**

President John F. Kennedy



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