

COSTS

LIVE ZOOM TRAINING

8 Nov 2023 (Wed) | 9am - 5pm

9 Nov 2023 (Thu) | 9am - 5pm

DEVELOPING COMPETENCIES IN COST REDUCTION AND NEGOTIATION FOR PURCHASING

LEARNING OBJECTIVE :

By the end of the 14 hours by 4 session interactive online session or to 2 FULL day classroom learning, the learning curve achieve will enable the following:-

- IDENTIFY** the type of negotiation strategy to be in place to manage procurement negotiation
- DEVELOP** skills in handling difficult negotiation
- UNDERSTAND** successful negotiator techniques
- UNDERSTAND** the positive trait to develop in order to be a successful negotiator
- IDENTIFY** own and opponent strength and weakness and develop alternatives before going into negotiation
- UNDERSTAND** the correct techniques of cost reduction using the ERRANT methodology
- DEVELOP** competencies in handling cost saving and negotiation

METHODOLOGY :

This training will involve the following area to enhance learning:

- Power point presentation
- Case studies & Brain storming session
- Discussion on subject of learning
- Facilitating by trainer to enhance understanding of subject matter
- Case study will be given to all participants on the 1st day of the class for Negotiation and Cost Reduction. Cost reduction case study to be presented by end of day 1 and Negotiation case study by end of day 2.

WHO MUST ATTEND

This training program is highly recommended for employees involve in the managing of the supply chain function in the company, for example, personnel from procurement, warehouse, logistics and planning department and finance.

COURSE OVERVIEW

In order to improve company profitability and ability to drive up market share, the demand for an effective and efficient procurement management is a pre requisite. Key competencies in area of cost control, applying strategic strategy to manage supplies and the negotiation of the most advantageous benefits to the company is extremely important.

This program promotes the key competencies to manage procurement and purchasing effectively by delivering the technique of managing cost saving activities and handling effective negotiation.

COURSE CONTENT

Module 1 – Cost Reduction and Cost Avoidance (4 hours session including 1 hour for case study)

- Cost Reduction versus Cost Avoidance
- Area of Cost Reduction and Cost Avoidance
- Key Factors to consider in Cost Reduction
- Opportunity cost in cost reduction activities
- ERRANT cost reduction and avoidance strategy
- Team setting for cost reduction
- EXCEL spreadsheet reporting on cost avoidance and reduction
- Break out room discussion

Module 2 - Managing Powerful Suppliers

- Problems with powerful suppliers
- Strategies to control powerful suppliers
- Bringing new value to the supplier
- Changing buying strategy
- Create new source
- Play hardball

Module 3 – Understanding Suppliers Traits and Behaviors for Negotiation

- Key suppliers traits that all buyers looking for
- The Leader
- The Innovative
- The Monopoly
- The Follower
- The Complacent
- Understanding the Negotiation Competitiveness Model
- Integrative or Distributive negotiation
- Case study

Module 4 –Key Principle of Negotiation

- What is Negotiation
- Stages of Negotiation
- 5 principles of ethical negotiation
- 7 elements of negotiation

Module 5 –Principled Negotiation

- 4 key principle of principled negotiation
- Generate Option for positive result
- How to use Objective Criteria to Present Argument
- Handling Challenges
- Getting a Yes in negotiation

Module 6 – Understanding your Alternatives

- Definition of WATNA and BATNA
- Steps to develop your alternatives
- Looking for ZOPA

Module 7 – Dealing with Offer and Rejection

- Deciding red lines in negotiation
- Understand when to walk away
- Managing Reject and counter offer
- Dealing with difficult negotiators

Module 8 – Negotiator Profile and Traits

- Negotiation Team
- The Soft Negotiator
- The Principled Negotiator
- The Hard Negotiator
- Traits of a good negotiator
- Bad Negotiator habits
- Mistakes made in Negotiation
- Body language in negotiation
- Bad Negotiator habits
- Mistakes made in Negotiation
- Body language in negotiation
- Dealing with difficult negotiators
- Break out room discussion and role ply

Module 9 - Influencing Strategy

- Why Influencing is Important
- How do you build Influence
- Positive Influencing others
- Key Sources of Influence
- Power strategy versus Influencing strategy
- 3 Rs of Influencing Strategies
- SWOT analysis
- Case study and Role Play