

PROCUREMENT TALK, SERIES 7 EPISODE 9

SUCCESSFUL NEGOTIATIONS

Date: 28 July, 2025



"Welcome to Procurement Talk and this is your host David Byrne. Procurement Talk is for procurement and business professionals, where we provide insights and solutions to your procurement challenges.

Hello and welcome to Procurement Talk. This is David Byrne. We've got another good episode for you today titled Successful Negotiations.

Negotiations are such a key part of virtually everything that we do most days, especially in the procurement and contract management field. Negotiations are a key part of our business, and critical for the success of a professional in our field. But negotiations take work. They take practice and they take understanding. Negotiations just don't happen, and sometimes you don't win always either. Negotiation isn't about getting what you want at the expense of others. It's about clearly communicating your needs and expectations and collaborating, crafting a win-win solution. And as everyone likes to get that win-win, and we're all pushing for that, but that just doesn't happen. It just doesn't fall over the line. It takes a real hard thinking and work at it to develop that collaborative approach and aim for that long-term value over the short-term gains.

Try positioning yourself as a partner, not just a buyer. A lot of suppliers and companies these days now focus on being that partner, putting yourself into the supplier's shoes so that the outcome is a mutual benefit. Today, the best position for us is to position ourselves as a partner with our customers and suppliers. Instead of spreading their businesses over a large number of other companies, consolidate your business into a single supplier with whom you can work closely with and develop a high quality relationship, that leads to better quality pricing and efficiency, and eventually lower prices and higher profits for all parties involve. But getting to this stage, maximising the value for both parties through a win-win, does take your time to consider.

Negotiations are not just about dominating. In the commercial arrangement, understanding the supplier's needs, constraints and goals is very important. Be clear, concise, and specific in your requirements and your expectations when you're going through the negotiation phase. Be aware of those nonverbal clues that can easily give you a way or make you want to cringe worthy when you're seeing somebody else do it. Maintain confident body language and tone. It's an important part of giving across that confidence that you're negotiating and you're comfortable with how it's going and what you're putting across. Have empathy for the needs of suppliers but also build rapport towards establishing a long-term goal. Empathy is important in the negotiation.

And then after we've negotiated, analyse what worked and what didn't and put in place a process so that you can tackle that better next time. And then move to the contract stage and

put the time and effort into your partnership with your suppliers. And that's a key for that longer term partnering with your suppliers so that you've got the true value.

But how do you prepare for a negotiation? Well, know your objectives up front. Have real clear goals about what you want to achieve. Be clear on the cost, the quality, how you want it delivered, the terms and conditions. All these things make up the objectives of what you want to achieve at a negotiation. Research the supplier and understand their businesses, understand their levers and the motivation and constraints for that organisation, and where they're positioned in the market so that you're not going into the meeting naive, you've well researched your supplier, you fully understand your objectives, but also you've set your priorities. You've got some clear must-haves. You must have that. And then some nice-to-haves, and something that you would actually give away so that the supplier knows that you're willing to compromise. Understanding the market, and where benchmark pricing sits, and the appropriate terms and conditions for the particular service or goods that you're procuring.

And some times, you've just got to know that you've just got to walk away. Unfortunately, we can't always get that win-win. So know your walk away point and the alternatives. Prepare for different negotiation outcome and tactics, but being clear on where your walkaway point is and knowing in the back of your mind that you do have alternatives is a great part, and gives you confidence when you're going through that negotiation.

Understand also that sometimes an agreement cannot be reached and that happens and it's unfortunate when it does happen, but that's just part of negotiation. Sometimes it just doesn't run your way.

If you have upcoming new contracts to enter into, I hope this information has helped you. But if you normally go into negotiation with uncertainty and feel like you are looking for some guidance, give us a call at BWD Consulting, and we can help you through the process. We can help you determine what is important for you to achieve, and what you can compromise on. We will look at what your bottom line is to ensure that your goals can be met so that when you enter into a new contract with confidence and a positive start with your new supplier. So have a look for us, visit our website, bwdconsulting.com.au for our contact details, and I hope this episode has helped you. And if you're looking for some more guidance and advice, please don't hesitate to give us a call. All the very best, and bye for now.

This concludes this episode of Procurement Talk. Thank you for listening. Procurement Talk is brought to you by David Byrne and BWD Consulting. We're helping organisations transform procurement. Talk to you again soon. Bye for now."