Webinar: Three Key Principles of Influence: Driving Business Deals and Effective Negotiations

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Procurement & Supply Management Leadership (PSM) Series

Essential Principles of Negotiations
Bid Package Development & Supplier Selection
Contracting Excellence

September 24-28, 2018
Georgia Tech Global Learning Center  www.scl.gatech.edu/PSM
Topics to Cover

A. My Negotiation Journey
B. Leadership Phases of Negotiations
C. Three Key Principles
D. Q&A
My Negotiation Journey

Career Highlights

BRIEF INTRODUCTION

G’Sean Williams, CPSM is a Supply Chain Expert, Industry Speaker, and International Business-to-Business Negotiator. He also serves as the Board Chair for The Institute for Supply Management: Carolinas-Virginia

CAREER HIGHLIGHTS

Progressive roles in Procurement & Supply Chain for Intel ($55B USD), Sealy Mattress ($2.5B USD), Pulte Homes ($5.8B USD) MWV ($5.5B USD), Bristol Myers-Squibb ($19B USD)

EDUCATION HISTORY

2014: ISM Certified Professional in Supply Management
2005: ISM Certified Purchasing Manager
2000: Eli Board College of Business - Supply Chain Management
Michigan State University

BY THE NUMBERS

17 YEARS

• Over 18 years of progressive leadership in areas of Procurement, Materials Management, and Supplier Development

1.25 BILLION +

• Conducted business in 14 countries and territories across the world and executed over $1.5 Billion in B2B negotiations and contracts
My Negotiation Journey

Largest Negotiated Deal

- Pharmaceutical Industry
- Global Integrated Facilities Services
- 25 Sites, 8 Countries
- 1441 In Scope Activities
- Over 25 Service Providers Options
- Selected 2 Final Service Providers
- 5 Year - $865MM Engagement

Actual Contract Agreements
My Negotiation Journey

Key Learnings

- Understand Your Client or Business Unit
  - Identify vested interest with peer influence
- Understand Your Strategic Objectives
  - Scope vs. Time vs. Cost
- Understand Supplier Capabilities
  - Context clues are always spoken, we just have to listen
- Understand Feasibility
  - Don’t demand more than implementation can bare
- Understand the Mastery of Facilitation
  - You don’t always have to be smarter, but you always want to lead
Leadership Phases of Negotiations

3 Phases of Facilitation

- Negotiation Prep
  - Team Alignment | Optimal Location
  - Clear Decision Authority | Identify Hot Topics

- Negotiation Execution
  - Prioritize Agenda | Use Strategic Caucuses/Breaks
  - Show Team Chemistry | Build Trust

- Negotiation Closure
  - Understand the Definition of Closure | Get it in Writing

Solid Facilitation Leadership is UNDERRATED
3 Key Principles of Influence

Key Principles

גנטי kp1 – process
- Understand Potential Roadblocks and Failures/Identify Risk

ATORY KPI 2 – ORGANIZATION
- Think with winning in mind

 seksi KP3 – RELATIONSHIPS
- Know your audience
3 Key Principles of Influence

○ KP1 – Process
  ● Understand Potential Roadblocks and Failures/Identify Risk
    ○ Leverage Process Failure Mode & Effect Analysis (PFMEA)

1. Start with Process Map

   PO is sent  Order is processed  Product is ship through customs  Product is repackaged at a 3PL  Product arrives to my location

2. Identify Process Risk

<table>
<thead>
<tr>
<th>Function</th>
<th>Potential Failure Mode</th>
<th>Potential Effects of Failure</th>
<th>S</th>
<th>Potential Cause of Failure</th>
<th>O</th>
<th>Current Process Controls</th>
<th>D</th>
<th>RPN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase order is sent</td>
<td>Order is not received per PO Lead Time</td>
<td>We shut down production</td>
<td>10</td>
<td>Purchase Order Never Received by Supplier</td>
<td>2</td>
<td>Supplier Order Acknowledgement Confirmed</td>
<td>2</td>
<td>40</td>
</tr>
</tbody>
</table>

3. Identify Negotiation Points based on Commercial, Operational and Legal aspects to the risk

4. Incorporate into negotiation prep strategy to build trust with stakeholders
3 Key Principles of Influence

○ KP2 – Organization
  ● Think with winning in mind
    Regardless of how simple or complex, always start with how you will LOCK in the deal!

  - Legal Considerations
  - Operational Steps
  - Commercial Gains
  - Knowledge Transfer

LOCK Model is courtesy of PSM Training Solutions
3 Key Principles of Influence

KP3 – Relationships

- Know your audience

- Reviewed the styles of over 700 professionals over last 4 years
- Participants went through negotiation programs in US, Middle East and SE Asia
- We took a sample population to understand the common style trends below:

Hunters – Relatively speaking they enjoy more: Vocal leadership, tactics deployment, impromptu encounters, negotiation strategy, conflict resolution

Gatherers – Relatively speaking they enjoy more: Fact-based dialog, research leadership, technique checklist, defined roles & responsibilities
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See you in class!
3 Key Principles of Influence

G’Sean Williams, CPSM
SCL Professional Education Instructor

Q & A?