The Essentials of Contracting and Contract Negotiation Training
Introduction

The course will help delegates to develop their ability to negotiate contracts effectively. It will equip them with a range of interpersonal skills, and appreciation of the elements of planning and objective setting in negotiations. There will be an opportunity for delegates to carry out a self-assessment of their skills in key areas of negotiation including team negotiations.

Every day significant monies are made and lost by organizations as a result of the contractual terms and conditions governing contracts for the purchase of goods, equipment, and services. Since all business activities are governed by contractual relationships, it is increasingly important for all those dealing with outside organizations to have an understanding of how to obtain the best possible agreement for their organization.

This course will feature:

- How contracts are created and the main clauses that appear in contracts
- Alternative contracting strategies and structures
- Methods to be used in negotiating contracts
- Commercial issues arising from business agreements written in the English language
- Negotiating contractual variations and claims

Objectives

- Understand how contracts are formed
- Explain how to use contract provisions to reduce the risk of disputes
- Understand the impact dispute may have on relationships over the long term
- Describe the use of strategies to resolve the causes of disputes
✓ Improve appreciation of legal issues in contracts and develop new skills in negotiation.

Content

Day One

❖ How contracts are formed

✓ The reasons for using contracts
✓ Basic principles in contract formation
✓ Examples of formalities for contract formation
✓ Authority to sign a contract and the principles of agency
✓ Basic contractual structures
✓ Use of different types of contract for different business models

Day Two

❖ Main contract provisions and associated issues: managing risk

✓ Hierarchy of contract terms
✓ Warranty, Indemnity and Insurance provisions
✓ Distribution of risk and performance obligations
✓ Termination, suspension and force majeure
✓ Selecting the appropriate law to govern the contract
✓ Collateral warranties and entire agreement

Day Three

❖ Changes and Variations

✓ Changes to the contract
✓ Transfer of rights: assignment and novation
Variation to the scope of work and variations clauses

Controlling and managing change

Minimising Claims and Disputes

Delay and disruption

Day Four

- **Standardising Contractual Documents and Securitising Performance**
  - Use of standard form contractual documents
  - International standard form agreements
  - Bonds, guarantees and letters of assurance
  - Managing payment risk
  - Reservation of ownership
  - Remedies for default – rework, re-performance, damages, penalties and performance

Day Five

- **Dispute Resolution and Conflict Management**
  - Using contracts to avoid disputes
  - Tiered dispute resolution mechanisms
  - The Contract clause to encourage negotiation
  - Litigation and Arbitration
  - Modern dispute resolution processes including mediation
  - Course review and analysis
Day Six

- **Fundamentals of Negotiation**
  - Negotiation defined
  - Disputes and the need for resolution
  - Place of negotiation in the contractual resolution process
  - Commercial impact of the breakdown of negotiations
  - Best Alternative To a Negotiated Agreement (BATNA)
  - The four phase process of negotiation

Day Seven

- **The Negotiator's Toolbox**
  - Preparation
  - Information needs
  - Drafting your proposal which will open the discussion
  - The negotiation discussion phase
  - Bargain and Close
  - Negotiating position setting

Day Eight

- **Negotiating Styles, Tactics and Ploys**
  - Cultural & international issues
  - Red, Purple & Blue negotiators
  - Non-verbal communication and the interpretation of body language
  - Make time your friend
✓ Silence and ploys as tactics and how to respond effectively

Day Nine

❖ **Personal Fitness and Dealing with Difficult Negotiations**

✓ Interests, positions and escalation
✓ Stakeholder power behind the interests in negotiation
✓ Negotiator as a Mediator
✓ Team negotiations
✓ Proposals and persuasion

Day Ten

❖ **Putting it all into practice**

✓ Negotiation case study
✓ Team allocation and simulation exercise
✓ Analysis of performance
✓ The Do’s and Don’ts of Negotiating
✓ Improving what we do - action planning