



Study Guide

Negotiating Performance Measurement – Solved!

Session Description

Budgets are not useful for measuring Negotiated Prices because the marketplace is too unpredictable and volatile.

This webinar describes how to build simple, effective measurement tools that can help manage (and improve) negotiating performance and clearly demonstrate the financial value you and your team bring to your organization.

Key take-aways:

- Why budgets are great for managing pricing variances but not negotiating performance
- A preferred approach to measuring negotiating performance
- How companies can gauge their relative competitive position on costs

Reflection Questions

1. Why is it especially important in 'up markets' to be on the lookout for price creep?

2. How can you gauge your relative competitive position in the marketplace?



3. Why are just raw materials usually sufficient when building a should cost model designed for price negotiations?

4. What are the three steps for successful should cost model implementation?

5. What are the most common reasons procurement might be unprepared for a negotiation?

6. Why might a 'down market' be dangerous for companies using budgets to benchmark negotiating performance?

7. How can procurement tie input costs back to the budget?