

THE COMMERCIAL NEGOTIATION

Why is it so important to evaluate the outcome of commercial negotiation?

- For large companies, an annual negotiation with retailers usually means putting millions of dollars in investments every year.
- The negotiation has a significant impact in the financial results.
- The negotiation outcomes tend to be complex making their **evaluation** a difficult but essential task.

PHASES OF THE NEGOTIATION

- 1. Preparation and planning
- 2. Goals agreement and alignment
- 3. Positions and strategies
- 4. Closure and implementation
- 5. Outcome evaluation

EVALUATING THE RESULTS

- Key Performance Indicators
 - Achievement of objectives
 - Financial results (estimation)
- Other approaches:
 - Emotional, personal targets and motivations
 - Short term win? Or long term win win?
 - Is the relationship stronger after the negotiation?
- Key stakeholders when evaluating:
 - Negotiation team
 - Top management (not in the negotiation)
 - Other parties in the negotiation



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