

#### 4.4 Negotiation Skills Exercise

“Negotiation Plan”

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Anatomy of Project Organizations

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## Negotiation Plan

### Overview

This negotiation skills exercise will address Textron Aviation's (TXTAV) negotiation plan to win the contract to modify an existing customers Super King Air B300 avionics suite from the legacy Honeywell system to a fully integrated Rockwell Collins Fusion package. This contract represents Textron Aviation's commitment to each customer by providing state of the art solutions as an option to a costlier aircraft purchase and is in line with Textron's strategic plan. Focus will be placed on negotiating the resources needed to staff the project management office and project team.



### Plan

Before engaging in any negotiation, the most important item, and the foundation for everything else is to be prepared (Englund, 2010, p. 2). Preparation begins by creating a roadmap, or plan, with regards to the negotiation itself. This plan is a four-step process that will establish the guidelines and help Textron Aviation prepare for the negotiation process. To be successful, Textron must research the project from the customer's point of view, establish objectives to be met, develop a plan for possible trade-offs, and try to anticipate customer questions. It is essential that Textron Aviation understands what is negotiable and what is not

(Lussier Ph.D. & Achua D.B.A., 2013, p. 174), to achieve a result that is mutually beneficial to both parties.



The plan must take into account project goals and objectives, as well as human and logistical resources required. Understanding the project thoroughly will help project management identify the personnel needed in support of contract negotiations between Textron Aviation and the aircraft owner. To properly staff the project office and project team, Textron Aviation leadership must assign the needed resources to ensure organization goals are met, the strategy is followed, and customer satisfaction is assured.

### **Project Background**

The Super King Air B300 project requires the complete removal of the legacy avionics suite, instrument panel, and supporting wiring. This level of modification requires both experience and knowledge to achieve success and ensure customer safety, post-delivery. Project managements understanding will help them prepare for possible customer questions, determine project cost, set timelines, understand manpower requirements, determine logistical support, and establish the project office and team requirements. By doing so, Textron Aviation will be poised

for a successful project and contract negotiation. As part of the negotiation preparation, Textron Aviation Management shall address the following issues:

- Supply chain support
- Project Staff Requirements
  - Project Management Office
  - Quality Assurance
  - Engineering Support (Outsourced Electrical and Structural)
  - Structure Shop Support
  - Avionics Installation Shop Support
  - Logistics Support

### **Research other Parties**

Understanding the needs of the potential customer is key to ensuring their needs are met. What aspects does the customer like and dislike? What options are available as an alternative to the standard package? These are a few of the questions management should be prepared to discuss. Another key element is customer expectation. They might expect something that is not possible or is possible but not practical. It is important that Textron understands what is needed to meet expectation, achieve project success, and meet organizational strategy.

### **Objectives**

Objectives help identify and secure the human, logistical, and supply chain resources necessary for success. For this exercise, our object will be to secure human resources in support of project objectives. Two options are available for manpower, a one shift team capable of a

typical Monday thru Friday eight-hour day, and a two-shift team capable of a typical Monday thru Friday sixteen-hour shift.

| Department                    | Staff     |
|-------------------------------|-----------|
| Project Office                | 4         |
| Quality Assurance             | 1         |
| Engineering Support           | 2         |
| Structure Shop Support        | 2         |
| Avionics Install Shop Support | 5         |
| Logistics Support             | 2         |
| <b>Total</b>                  | <b>16</b> |

*Table 1 – Staff Requirement (1 Shift)*

| Department                    | Staff     |
|-------------------------------|-----------|
| Project Office                | 4         |
| Quality Assurance             | 2         |
| Engineering Support           | 2         |
| Structure Shop Support        | 3         |
| Avionics Install Shop Support | 10        |
| Logistics Support             | 2         |
| <b>Total</b>                  | <b>23</b> |

*Table 2 – Staff Requirement (2 Shifts)*

A single shift team is capable of achieving project objectives. Whether or not change is necessary would depend on project restraints such as time or cost. Should time become a factor, a second team option is available, but at a greater cost.

### **Trade-offs**

Trade-offs offer an option when negotiated items are not available, or not offered. Should the added cost of a second shift result in non-approval of the project, an option might be to reduce cost by offering a one team solution but at the request of more time. Trade-offs should be anticipated to help keep the negotiation from stalling. Table 1 offers a view of a one shift team, whereas Table 2 offers a view of a two-shift option. To begin this negotiation, research and anticipate whether or not cost or time is the most important factor. Once a successful

negotiation is achieved, the agreed to human resources can be assigned to the project office and project team to begin their work.

### **Conclusion**

To ensure success, project management must ensure the project is properly staffed. Customer and project requirements, as well as available human resources dictate team composition. The negotiation process allows individuals and teams to display their personality, ability, culture, and vision. Whether it be through politicking, networking, or the ability to project power, negotiating the proper level of support is key to success. Once the project is successfully negotiated, human resource support and staffing of the project office and project team must begin. Bringing together the experience and knowledge make it possible to succeed and grow, in support of organization mission strategy.

## References

- Englund, R. L. (2010). Negotiating for success, are you prepared? Retrieved from  
<http://www.pmi.org/learning/library/negotiating-project-outcomes-develop-skills-6781>
- Lussier Ph.D., R. N., & Achua D.B.A., C. F. (2013). *Leadership: Theory, Application, & Skill Development* (5th ed.). Mason, OH: South-Western.