

**Unit of Competency**

**Functional Area: Sales and Merchandising**

Title	Conduct contract negotiation
Code	105321L5
Range	This unit of competency is applicable to practitioners in the import and export industry to conduct contract negotiation with vendors in according to company goals.
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> <li>1. Possess knowledge of contract negotiation <ul style="list-style-type: none"> <li>• Use a range of skills to plan for contract negotiation</li> <li>• Command a wide range of techniques to negotiate contract</li> </ul> </li> <li>2.1. Prepare for contract negotiation <ul style="list-style-type: none"> <li>• Identify the company goals (e.g., cost reduction, product enlargement, service enhancement, relationship development)</li> <li>• Determine the need for legal counsel</li> <li>• Arrange negotiation with proper person who has authority to make decision</li> </ul> </li> <li>2.2. Plan for contract negotiation <ul style="list-style-type: none"> <li>• List all alternatives and rank the priorities</li> <li>• Review the priorities and make adjustment if appropriate</li> <li>• Set the bottom line</li> <li>• Define constraints and requirements (e.g., completion dates, lead times, performance measurement standards, etc.)</li> <li>• Evaluate potential risks and liabilities</li> </ul> </li> <li>3. Establish contractual relationship <ul style="list-style-type: none"> <li>• Bargain with vendors for best price and high quality products or services</li> <li>• Achieve agreements which are beneficial to all parties involved</li> <li>• Provide a firm foundation to establish long term relationship with the contractual parties through contractual relationship</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of preparing and planning for contract negotiation</li> <li>• Capable of conducting contract negotiation</li> </ul>
Remark	