

**MAKERERE UNIVERSITY  
MAKERERE UNIVERSITY BUSINESS SCHOOL  
ACADEMIC YEAR 2024/2025, SEMESTER ONE**

**COURSE OUTLINE**

<b>PROGRAMME</b>	:	Bachelor of Procurement and Supply Chain Management (BPSM)
<b>YEAR OF STUDY</b>	:	Two
<b>COURSE UNIT</b>	:	Procurement Business Negotiations and Contracting (PBN)
<b>COURSE CODE</b>	:	PSM2107
<b>CREDIT UNITS</b>	:	4

**FACILITATORS**

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**Face-to-face lectures**

**Group A: Monday 8:00 am – 10:00 am & Saturday 8:00 am—10:00 am [Digital Lab]**

**Group B: Monday 1:00 pm—3:00 pm & Wednesday 1:00 pm—3: 00 pm [WTO]**

**Group C: Tuesday 7:30 pm—9:30pm & Wednesday 5:30 pm—7:30 pm [Block 5 Room 1]**

**Online lectures:**

**Group A: Monday 8:00 am—10:00 am & Saturday 8:00 am—10:00 am**

**Group B: Monday 1:00 pm—3:00 pm & Wednesday 1:00 pm—3:00 pm**

**Group C: Tuesday 7:30 pm – 8:30 pm & Wednesday 5:30 pm – 7:30 pm**

**Course introduction**

The ability to negotiate effective procurement contracts is one of the most important skills practicing procurement and supply chain professionals must have and be able to demonstrate at all times. Accordingly, in both public and private sector procurement, skills in negotiation and contracting are highly valued in the pursuit of commercial ‘value for money’ outcomes. The course ‘Procurement Business Negotiation and Contracting’ is designed to equip the learner with negotiation and contracting skills for effective and efficient procurement and supply chain management within organizations. The course aims at providing participants with the ability to apply theory and conceptual understanding relating to negotiation and contracting in respect of preparation, planning and participating in the negotiation process, and contracting and contract execution. Thus, by the end of this course, participants should be able to plan and prepare to undertake negotiations, design effective procurement and supply contracts, and also to

understand how they would be able to assess effectiveness of procurement and supply negotiations and/or contracts.

### **Course Objectives**

The aim of this course is to provide participants with the skills and knowledge needed for successful negotiations, including:

1. Ability to explain the principles and dynamics of the negotiation process and how to avoid the common traps in negotiation
2. Examine and apply appropriate and effective win-win negotiation strategies based on assessment of the other parties' needs
3. Identifying and actively working on their own negotiation strengths and weaknesses
4. Ability to explain, and distinguish between negotiation and contracting in the procurement process, and appreciate how these are inter-related
5. Identify the critical skills essential for effective negotiation and contracting in procurement
6. Ability to design effective procurement and supply contracts

### **Learning Outcomes**

By the end of this course students will be able to:

1. Explain the main models and processes of procurement negotiation and contracting
2. Plan, execute and manage procurement negotiations with suppliers
3. Explain the key factors to consider when negotiating with suppliers
4. Identify and negotiate key variables in procurement and supply contracts
5. Recognize the importance of personal attributes and behaviors during a negotiation
6. Explain the reasons for negotiating in procurement—before a contract is entered into and during the operation of the contract
7. Evaluate the impact of environmental and cultural factors on the negotiation process outcomes
8. Examine certain contemporary issues impacting procurement contracts negotiation outcomes

## COURSE CONTENT

#	Topic	Content	Hours	Teaching method	Facilitator (s)
1.	Introduction - The value of negotiations and contracting in procurement and supply	<ul style="list-style-type: none"> <li>• Definition of terms - Procurement “as a business”, “negotiation” and “contracting”</li> <li>• The position of procurement negotiations and contracting in the procurement process</li> <li>• The value of negotiations and contracting in procurement and supply</li> </ul>	<b>2 hours</b> (Week 1 starting 12/08/24)	<ul style="list-style-type: none"> <li>• Face-to-face lectures</li> <li>• Online lectures</li> <li>• Group discussions</li> <li>• Class discussions</li> </ul>	<b>Dr Kalubanga M.</b> Mr. Aliganyira F.
2.	The Concept of procurement Negotiation	<ul style="list-style-type: none"> <li>• Procurement negotiation –concept versus practice</li> <li>• Content of a procurement negotiation</li> <li>• When to negotiate</li> <li>• Why negotiate? Reasons for negotiating before a contract is entered into versus during the operation of a contract.</li> <li>• Approaches to procurement negotiation</li> <li>• Procurement negotiation tactics</li> <li>• Procurement contract—concept versus practice</li> </ul>	<b>4 hours</b> (Weeks 1 starting 12/08/24 & Week 2 starting 19/08/24)	<ul style="list-style-type: none"> <li>• Face-to-face lectures</li> <li>• Online lectures</li> <li>• Group discussions</li> <li>• Class discussions</li> </ul>	<b>Dr Kalubanga M.</b> Mr. Aliganyira F.
3.	The Negotiation Process & Contracting	<ul style="list-style-type: none"> <li>• Key stages in the negotiation process: pre – negotiation (planning &amp; preparing for negotiation, developing a BATNA), actual negotiation, post negotiation</li> <li>• Ratification in negotiations: meaning, relevance and applications.</li> <li>• Procurement and supply contracts—designing effective procurement and supply contracts, essential elements of procurement and supply contracts, entering into procurement and supply contracts</li> <li>• What to negotiate for in a procurement contract</li> </ul>	<b>6 hours</b> (Week 3 starting 26/08/24 & Week 4 starting 02/09/24)	<ul style="list-style-type: none"> <li>• Face-to-face lectures</li> <li>• Online lectures</li> <li>• Group discussions</li> <li>• Class discussions</li> </ul>	<b>Dr Kalubanga M.</b> Mr. Aliganyira F.
4.	Support Tools for procurement negotiation	<ul style="list-style-type: none"> <li>• SWOT Analysis</li> <li>• Breakeven Analysis</li> <li>• Cost and Price Analysis</li> </ul>	<b>6 hours</b> (Week 5 starting	<ul style="list-style-type: none"> <li>• Face-to-face lectures</li> <li>• Online lectures</li> <li>• Group discussions</li> </ul>	<b>Dr. Babirye H.</b> Ms. Hanim T.

		<ul style="list-style-type: none"> <li>• Industry and Market Analysis</li> <li>• Kraljic Matrix</li> <li>• Learning Curve</li> <li>• Stakeholder Management</li> </ul>	09/09/24 & Week 6 starting 16/09/24)	<ul style="list-style-type: none"> <li>• Class discussions</li> </ul>	
5.	Factors that affect negotiation	<ul style="list-style-type: none"> <li>• Negotiation variables</li> <li>• Factors that influence negotiations and their outcomes</li> <li>• Power and Influence in Commercial Negotiations</li> <li>• Factors that weaken negotiation positions</li> </ul>	<b>6 hours</b> (Week 7 starting 23/09/24 & Week 8 starting 30/09/24)	<ul style="list-style-type: none"> <li>• Face-to-face lectures</li> <li>• Online lectures</li> <li>• Group discussions</li> <li>• Class discussions</li> </ul>	<b>Dr Babirye H.</b> Ms. Hanim T. Mr. Ongero V.
6.	Personal attributes and behaviours for effective procurement negotiation and contracting	<ul style="list-style-type: none"> <li>• Qualities of a good negotiator</li> <li>• Why people are ineffective negotiators</li> <li>• Non-Verbal Communication during Negotiation</li> <li>• Common conflicts that arise during negotiation</li> <li>• Conflict Management in Negotiation before a contract is entered into and during the execution of the contract</li> <li>• Conflict Handling Styles for effective procurement negotiation and contracting</li> </ul>	<b>3 hours</b> (Week 9 starting 07/10/24)	<ul style="list-style-type: none"> <li>• Face-to-face lectures</li> <li>• Online lectures</li> <li>• Group discussions</li> <li>• Class discussions</li> </ul>	<b>Mr. Ongero V.</b> Ms. Hanim T.
7.	Evaluation of Procurement Negotiations	<ul style="list-style-type: none"> <li>• Why Evaluate Negotiation Performance?</li> <li>• Aspects to Be Evaluated / Evaluation Criteria</li> <li>• Improving Negotiation Performance</li> </ul>	<b>3 hours</b> (Week 10 starting 14/10/24)	<ul style="list-style-type: none"> <li>• Face-to-face lectures</li> <li>• Online lectures</li> <li>• Group discussions</li> <li>• Class discussions</li> </ul>	<b>Dr Babirye H.</b> Ms. Hanim T.
		<ul style="list-style-type: none"> <li>• A CASE STUDY GIVEN HERE</li> </ul>		<ul style="list-style-type: none"> <li>• Group discussions and presentations</li> </ul>	
8	Negotiation in an International Context	<ul style="list-style-type: none"> <li>• Defining international negotiations and negotiating international procurement and supply contracts</li> <li>• Key considerations (factors) for successful international negotiations.</li> <li>• Cross cultural negotiations</li> </ul>	<b>6 hours</b> (Week 11 starting 21/10/24 & Week 12 starting 28/10/24)	<ul style="list-style-type: none"> <li>• Face-to-face lectures</li> <li>• Online lectures</li> <li>• Group discussions</li> <li>• Class discussions</li> </ul>	<b>Dr Kalubanga M.</b> Mr. Aliganyira F. Ms. Hanim T.

		<ul style="list-style-type: none"> <li>• Dos and Don'ts in negotiating international procurement contracts</li> <li>• Addressing concerns when negotiating in international contexts</li> <li>• Negotiating decisions and managing conflict (s) in multicultural teams</li> <li>• Strategies for successful cross-cultural negotiations</li> <li>• Ethical considerations in cross-cultural/ International procurement negotiations</li> </ul>			
9.	Online negotiation versus Telephone negotiation	<ul style="list-style-type: none"> <li>• Definition of online negotiations</li> <li>• Online negotiation process</li> <li>• Support tools for online negotiation</li> <li>• Advantages and disadvantages of online negotiation</li> <li>• Ethical considerations in online negotiations</li> <li>• Other considerations (other than ethics) in online negotiation</li> <li>• Telephone negotiations/negotiating on phone</li> <li>• Advantages and disadvantages of telephone negotiations</li> </ul>	<b>6 hours</b> (Week 13 Starting 04/11/24)	<ul style="list-style-type: none"> <li>• Face-to-face lectures</li> <li>• Online lectures</li> <li>• Group discussions</li> <li>• Class discussions</li> </ul>	<b>Dr Babirye H.</b> Mr. Ongero V.
	<b>COURSE REVIEW AND EVALUATION</b>		<b>3 hours</b> (Week 14 starting 11/11/24)		<b>Dr Kalubanga M.</b> Dr. Babirye H. Mr. Aliganyira F. Mr. Ongero V. Ms. Hanim T.
	<b>Examination Period</b>		<b>18/11/2024—07/12/2024</b>		

## Mode of Assessment

Coursework test 1	Due at the end of 6 <sup>th</sup> week	15%
Coursework test 2	Due at the end of 9 <sup>th</sup> week	15%
Final (Written) Examination	Due at semester end	70 %
<b>Total</b>		<b>100 %</b>

### More information about assessment and examination modes.

#### (a) Course work Tests (overall total score will be out of 30%)

Students will:

- Attend class tests
- Take in-class assessments/ quizzes
- Individual take home assignments

#### (b) End of semester exam (total score will be out of 100% but recomputed to out of 70%)

The end-semester exam will cover the entire course materials and the respective literature given/indicated (textbooks, reader and handouts). In the exam, all the course content will be tested. Students who will not have attained the 50% minimum score (required pass mark) will fail the course and will have to retake the course when next offered.

### Examinations administration and inspection

Examinations administration and inspection will be carried out in accordance with the provisions of Makerere University Business School exam regulations

### Key reference text books

Baily, P., Farmer, D., Jessop, D. and Jones, D. (2005), *Purchasing Principles and Management*, 9th ed., FT, London

Salacuse, J. W. (2015). *The global negotiator: Making, managing and mending deals around the world in the twenty-first century*. St. Martin's Press.

Kenneth Lysons & Brian Farrington, (2006), **Purchasing and Supply Chain Management**, (Seventh Edition), Pearson Education Limited

Kenneth Lysons & Michael Gillingham, (2003), **Purchasing and Supply Chain Management**, (Sixth Edition), Pearson Education Limited

CIPS Manual on Negotiating and Contracting in Procurement and Supply.

### Other references (including scholarly research articles)

Arjan. J. Van Weele, (2005), **Purchasing & Supply Chain Management – Analysis, Strategy, Planning and Practice**, (Fourth Edition), Thomson Learning

Brian J. Dietmeyer and Rob Kaplan (2004) **Strategic Negotiation: A Breakthrough 4-Step Process for Effective Business Negotiation** Dearborn Financial Publishing  
SBN: 0793183049

Jeanne M Bret (2007) *Negotiating Globally*. John Wiley & Sons, Inc

Peter Baily, David Farmer, David Jessop & David Jones, (1998), **Purchasing, Principles and Management**, (Eighth Edition), Pearson Education Limited

Peter Baily, David Farmer, David Jessop & David Jones, (2006), **Purchasing, Principles and Management**, (Ninth Edition), Pearson Education Limited

Students are requested to make use of the internet and magazines like procurement news, supply management (CIPS) to keep in touch with changes and current affairs in purchasing