

Explain and apply negotiation skills and techniques in a commercial situation

Level 5

Credits 4

Purpose People credited with this unit standard are able to: demonstrate knowledge of negotiation processes and characteristics; plan a process to achieve a commercial outcome through negotiation; apply negotiation skills and close a commercial negotiation; and evaluate personal performance in the negotiation.

Subfield Business Operations and Development

Domain Systems and Resources Management

Status Registered

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Entry information Open.

Accreditation Evaluation of documentation and visit by NZQA and industry.

Standard setting body (SSB) NZQA Business and Management

Accreditation and Moderation Action Plan (AMAP) reference 0113

This AMAP can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Special notes

- 1 This unit standard is for people who have, or seek, responsibility for undertaking commercial contract negotiations with current or potential suppliers or customers for goods, services, materials, or systems.
- 2 Glossary
Commercial negotiation refers to the process of negotiation with a supplier, customer, or contractor on terms of purchase, sale, or supply of materials, goods, services, equipment, or property for valuable consideration. The outcome of negotiation may be in the form of a purchase or sales order, supply contract, deed of sale, lease, or other commercial agreement.

Organisation refers to the business entity which may be – profit or non-profit; in private, public, or voluntary sectors; a business unit, iwi, or other special purpose body.

Organisational requirements are those that are formally documented, and are available for reference in the workplace.

- 3 This unit standard will be assessed on the basis of evidence of demonstrated performance in the workplace, or in simulated situations that demand performance equivalent to that required in work.
- 4 Evidence is expected for at least two negotiations.

Elements and performance criteria

Element 1

Demonstrate knowledge of negotiation processes and characteristics.

Performance criteria

- 1.1 Negotiation theories are identified, and described in terms of their characteristics, and their differences.

Range negotiation theories may include but are not limited to – positional bargaining, distributive bargaining, integrated bargaining.
- 1.2 Essential processes of negotiation are explained.

Range preparation, discussion, proposing bargaining, closing.

Element 2

Plan a process to achieve a commercial outcome through negotiation.

Performance criteria

- 2.1 Objectives are defined for the outcome to be achieved.
- 2.2 The essential processes are accommodated in the negotiation plan, and suit the negotiation objectives.
- 2.3 Negotiation theory is integrated in the negotiation plan.

Range one of the identified theories.
- 2.4 Possible contingencies are identified, and incorporated in the plan, in accordance with organisational requirements.

Element 3

Apply negotiation skills and close a commercial negotiation.

Performance criteria

- 3.1 Negotiation is conducted according to the negotiation plan, and any variations are justified.
- 3.2 The negotiation is closed according to the negotiation plan, and any variations are justified.
- 3.3 The negotiation is recorded in a manner and form appropriate to the type of commercial agreements, and as agreed by the parties.

Element 4

Evaluate personal performance in the negotiation.

Performance criteria

- 4.1 The evaluation includes self-reflection on performance in relation to requirements of the plan.
- 4.2 Consultation with stakeholder(s) identifies any personal performance issues that need addressing.

Please note

Providers must be accredited by the Qualifications Authority, or an inter-institutional body with delegated authority for quality assurance, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be accredited by the Qualifications Authority before they can register credits from assessment against unit standards.

Accredited providers and Industry Training Organisations assessing against unit standards must engage with the moderation system that applies to those standards.

Accreditation requirements and an outline of the moderation system that applies to this standard are outlined in the Accreditation and Moderation Action Plan (AMAP). The AMAP also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

Comments on this unit standard

Please contact the NZQA National Qualifications Services ngs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.