COSTING, PRICING & COMMERCIAL NEGOTIATION TACTICS



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Introduction

Costing, Pricing & Commercial Negotiation Tactics examines how commercial teams build prices from real cost data and then defend them at the negotiating table. This Training Course covers cost structure analysis, overhead allocation, margin design, and price negotiation. Participants study activity-based costing, standard costing, should-cost modelling, price elasticity, and BATNA-based negotiation planning. Furthermore, the programme connects analysis to outcomes through costing labs, pricing model builds, and live negotiation simulations. As a result, delegates leave able to price with evidence, explain margins credibly, and negotiate commercial terms that protect profitability.

Costing, Pricing & Commercial Negotiation Tactics Course Objectives

- Define costing, pricing, and their link to commercial performance.
- Analyse cost structures across direct, indirect, fixed, and variable costs.
- Apply activity-based and standard costing methods.
- Build should-cost models and cost breakdown structures.
- Allocate overhead and absorb fixed costs accurately.
- Set prices using cost-plus, value-based, and market-based methods.
- Assess price elasticity, segmentation, and discount policy.
- Plan negotiation using BATNA, ZOPA, and concession design.
- Counter price pressure and aggressive discounting tactics.
- Protect margin and document pricing decisions properly.

Course Methodology

- Interactive workshops using real cost sheets and price files.

- Costing and should-cost modelling labs.
- Pricing model and margin analysis exercises.
- Negotiation simulations with coached feedback.
- Discount policy and counter-tactic role-plays.
- Action planning that converts each session into a workplace commitment.

Who Should Take This Course

- Pricing and commercial managers.
- Cost estimators and cost engineers.
- Sales and business development professionals.
- Procurement and sourcing specialists.
- Finance business partners and analysts.
- Bid and tender managers.
- Product and category managers.

Costing, Pricing & Commercial Negotiation Tactics Course Outlines

Day 1: Costing Foundations and Cost Structures

- Defining cost, price, value, and margin.
- Direct, indirect, fixed, and variable cost classification.
- Cost behaviour and relevant cost analysis.
- Job costing, process costing, and batch costing.
- Activity-based costing and cost driver analysis.
- Standard costing and variance analysis basics.

- Building the cost model and cost baseline.

Day 2: Cost Estimation and Should-Cost Modelling

- Cost estimating methods and estimate classes.
- Cost breakdown structures and element analysis.
- Should-cost modelling and open-book costing.
- Learning curves and volume-driven cost behaviour.
- Overhead absorption and allocation bases.
- Inflation, indexation, and currency effects.
- Validating cost estimates against benchmarks.

Day 3: Pricing Strategy and Margin Management

- Cost-plus, value-based, and market-based pricing.
- Target costing and design-to-cost approaches.
- Price elasticity, segmentation, and willingness to pay.
- Discount policy, rebates, and volume incentives.
- Gross margin, contribution margin, and break-even analysis.
- Price escalation, indexation, and contract price adjustment.
- Pricing approvals, governance, and documentation.

Day 4: Commercial Negotiation Tactics

- Negotiation planning with BATNA, ZOPA, and reservation values.
- Anchoring, framing, and opening offer strategy.
- Concession planning and trade-off matrices.
- Handling discount pressure and aggressive tactics.

- Value selling and total cost of ownership arguments.
- Managing deadlock, threats, and multi-round negotiations.
- Ethical limits and documentation of agreed terms.

Day 5: Protecting Margin and Closing Deals

- Margin leakage analysis and control.
- Contract terms that protect price and payment.
- Payment terms, credit, and cash flow considerations.
- Variation, escalation, and indexation clause management.
- Post-negotiation review and lessons learned.
- Pricing performance measurement and reporting.
- Personal action plan and continuous improvement.

Conclusion

By successfully completing Costing, Pricing & Commercial Negotiation Tactics, participants will have acquired a practical command of cost structure analysis, should-cost modelling, pricing strategy, and negotiation tactics. They will know how to build prices from evidence, explain margin drivers clearly, and defend value against discount pressure. In addition, the course prepares delegates to protect profitability through contract terms and disciplined approval. As a result, they return to work ready to price commercially and negotiate with confidence. Gentex Training Center delivers this Training Course with a practical, standards-based approach.

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FAQs for the Costing, Pricing & Commercial Negotiation Tactics course

Q1 What is the "Costing, Pricing & Commercial Negotiation Tactics" course about?

It is a five-day programme that connects cost analysis with pricing decisions and negotiation practice. It covers cost structures, activity-based and standard costing, should-cost modelling, pricing methods, margin management, negotiation tactics, and margin protection.

Q2 What are the key benefits of the "Costing, Pricing & Commercial Negotiation Tactics" course?

Participants gain the ability to build prices from evidence rather than intuition, explain margins clearly to finance and customers, and defend value against aggressive discounting. They also learn to design discount policies that protect profitability and to document pricing decisions that withstand internal review.

Q3 What skills will I gain from the "Costing, Pricing & Commercial Negotiation Tactics" course?

Cost structure analysis with activity-based and standard costing, should-cost modelling with cost breakdown structures, pricing strategy with margin and elasticity analysis, and commercial negotiation with concession design and margin protection.

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Q4 What tools, methods, or standards are covered in the "Costing, Pricing & Commercial Negotiation Tactics" course?

The course covers direct, indirect, fixed and variable cost classification, cost behaviour and relevant cost analysis, job, process and batch costing methods, activity-based costing with cost driver analysis, standard costing and variance analysis, cost breakdown structures and element analysis, cost estimating methods and estimate classes, should-cost modelling and open-book costing, learning curve modelling, overhead absorption and allocation bases, inflation, indexation and currency adjustment, cost-plus, value-based and market-based pricing, target costing and design-to-cost, price elasticity and segmentation analysis, willingness-to-pay assessment, discount policy and rebate design, gross margin, contribution margin and break-even analysis, price escalation and contract price adjustment clauses, pricing approval and governance procedures, BATNA, ZOPA and reservation value analysis, anchoring and framing techniques, concession planning and trade-off matrices, discount pressure counter-tactics, value selling and total cost of ownership arguments, deadlock-breaking techniques, margin leakage analysis, payment terms and credit control, variation and escalation clause management, and pricing performance measurement.

Q5 How is the "Costing, Pricing & Commercial Negotiation Tactics" course applied in real-world practice?

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Delegates apply it through cost models, should-cost analyses, cost breakdown sheets, pricing sheets, margin analyses, discount policy documents, price approval papers, negotiation plans, concession matrices, term sheets, escalation clause schedules, margin leakage reports, and pricing performance dashboards. They also use it to brief finance and sales teams on pricing governance and to prepare bids with defensible cost evidence.