

Competitive Tenders and Auctions

Practical guidelines for a winning strategy

How should a procurement department decide whether to negotiate with suppliers, launch an RFT (Request For Tender), or follow a hybrid “negotiauction” process? What are the advantages and disadvantages of multi-stage vs. single stage tender procedures? How should you respond to an RFP (Request For Proposal) when you are a dominant supplier and you’ve got “the inside track”? And what is your best strategy if you are a “designated loser”? How do you manage corporate take over battles, which are really auctions by another name?

Competitive Tenders and Auctions provides practical answers to these and many more questions that professionals are encountering on an almost daily basis. You will gain a solid and practical understanding of how to design competitive tenders and auctions – and how to navigate them.

How you will benefit

- Develop a rigorous, structured and intuitive understanding of different types of auctions and “negotiauctions”
- Choose the appropriate mechanism: negotiation, single or multi-stage auction, or “negotiauction”
- Design RFQs and RFPs– and tweak the rules to create a maximum competition
- Respond to RFQs and RFPs using a structured approach
- Identify common – and costly - pitfalls in competitive tenders and auctions

“Very good professor, easy to follow, lot of expertise and experience”

- Project Finance Manager
NWB Bank N.V.
The Netherlands

	2 days
	€2500
	Professional Skills
	English
	4.2/5
	27 – 28 October 2016

Faculty

Ingemar Dierickx holds a PhD (Business Economics) from Harvard University and an MBA from the Harvard Business School, where he was a Baker Scholar. He also holds law degrees from the Harvard Law School (LL.M.) and the Rijksuniversiteit Gent (Lic.Jur.)

He was Professor of Negotiation Analysis at INSEAD for nearly twenty-five years and subsequently joined The Moscow School of Management (Skolkovo) until 2010. Prior to joining INSEAD, he worked at the Division of Research, Harvard Business School and with Professor Schelling (2005 Nobel laureate, Economics) at Harvard University.

For nearly three decades, he has advised clients in a broad range of industries. As a negotiator, he has represented the interests of high net worth individuals, entrepreneurs and corporate clients.



This program is eligible for 12 CE credit hours as granted by CFA Institute.

EARLY ENROLLMENT DISCOUNT - Enroll more than 90 days in advance and receive a 10% discount on the program fee

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Program Content

Auctions Used Throughout the World - Overview

- What is the logic of each auction mechanism?
- How should you bid?
- Which auction do you prefer if you are a 'weak'/'strong' bidder?
- What price can one expect from each of these auctions?
- How vulnerable are they to collusion?
- Are there any other reasons one might choose/avoid a particular auction?

An Abstract Mathematical Theorem ... That Provides a Handy Roadmap for Navigating Tenders!

- The Benchmark Case and the Revenue Equivalence Theorem
- A Roadmap for Analyzing Auctions and Tenders
 - Are bidders risk neutral or risk averse?
 - Are valuations independent or affiliated?
 - Are there information asymmetries amongst the bidders?
 - Are there valuation asymmetries amongst the bidders?
 - Is the number of bidders fixed or could it vary?
 - Entry fees, (partial) refunds, royalties and other fancy payment rules

Preparing a Tender

- The Winner's Curse
 - What causes the Winner's Curse?
 - What are the key parameters that determine how bad it is?
 - How do we deal with it?
- Team Exercises: Using proprietary bidding software to prepare smart bids
 - Bias Factors and Optimal Shading Factors
 - Exploring different valuation and information scenarios
 - Dealing with non-sophisticated bidders

Choosing the Right Trading Mechanism: Posted Prices, Negotiation, Single-Stage or Multi-Stage Auctions, or "Negotiauctions"?

- When do we negotiate / post a fixed price /set up an auction / choose a hybrid "negotiauction"?
- Complex Multi-Stage Auctions: When do their advantages outweigh the added cost and complexity?
- "Negotiauctions": Hybrids That Contain Elements Of Both Auctions and Negotiation
- How to Play the Game when the Rules are Fuzzy?
- Changing the Rules: Pre-emptive offers and other game-changing moves
- A comprehensive example: Corporate Take-Over Battles

“Interesting course, relevant theory, insightful exercises”

- Investment Manager
Waterland Private Equity Investments B.V.
The Netherlands

Enrolling & Practical Information

Enrollment requirements

AIF considers each enrollment application carefully to ensure the quality and level of the program is maintained and that participation of candidates is beneficial to both themselves and their companies. The general prerequisite for all AIF programs is the possession of an academic or equivalent degree, as well as proficiency in English and practical experience.

How to enroll

Enrollment applications are available via www.aif.nl. There is no closing date for enrollment although it is advisable to enroll early as places are limited. General Terms & Conditions of enrollment are available via www.aif.nl

Program calendar

Program dates and information about all AIF programs are available at www.aif.nl or by contacting AIF directly.

Accommodation

AIF has special reduced rates available for participants at nearby hotels.

Program location

All AIF programs take place at AIF's premises in the center of Amsterdam. AIF's premises are easily accessible by public transport and car and are a 30-minute drive from Schiphol international airport and a 5-minute walk from Amsterdam's central train station.

Program fees

Program fees include all the comprehensive program materials, books, and software that are required per program, as well as daily luncheons. Accommodation is not included.

As an educational and not-for-profit foundation, AIF is exempt from charging VAT. For clients located within the Netherlands, the AIF program fee is exempt from VAT. For other EU and all non-EU clients, VAT may be due by client to the tax authority.

Certificates

An AIF certificate of attendance is awarded to all participants who successfully complete an AIF Open Enrollment or In-Company program.

About Amsterdam Institute of Finance

AIF is a global financial education and innovation institute headquartered in Amsterdam. Through our programs (open enrollment and in-company) we connect ambitious professionals with the best minds in finance. Taking part in one of our programs or events is a direct investment in your personal future. Joining the AIF alumni network means connecting with the world's leading financial experts, in addition to professionals from more than 1200 organizations. Together with them we endeavor to impact your career and shape the future of finance.

This is what makes AIF and the AIF experience unique:

- We believe in responsible and sustainable finance
- AIF is a not-for-profit foundation which allows us to independently select our faculty from the world's leading business schools (such as INSEAD, NYU Stern, Berkeley, etc.) and other institutions
- Our clients, rather than profits, come first for us
- AIF delivers top quality. Our alumni give our faculty an average rating of 4.6 out of 5.0
- Enrollment in one of our programs means you become part of the AIF network which connects you to professionals in more than 110 countries
- Our programs are applicable to daily practice and prepare you for the future of finance.

CONTACT US

www.aif.nl | +31 (0)20 520 0160 | info@aif.nl