**Scenario: Negotiating a contract renewal with a major grocery chain.**

**Chali to play PepsiCo KAM (Key Account Manager)**

**Bradford to play Customer**

**PepsiCo KAM:** Good to see you! How are you today?

**Customer:** Nice to see you, too! All is well, can’t complain.

**PepsiCo KAM:** I’m glad to hear that, and I’m very excited we could meet to discuss renewing our contract. From our previous call, I understand you are looking for better terms. What other aspects of our current agreement would you like to discuss?

**Customer:** Our team reviewed and discussed PepsiCo’s contract and we are hoping for a better price and more support for our promotions. Additionally, we would like to discuss delivery times, which have been inconsistent and are impacting our operations.

**KAM:** I understand – ~~let’s address pricing and promotion first. Pricing is usually one of the main concerns for our customers, as it ultimately impacts overall revenue~~. While our pricing structure is quite firm, we are open to discussing some possibilities including volume discounts and how we can enhance our promotional support. Could you share more details about the types of promotions you are planning and how we might be able to support those?

**Customer:** As I mentioned, we are looking for more aggressive pricing and support for our seasonal promotions.

**KAM:** I can propose a few solutions. ~~For pricing,~~ if you are willing to increase your order volume, we could explore some adjustments. Regarding promotional support, we might be able to collaborate on special campaigns to drive more traffic or provide more in-store materials. To address the delivery issues, can you provide specific examples of where delays have been problematic?

**Customer:** The biggest issues have been during peak seasons when demand spikes. It is challenging to keep shelves stocked and meet consumer expectations.

**KAM:** That is helpful to know. To improve delivery, we can look into adjusting our logistics and possibly offering prioritized shipping during peak times. We could set up a dedicated support team to manage your orders more efficiently. How does that sound?

**Customer:** That could help for the delivery issues, but we need to see some concrete solutions on the pricing. What kind of pricing adjustments are you considering if we increase our order volume?

**KAM:** When you commit to a higher volume, we can offer a tiered discount structure. For example, a 5% discount on volumes above a certain threshold and potentially more if you commit to a longer-term partnership. I can draft a proposal outlining these options.

**Customer:** That sounds reasonable. Could we also include a review clause in the contract to reassess the terms after six months, especially concerning delivery performance?

**KAM:** Yes, we can include a review clause. This would allow us to adjust terms if needed and ensure that delivery performance meets your expectations. I will incorporate this into the proposal as well.

**Customer:** Great. I appreciate your willingness to work with us on these issues.

**KAM:** I will prepare the revised proposal with all the discussed adjustments and send it to you by the end of the week. Let’s schedule a follow-up meeting to review the details and finalize everything. How does Thursday of next week work for you?

**Customer:** That works. I will be available at 2pm. We look forward to reviewing the proposal and moving forward.

**KAM:** Perfect. Thank you for your collaboration and partnership. I am confident we will provide you with a great solution that will address all the points we discussed. See you next Thursday!