

Lesson 5.1 – What should I do if an Owner wants to change Suppliers, won't pay extra, and won't extend the delivery date?

Skill:

- How to correctly _____
- How to explain that _____

- How to correctly _____

Situation: Outfitting Design

The vessel is going to be delivered on the 20th of April, which is in a few weeks. During a sea trial, a test was conducted on the water cooler equipment that cools the engine (like a radiator), and **found that the output temperature of the water cooler was 12 degrees instead of the required 10 degrees.** Both parties agree the problem needs to be addressed since a slight change in the water cooler's ability to cool the engine could cause major damage to the engine and other systems. It seems that nobody has done anything wrong as well as all parties have approved the designs.

Tip: Negotiating Strategy

Bring attention to the effect the change has **on other systems.**

1. If you want to change the entire system we would have to cut a big hole in the side of the rig.

2. The engine oil has already been flushed, so we would have to re-flush that system which would take a lot of extra man-hours and additional cost.

Owner/Client:

- The owner/client wants to _____,
which will solve the problem _____.

[YOUR COMPANY]:

- [YOUR COMPANY] wants to _____,
which will solve the problem _____.



Questions & Responses
in EPC Business Writing

How do I give a client alternatives to choose from and explain that one is worse?

We've come up with [#] alternatives*. (Let us know which one sounds better.) We could [OPTION #1], or we could [OPTION #2]. There will be [NEGATIVE RESULT] [UNDESIRABLE OPTION #2]. Therefore, I think [FAVORABLE OPTION #1] would be the best.

Outfitting Engineer's Email:

Joe,

Thanks for contacting me about this.

Let me know how you want to proceed.

Best Regards,
You



Questions & Responses
in EPC Business Writing

Outfitting Engineer's Email (1 of 4):

1. _____

2. _____

3. _____

Practice (1 of 4):



Questions & Responses
in EPC Business Writing

How do I **politely disagree**, **make a recommendation**, then **make additional requests**?

I don't think [**DISAGREEMENT**]. I think we should [**RECOMMENDATION**].
In addition, I'd like to [**REQUEST**] if (it is) possible.

Owner's Email:

You,

_____ . _____

Joe

Owner's Email (2 of 4):

1. _____

2. _____

3. _____

Practice (2 of 4):

How do I politely explain the **negative implications** of a **client's choices**, ask for approval, firmly give a **recommendation** then **explain the experience and benefit of using your supplier?**

If you want to [**CLIENT'S CHOICE**], we will/might need to [**NEGATIVE IMPLICATIONS**]. [**ASK FOR APPROVAL**]?
I strongly encourage you to [**RECOMMENDATION**]. Our Korean supplier has [**EXPERIENCE**] as well as [**BENEFIT**].

Outfitting Engineer's Email:
Joe,

Regards,
You



Questions & Responses
in EPC Business Writing

Owner's Email (3 of 4):

1. _____

2. _____

Practice (3 of 4):



Questions & Responses
in EPC Business Writing

How do I ask for additional information and explain what I will investigate?

Send me more details about **[ADDITIONAL INFORMATION]**. I'd like to look into **[INVESTIGATE]** further.

Owner's Email:

You,

Regards,
Joe

Owner's Email (4 of 4):

1. _____

2. _____

Practice (4 of 4):



Questions & Responses in EPC Business Writing

Vocabulary:

a well established company = not a fly by night company
recommended supplier

Outfitting writing example (1):

<http://dl.dropbox.com/u/734448/Class%20Files-Best%20Practices/Situational%20Shipbusiness%20Lessons/Outfitting%20Design/Lesson%205.1-Writing-How%20to%20ask%20a%20client%20to%20pay%20more%20for%20changes.doc>

Outfitting writing example (2):

<http://dl.dropbox.com/u/734448/Class%20Files-Best%20Practices/Situational%20Shipbusiness%20Lessons/Outfitting%20Design/Writing-How%20to%20recommend%20an%20improvement%20and%20charge%20more%20for%20it.doc>

Dialog:

A: We've come up with two alternatives. Let us know which one sounds better. We could increase the thickness of the pipe, or we could replace the entire system. There will be significant additional costs if we replace the entire system.
B: I think we should replace the entire system.
A: I see, but according to our analysis, / changing the size of the pipes / would only change the output temperature / nominally.
B: I don't think that would work.
[Advanced: Try to convince the owner to change the size of the pipes]
A: If that isn't a good solution for you, / how about using our Korean supplier / to replace the existing cooler?
B: I'd like to use our supplier if possible.
A: I think it would be best to use our supplier. It would help to decrease installation and transportation costs / as well as / use a supplier that we've used for many projects.
B: Even though the price is less for the Korean supplier, will they be able to accurately calculate / the temperature of the system / the same way our supplier does?
A: Can you say that again?
B: Doesn't it make sense / to use the same supplier / so we can have consistent readings?
A: The Korean supplier / has a well established track record / with our company. And we have a close relationship with them / so it will be more cost effective.
B: Or
A: If you want to change the entire system, we will need to change the delivery date too. Are you willing to do that?
B: Not at all. We can't do that.
A: What do you expect me to
[Advanced: schedule the next step – action items – set clear goals]