

# NEGOTIATING WITH SINGLE AND SOLE SOURCE SUPPLIERS

**WHAT TO DO WHEN THEY PLAY WIN/LOSE**

A 2-DAY SEMINAR FROM



“Where there is no leverage,  
there is no negotiation.”

Robert Benedict



# HAVE YOU HEARD THESE SUPPLIER STATEMENTS?

“Your specification is designed around our patented product. Plus, the cost was determined long ago with your engineers. **So, as far as I’m concerned – there’s nothing to negotiate.**”

“I was just over in your engineering department and **they say we’re the only suppliers** who can fully meet your specification and time frame.”

“I wish I could do something for you on the quote, but with all due respect, **we are your only source.** If you want product, that's what you pay.”

How do you find leverage where there seems to be little or none?



**THIS IS WHERE WE HELP.**



## PHASE 1

# FINDING LEVERAGE WHERE THERE SEEMS TO BE LITTLE OR NONE



### 12 POWERFUL SOURCES OF LEVERAGE FOR SINGLE AND SOLE SOURCE NEGOTIATIONS

This opening session details 12 powerful, time-tested sources of leverage that our BNS clients use as a “check list” when approaching a single or sole source negotiation.

Dynamic video dramatizations bring these 12 concepts to life through a series of vignettes, based on real life single and sole source negotiations.

Each of these 12 leveraging tools are discussed in small and large group formats.



### APPLYING THE LEVERAGE TO YOUR COMPANY'S SINGLE AND SOLE SOURCE NEGOTIATIONS

Participants are asked at the beginning of the seminar to identify which specific Single and Sole Source suppliers would have **THE GREATEST DOLLAR PAYBACK IF YOUR COMPANY HAD MORE LEVERAGE.**

At the end of Part 1, participants review the list of Single and Sole Source Suppliers and determine which of the 12 powerful leveraging tools could be successful with each of these specific suppliers.

\*A workbook/resource guide provides even greater detail and is a major “take away” from Part 1.

## PHASE 2

# PROGRESSING FROM LEVERAGE TO THE COMPLETE NEGOTIATION STRATEGY

### 1 DEVELOPING THE NEGOTIATION PLANNING GRID

The Planning Grid is really **your definition of success** for your single and sole source negotiations. It includes:

1. A list of all the items being negotiated
2. A ranking of the negotiable items in order of importance
3. The development of the “aim high” counter-offer
4. The establishment of a bottom line for each negotiable item
5. The determination of a mid-point for each item

PLANNING GRID				
RANK	NEGOTIABLE ITEMS	COUNTER OFFER	MID-POINT	BOTTOM LINE
	DELIVERY			
	SERVICE			
	PRICE			
	TERMS			
	WARRANTY (PARTS)			
	CONTRACT LENGTH			
	FREIGHT			
	VOLUME			

## SKILL BUILDING

In addition to demonstrating how to develop the Grid, this session is a skill-building seminar in which participants actually develop a Grid. The class is divided into teams of 4-6 people. Using a case study based on a single source negotiation, participants apply the 5 steps to design a Negotiations Planning Grid. Then all teams return to the large group to outline and explain the reasons for the various positions on their Grid.

## 2 THE PREPARATION AND PLANNING WORKSHEET

It's only an 8 1/2" x 11" sheet of paper, but **our clients tell us it is one of the most powerful tools they have in preparing for single and sole source negotiations.**

Some companies use it as a blueprint to help them build their negotiating strategy. Others use it as a checklist to make sure they have considered each vital area of the planning process.

In most companies where we've implemented this course, purchasing managers strongly encourage negotiators to present their Planning Grid and Preparation Worksheet to them previous to critical negotiations.

PREPARATION AND PLANNING WORKSHEET			
<b>STEP 1 – Pre-Negotiation Fact Finding</b>			
<ul style="list-style-type: none"><li>• What are the questions that you need answers to PREVIOUS to the formal negotiation?</li><li>• What information or documentation will you need to take with you to the negotiation?</li></ul>			
<b>STEP 2 – Leverage</b>			
<ul style="list-style-type: none"><li>• What are your sources of leverage and how do you rank them (strongest through weakest)?</li><li>• What are the customer's sources of leverage and how will you deal with each of them?</li></ul>			
<b>STEP 3 – Comparison of your Planning Grid to the Perceived Buyer's Planning Grid</b>			
Rank	Seller's Grid	Rank	Buyer's Grid
1		1	
2		2	
3		3	
4		4	
5		5	
Looking at the two grids:			
<ul style="list-style-type: none"><li>• Do any additional sources of leverage occur to you?</li><li>• Do you see any potential trade-offs?</li></ul>			
<b>STEP 4 – Trade-Offs</b>			
<ul style="list-style-type: none"><li>• What do you see as potential trade-offs in this negotiation?</li><li>• Are there trade-offs that would have a high value to the customer—but a low cost to you?</li></ul>			
<b>STEP 5 – Critical Opening Minutes</b>			
<ul style="list-style-type: none"><li>• Who will play what roles?</li></ul>			

## SKILL BUILDING

As with the Planning Grid, this is again a skill- building exercise. The class divides into the same small group teams as it did previously – and then applies the Preparation and Planning Worksheet to the same case study.

## 3 REHEARSAL

For critical single or sole source negotiations, rehearsal is a key element of success. The course demonstrates how Rehearsal and Role-Play help to:

1. Seek out in advance what the supplier might say so you have time to prepare the “right thing to say at the right time.”
2. See how your negotiators perform as a team.
3. Help your support people to understand the context of their roles – what to say and not say.
4. Understand why and how to rehearse if you're negotiating as an individual rather than a team.



## PHASE 3

# HOW TO PROACTIVELY STOP FUTURE WIN/LOSE SINGLE AND SOLE SOURCE SITUATIONS



## THE DIRECT RELATIONSHIP BETWEEN UNCHECKED BACK DOOR SELLING AND UNNECESSARY (AND COSTLY!) SINGLE AND SOLE SOURCE SITUATIONS

There is a direct relationship between unchecked Back Door Selling and unnecessary single and sole source situations.

*This session addresses this topic head-on!*

Back Door Selling is a whole series of probing questions that salespeople are meticulously taught to ask—anyone at your company—well in advance of the formal negotiations. Sellers are taught to frame these questions in such a manner that the people being questioned unwittingly provide the answers...unaware that these answers are “giving away the negotiating store.”

This section of the seminar enables participants to:

1. Identify Back Door Selling questions
2. Provide an understanding as to why the salesperson is asking these questions
3. Build confidence with specific responses your people can immediately use

It also describes, specifically, how back door questions can lead directly to unnecessary single and sole source situations.

# SEMINAR TAKE-AWAYS

At the end of this seminar, participants will have the following that they can apply to any real life single or sole source negotiation:



## A checklist of 12 powerful sources of leverage for any single or sole source negotiation.

This is supported by a workbook/resource guide that explains each of these leveraging concepts in depth.



## A 3-phased strategy for preparing for any single or sole source negotiation.

In addition to teaching the methodology in a hands-on manner, each participant will also take away a workbook/resource guide that details the Negotiations Planning Grid, the Preparation Worksheet, the Rehearsal... and specifically How to Begin a Single or Sole Source Negotiation.



## A time-tested approach to proactively deal with Back Door Selling.

BNS' How To Deal With Back Door Selling/Loose Lips Sink Companies!™ workshop has been taught to over 150,000 participants worldwide. As it has powerfully addressed and helped prevent unnecessary single and sole source situations for other companies, it will do the same for your company! An extensive workbook/resource guide is included.





## WHO SHOULD ATTEND?

- Anyone in purchasing who negotiates with single or sole source suppliers.
- Support people – This is an excellent opportunity for support people from engineering, manufacturing, information systems, program management, finance, etc. to understand their important role in the negotiating process (it does not teach them how to negotiate, it teaches them how to professionally prepare for the negotiation – and a context for their role on the team).
- Negotiating teams who are preparing for a specific single or sole source negotiation.





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