

Rapid Sustainable Profit Growth

Strategic Supplier Management

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Why you're here

Rapid profit growth

Counter cost pressures

Sustainable strategies

Profitable relationships

Why listen to me?

Buying and Strategy

Retail and Manufacturing

Exclusive, Licensed and P.L.

£30m+ client value over 3 years



Like what you hear?

Free resources:

www.binleydrake.com

60 Second Negotiation

Teleconference Feb '12



Sixty Second
NEGOTIATION
A minute a week to build better business

The single most powerful tool in negotiation?
Your Principles

Agreeing principles right at the start of a negotiation can be transformational. A smart set of principles can tame powerful aggressors, create leverage where you have none and convert a competitive battle into a value creating collaboration.

Principles are not opening positions. On the contrary, they are absolutely non-negotiable. They are an objective description of what a "good outcome" would look like for both parties. Positions create conflict. Principles create trust.

In any negotiation where you don't have the balance of power, don't make any proposals until you have agreement on the principles that you want to define the success, style and scope of the talks to come.

Examples might be: "whatever we agree has to be profitable to both of us within this financial year"; or "any deal must not compromise our relationship with our European licensees". They must be simple, genuine, reasonable, and specific enough to be used as a quick check for any proposal.

Getting agreement to a set of principles creates a powerful anchor to which you can always return. It means that your counterpart will be working to find solutions that you could accept, rather than sticking to an extreme or contrary position, and trying to break your resolve.

DO USE: When trust is low and stakes are high; when joint problem solving makes more sense than hard bargaining

DON'T USE: Principles as positional bargaining chips; or when you have an overwhelming balance of power

Welcome

This free weekly e-shot takes just 60 seconds to read and will help any professional seller or buyer make more profit from their trading relationships

Each week you will get a 60-second shot of best practice and breakthrough technique to help you create better business deals

Please forward this e-shot to others who may find it useful. If you have been forwarded this and would like to subscribe [click here](#). We will never share your e-mail with anyone else, for any reason.

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Own Brand Proposition

Exclusive

Licensed

Own Brand



Differentiated

Alternative

Entry Level



Customer Imperative

Fact: If you can buy the same for less
you are not serving your customer's interests

If they could, they probably would...

... and ultimately will

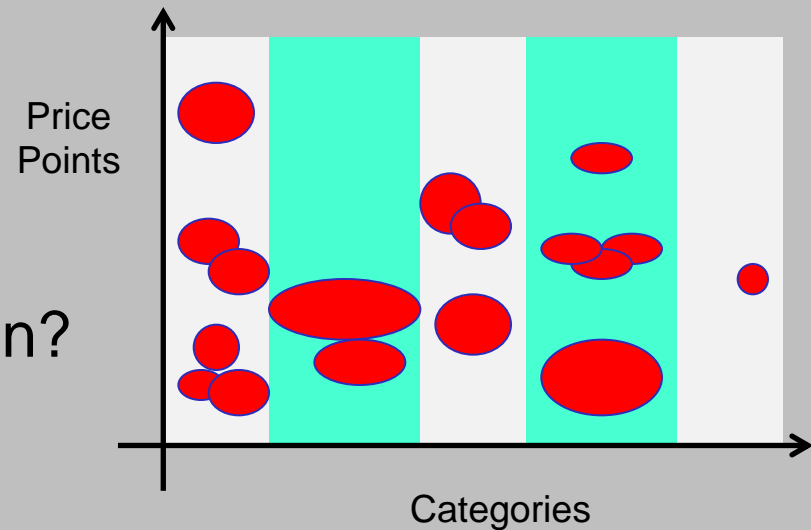
Routes

1. Target buyers
2. Volume based
3. Across the board
4. Segment led

Supplier Roles

- | | |
|---------------------|-----------|
| 1. Innovator | Focus |
| 2. Cost Leader | Stretch |
| 3. Service Provider | Challenge |

Purpose of a private label?
Where do you need innovation?



Preparation

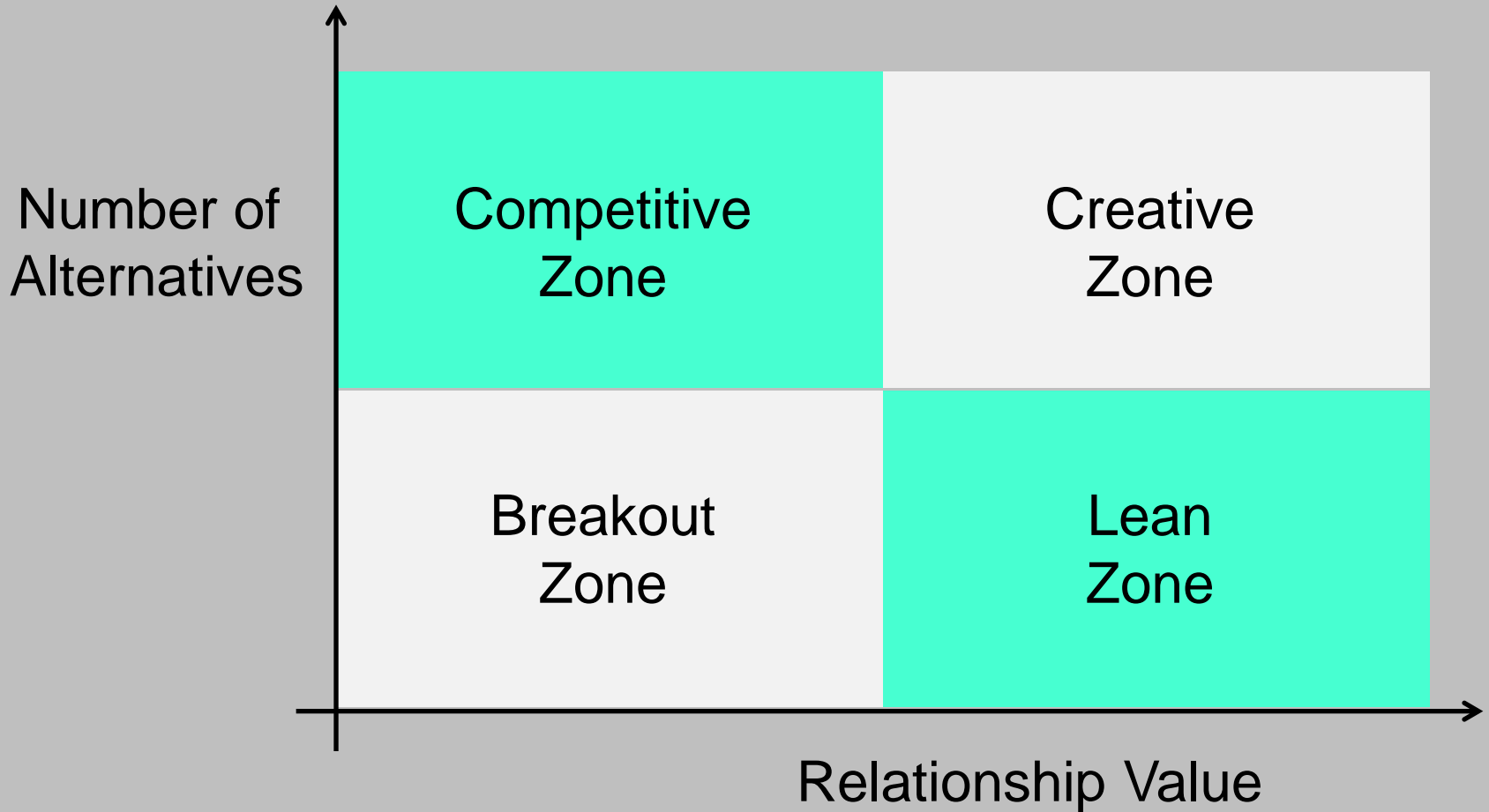
Technology before category

Consolidation #1 opportunity

Product → Technology → Component → Value Chain

Step 1: Identify Strategic Lots

Four Strategies



Competitive Zone

Short term cash opportunity

Consolidate and tender

International trade-off

Retain a get-out



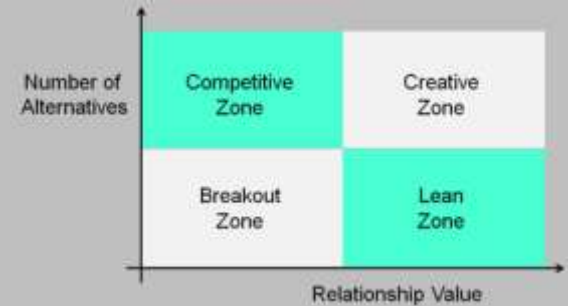
Lean Zone

Slow-burn cost opportunity

Long term relationships

End-to-end VCE

Shared benefits



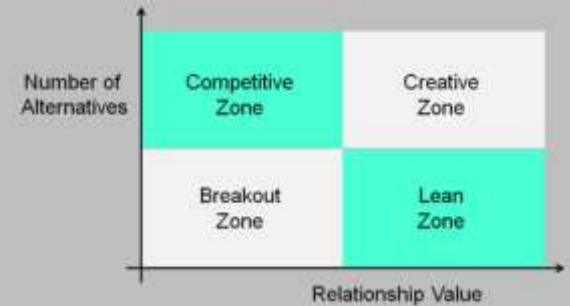
Breakout Zone

Shift relationship or shift business

Prioritise risk / reward

Deepen understanding

Alternatives and leverage



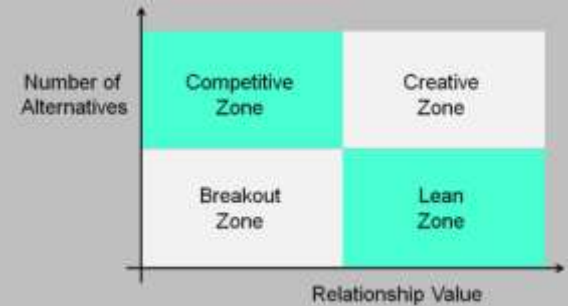
Creative Zone

Radical opportunity space

Joint problem solving & partnerships

Ecosystem potential

Passionate, perceptive, principled



Rapid and Sustainable

Launch	Central, Strategic, Focused
Engage	Align, Prioritise, Communicate
Embed	Structural, Visible, Accountable

Rewind...

Cost reduction is a customer imperative

Supplier Roles vs Technology Lots

Four Generic Strategies

Three Steps to Success