

Facilitating Vendor Choice - A Guide For Purchasing Agents

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Purchasing agents have the most political position in a business setting: they must help their users define all of the criteria surrounding their requirement, bring the technical people on board to accept a new piece of software, and then find the right vendor to suit the requirements.

At the end of the day, the job is one of a negotiator – navigating each piece of the puzzle so the company ends up getting exactly what it needs with the minimum of stress.

The pitfalls are many - and costly.

THE USER

While it might seem to be the easiest part of the negotiation, working with the user is the most complex piece of the puzzle. Here are the problems endemic with the decision:

1. There are multiple decision makers – each with his/her own take on what is needed, both in the way of technology and provider;
2. There are multiple paths to success – with so many different products on the market and so much hype surrounding them, it's difficult to know exactly what will work best.
3. The journey to the finished result is unknowable at the start of the process, and the purchasing agent is stuck right in the middle of both ends of the problem trying to make everyone happy.

Let's take each of the above situations and see what can be done to improve the situation.

Multiple decision makers

While each decision maker agrees on *what* is needed, there is very little agreement on the *how* to achieve the end result. Each person brings their biases into the discussion, and sometimes hold convictions so strong that they either sway or delay the final decision.

Here are a few facilitative questions that the purchasing agent can ask of the individuals in the group to help them make their best decisions:

- What is the ultimate outcome you wish to achieve?
- How, specifically, can you see your company getting there?
- What is stopping that from happening right now?
- What needs to happen differently?
- What does each individual need to do in order to ensure team success?
- How does the team wish to support each person's opinions/needs in order to achieve success for the whole?

Note that the questions above are offered in a vacuum, and may need to be shifted somewhat in each case, but the point is to help the individual users rise above their

personal needs and operate from a group brain. People want what's best; they just might need a bit of help getting there.

Multiple paths to success

How do you choose one product or vendor over another? Is the branded product your best choice given you can't ascertain the exact differences between one or another? How do you know up front that one particular set of requirements will carry you through the life of the software implementation and beyond – and how will you know this beforehand?

One of the best ways to make sure you get the right product is to enter the purchasing process with a list of criteria – not just product-related criteria, but relationship-related. After all, the largest problems that occur, when a new software package enters an existent system, are people problems.

Once you decide on the exact elements that must go into a software solution, and you can be assured that one particular software package will handle your needs, here are some questions you might want to have answered:

How will you know that one vendor over another will give you the type of service you require?

How will each user group or manager within the group(s) want to relate with the vendor?

How will your software people need to interact with the vendor, and how can you know before you purchase that the vendor will relate effectively with your techies over time?

How will you know that the vendor will offer the exact specifics of the type of service you require given that your situation is unique?

What type of arrangement do you and your vendor need to agree upon in your contract to ensure that you get the level of service you require?

Unknowable journey

Once the software is installed, the variables for problems are limitless: user learning problems, tech support problems, increased/decreased user needs, users not wanting to use the new system – or want other features that they now belatedly realize they need....

Frankly, there is no way to know up front what will happen once the software is installed. How do you set up a system that will handle the chaos *before* it happens?

Here are some questions you might want to have answered before you make a purchase:

What can you do beforehand to set up systems that will support change?

Who should be on a trouble-shooting team to make regular checks for problems in the user groups?

What type of communication channels can you set up prior to implementation so that when troubles begin to occur there is a system to manage it?

How have you managed users expectations *before* implementation to ensure a smooth

transition?

You can find the best software solution, but if users don't use it, if techies are resentful, if managers can't manage, it was an unsuccessful execution.

THE VENDOR

The other side of the purchasing agent's problem set is to choose and manage the vendor relationship.

Here are some facilitative questions that will help you make your best decisions. Note that you might have to do some up-front work with your users to get the basis of these questions resolved beforehand.

How will you know, beforehand, that one particular vendor, or product, will meet your needs – both technical needs and service needs?

What specifically will you need to see/hear in order to recognize the right vendor?

How will you know up front that the vendor will do whatever they promise?

Separate from the solution that the product provides, how can you ensure that the vendor will offer support throughout the implementation process to both tech people and users?

Once you decide upon an appropriate vendor that satisfies your user's criteria, it's time to negotiate the deal. It's possible to use facilitative questions in this area as well.

How can we set up some measurement criteria together to ensure that you deliver what you have promised against the needs we've stipulated?

What systems do we need to construct up front to handle any problems that come up?

We have X funds in our budget right now, and your price is a bit higher than we budgeted, but we really want to use you. How can we have some sort of price discussion to ensure you get compensated fairly, and we are closer to our budget?

What do you need from us to help you deliver your best result?

CONCLUSION

Purchasing and implementing new software is a very difficult process, fraught with danger on all sides. The purchasing agent has the hardest job of all, as the middle-person who needs to navigate and negotiate all sides at once. Not only is it a costly investment up front, Fortune Magazine claims that for every \$1 spent on software, \$5 are spent on fixing the problems related to the software. Remember that the technical aspect is only a part of the solution, and that the users and the tech staff need to be just as adept as the product for there to be success.

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