

UCSF School of Medicine



Meeting Entertainment
10 Tips Negotiating With Vendors
October 2019

1. Know What You Want... and What the Vendor Wants

Know specifically what it is that you want.

- Write a wish list of the things you want *before* you begin negotiations. If not, you may look back and find you were convinced to accept items or terms you didn't need to begin with...
 - E.g. Do you need extra staff, a private room, open bar or a high F&B min., etc.?
- Be very specific in terms of your budget dollars, scheduling, number of guests etc. Restaurants may leverage your lack of clarity to find needs not stated and use emotional gains like a political win for you with your department to encourage a higher-end event/ cost.
 - Vendor will say, "You really need a private room and extra staff so your event goes smoothly".

2. Be Patient

A lack of patience on your part can make you look a bit desperate and unprofessional and could kill a deal.

- Plan ahead! Plan ahead! **Plan ahead!**
Time constraints for an event give you little leverage and could telegraph that you will have to accept terms you might not normally accept.
- Never accept the first offer. The restaurant will be more satisfied if you reject the first offer because when you eventually say "Yes," they will conclude they have pushed you to your limit.

3. Know Your Cut-and-Run Point

One of the biggest problems when negotiating is when you are under pressure with either a deadline too close or the need to show activity on the event's progress to your boss.

Similar to bidding on eBay for example, people get whipped into an enthusiastic frenzy during the process, bid, and ultimately purchase, something at a much higher price than they originally wanted.

This can happen in negotiations, too. You must know your fallback position or cut-and-run point. What's the most you will accept to pay? Consider your budget, policy per-person allowable amounts, etc.

4. What Hill Will You Die On?

In any negotiation you will need to make concessions if for no other reason than to allow the other party to feel they have gotten something out of the negotiation.

Decide in advance what are the key concessions you will **not** make (hint: per person cost!). What's *really* important to you?

Don't die on a hill that ain't worth dying on, folks. If you're being offered a no F&B minimum, is not agreeing to a low facilities fee important enough to be a deal killer? The F&B minimum may just be the amount you wanted to spend anyway, but don't tell them that!

5. Match the Benefits Working with UCSF to the Vendor's Wants

For you to expect anyone to give you anything, you have to provide value to them. Once they tell you what they want, i.e. F&B minimum or guest list minimum, etc., examine your list of wants and look for matches to their needs.

Point out advantages of doing business with UCSF SOM that they may not have considered. For instance if the vendor gives us a great deal today, there will be further opportunities throughout the year to work with us and maybe with other SOM departments. Build that relationship.

Don't think of yourself as just one unit, think of yourself as 10,869 SOM employees.

6. Seek Win-Win Opportunities

There have to be winners on both sides of the table, so look for things you can offer them and suggest what they can offer you. Something that has little cost to you in concession may be a major coup for the vendor. Let them have it because the reciprocal situation applies for you: A free room to you, for example. It will cost them very little so agree to a F&B minimum that you know would be the amount you wanted to spend anyway.

Everybody wins if you don't think about negotiating as "all about defeating them".

Opportunities will surface that you never imagined possible!

7. Find Workable Compromises

This goes back to point Number 4. Certain things you cannot live without, but there are other areas where you can be accommodating. Know in advance where you can be flexible and just how flexible you can be.

Any time you give in on a point in one area, such as terms of payment, it is perfectly acceptable and expected that the other party will flex somewhere else.

As long as you keep from flinching on your critical wants, you can find compromises that allow both sides to come together in the middle without losing anything of real value.

8. Never Undercut Your Value

If you are willing to take a hit to your bottom line in exchange for nothing, your credibility goes to zero, now and in the future. If you do it once, it becomes expected.

You're subjecting the SOM to future poor deals for unjustified concessions.

9. Stick to Your Guns

If you offer a good proposal where both sides mutually benefit and you know it, stand by it!

Don't let time pressure or an imperfect response from the vendor make you back off from your position. Let them tell you that the deal is not good, impossible, etc., and then re-emphasize how they win by doing business with you. Put the ball in their court by asking them to show you there is no value in your suggested deal.

If you've been reasonable, don't back down and you won't fail the final test of the negotiation. If you cannot achieve satisfaction, be willing to walk away. Other deals are just over the horizon, so don't get too vested in just one.

10. Document the Deal ASAP

You've got what you want and so does the other side.

Great! Don't wait for the contract or agreement from them to arrive, write or request an email to the vendor thanking them and ask them to confirm the details of the negotiations for sign-off.

Why?

- Tomorrow their memory may recall something different.
- Many times negotiations occur between people who guide the operation but then their boss questions today what was a slam-dunk yesterday. It happens!

Resources

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