2014

# Both Sides Now: Vendors and Librarians

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# Both Sides Now: Vendors and Librarians — Managing the Negotiation Process with Library Vendors

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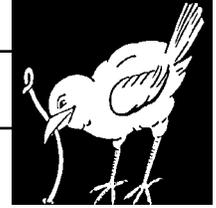
**W**henever a discussion takes place describing the process of how information professionals negotiate contracts with salespeople to buy goods and services, I am reminded of the classic **Joni Mitchell** song, "Both Sides Now." That tune became a big hit for **Judy Collins** when she sang, "I've looked at life from both sides now, from win and lose, and still somehow it's life's illusions I recall. I really don't know life at all." Of course, **Joni's** song was not about the way in which vendors and information professionals negotiate terms of a purchase, but it should be common knowledge that in a negotiation, both sides need to have an understanding of what the other side may be thinking about because if both sides lack even a basic perception of what the other is contemplating, proposing, and hopefully accepting, then the final results may not be acceptable to either party.

The worlds of the vendor and the information professional intersect many times during the course of a year. Trade shows, product presentations, and on-site negotiations to buy a new product or renew a current one all serve to emphasize that there will always be a significant amount of time spent together. When entering the inevitable negotiation, neither side can afford to buy or sell a product/service without some degree of prior preparation.

What strategies will the vendor employ to obtain the library's business? Will those strategies meld into the library's objectives? Are both sides in sync? The road to unfulfilled results is littered with good intentions, poor execution of goals, and a significant amount of misinformation. To achieve acceptable terms from the vendor, the librarian must be willing to invest the time to craft a careful course of preparation and strategic planning so that the library's acquisitions needs are effectively met.

In a recent survey developed by **Data-Planet** for the **2014 Charleston Conference**, a number of librarians were asked about their thoughts and experiences in dealing with and negotiating with vendors. When asked "Do you have a documented set of objectives for each major negotiation?" 72% said they did not have a set of objectives when going into a negotiation with a vendor. Having been on the sales side of the table for many years facing the information professional, I can categorically state that every vendor has a defined set of objectives when entering a serious negotiation with a library. Furthermore, those objectives change as the process becomes more defined and closer to resolution. The library simply cannot walk into a vendor meeting without a clear set of objectives and planned strategy.

That same survey asked "How did you do in your most recent difficult negotiation?" It was no surprise that 60% of the respondents said that they were not happy with the results and that in spite of this they renewed or purchased the product anyway. Really? The goal is for both sides to walk away from the table feeling that everyone's objectives have been met. If one side is unhappy, that means that one person's goals were not met. That should not be an acceptable outcome for either party.

But when the survey asked if the librarian considered the vendor a "partner, competitor, or adversary" 71% of the respondents chose to consider the vendor as a partner. That result was a bit puzzling because a partner should be working side by side with the other person to achieve a satisfactory result for both. So, if the majority of the people polled did not think their last negotiation ended satisfactorily for them, how could they then say that they consider the vendor as a partner? A person who is considered a partner in a business negotiation simply means that both sides are working towards a common goal whose results will benefit both. It is incongruous to say the vendor is a partner and then be mostly unsatisfied with the results of the most recent negotiation with that vendor.

And so it goes on and on about both sides being on the same page and yet too many information professionals go into vendor meetings without a list of objectives and no strategic plan to how to attain those objectives even though they know full well that the salesperson under the mandate of the company has examined, strategized, and role-played every aspect of the negotiation process with the library.

I had always thought that an integral part of the MLIS "real life" education involved teaching the students about dealing with vendors. I found out that my supposition was incorrect when, in preparation for an article "Planning and Managing A Sales Call" that I wrote for the March/April 2012 edition of the **SLA** publication, *Information Outlook*, I researched the curriculum of a number of library schools to see what courses were given to help prepare graduating library students in the fine art of negotiating with vendors. After all, one inescapable fact that every practicing librarian knows is that a steady stream of vendors will ultimately beat a path to the library's doorstep to attempt to sell any number of products and services.

Sadly, there were few, if any library schools that offered comprehensive courses on the topic of dealing with vendors. I then decided to interview some of my librarian friends to ascertain how they developed their skills in working with salespeople. Overwhelmingly, the answer was that their skills were developed by on-the-job-training and that at the outset of their careers, lack of negotiating skills training probably resulted in some deals for the library that were not as good as they would have liked them to be..

What all this tells you is that in the negotiation process, the vendor seemingly holds all the cards. After all, they have the products. They have also been schooled in the fine art of negotiation since it is a well-known fact that information industry companies spend significant amounts of money to train salespeople and company executives on how to successfully negotiate a license with a library and that the expectation is that the final terms of the deal will favor the vendor. It is also known that certain databases are a necessity for libraries to acquire and that they are expected to have that particular information available for their patrons. Just because the library has to buy resources related to specific data doesn't mean that the library has to accept an unfavorable deal from a vendor.

So what does the library staff do to level the playing field when the vendor calls and asks for an appointment to present a product/service for the library's consideration? The salesperson has determined through careful research that the library needs the product the company is touting. And the library's objective is to select the right product for a reasonable price that likely will be used by the patrons of the library and will also be renewed the following year.

It all comes down to a preparation and leverage for the information professional to begin to level that playing field. In preparing for the salesperson's visit, the first step is to ask for an agenda which will list the reasons for the salesperson coming to visit, whether anybody else from the company is planning to attend, as well and the date/time of the meeting. Once that proposed agenda is sent, then it is up to the library to dictate terms of topics, confirmation of date/time, and acknowledge if more than one person from the library will be there. So if the salesperson is planning to bring the Sales Manager, the library may want to have the Director or another senior executive attend so as to counter that strategy by the vendor.

The next step is basic research. The salesperson is coming next week to talk about their new Whiz Bang database. To get a basic understanding of the product to be discussed, a visit to the company Website to see what is written about Whiz Bang. Next, check out product reviews in various journals. And, best of all, use the network of fellow librarians to ascertain if any of your colleagues have had any experience using this product. After this preparation, the library is now ready for the meeting.

The next step is to understand the landscape. According to the **Outsell** 2014 Information Industry Outlook, the companies in our industry will generate $721 billion in revenue this year. Furthermore, there are a finite amount of libraries and a finite amount of companies selling goods and services to those libraries. It's a relatively limited universe that information companies have to sell their products. Additionally, selling databases to libraries is a highly profitable business, and since it is an annuity-based model, subscriptions are renewed each year and as a result, the lifespan of a subscription-based product is

this report, I came away with a whole new set of new thoughts about today's iSchool style of library science training.

My first thought was, looking at the curriculum of the iSchool receiving the highest ranking, the **University of Illinois**, I can understand why some libraries might find it hard to find graduates fit for the entry-level positions they were offering. Indeed, unless students were carefully counseled to focus on the few traditional services offered at most libraries, the very richness of the courses available to these students might render them fairly useless. For example, at Illinois, I found a list of 186 courses taught on campus that master's degree students could attend. But that wasn't all. I found they could also choose from another 63 WISE (Web-based Information Science Education) courses being taught at other iSchools.

My second thought or conclusion was that most of the nearly 250 courses available for study looked to be of great value. Initially, as I went through the course listing I thought I might find all sorts of techno gobbledygook classes but that wasn't the case at all.

But this discovery led me to my third, and perhaps final, thought about iSchools. It can be best expressed by twisting **George Barnard Shaw's** oft-quoted dictum about the value of youth: "Youth is wasted on the young." In my case, after reviewing the broad variety of courses dealing with the problems faced by today's libraries, I fear today's iSchool courses are probably being wasted on new librarians. Our profession needs to find a way to enable established librarians to take these courses. I am optimistic that this can happen.

By the way, this is my final **Back Talk** column. I personally have loved working in libraries. There have been ups and downs, but overall it has been a great experience. Now, however, I have decided to focus my energies elsewhere. Of course, I may get coerced by **Katina** to write something else from time to time or to attend the **Charleston Conference**, and if so, I'll see you in Charleston or on the pages of *ATG*. ✍

anywhere from five to seven years. That means that a $10K sale to a University library usually translates into $50-$70K projection over a five- to seven-year time period because cancellations usually occur after a few years, if at all.

Therefore, vendors selling subscription-based products to libraries are usually willing to be receptive to granting discounts (when asked) because they know once the product is in the library, that it will probably be there for another five to seven years so that any initial discount is more than made up for in the later years of the subscriptions' life cycle. If it's a renewal discussion and the vendor is coming in with a five-percent price increase over last year, it would be hard to believe that the vendor would walk away from a signed order if the library proposed a one-percent or a two-and-a-half-percent price increases instead of the original price submission. Moreover, a vendor seeking to displace the competitors' product may be willing to grant a large discount to gain a foothold into the library.

A vendor is in business to satisfy the customers by providing a high level of service with relevant products at a reasonable price. Quite frankly, the vendor may balk at the library's initial counter offer, but in the end, the vendor is there to do business and most of the time will not reject a reasonable counter offer.

All of which brings us to the concept of leverage. It's no secret that library budgets are shrinking, and with that reality the library must be judicious in their selection of materials for their users. Aside from vendors with sole source offerings, the fact is that in a competitive environment, two or three vendors will have similar content in their databases. Sure, one vendors' offerings may be better than the others, but that does not stop the library from suggesting that they believe that a better price for similar content may be obtained at the vendors' arch competitor. Just sayin'…

Another example of leverage involves the payment of the product that probably will be the selected. Given that funds for library purchases are in short supply, perhaps an extended payment plan might be accepted by the vendor. Or maybe a negotiated cap on future price increases over the next three years of the life of the product may be an item placed for consideration on the table. Sometimes vendors will accept a 15-month subscription for the price of 12 months.

It is a fact that in the world of libraries, vendors are continually developing better databases for their customers. Not a year goes by without a slew of vendors announcing new and better databases for sale. Having been involved in many new product introductions, it would not be outside the realm of possibility to say that sometimes those new products combined with new platforms may not work as well as advertised, much to the chagrin of the vendors. In such cases as a vendor wanting the library to buy

something new, the concept of making the library a beta site for three to six months at a nominal cost so as to test out the new offering may be met with approval since the vendor wants to get that new product in as many libraries as possible. Both sides prosper in this type of arrangement.

Libraries and vendors are in business together. It makes perfect sense for both sides to respect one another, be prepared, and understand the landscape in which the goal is to create a "win-win" outcome for both. 🦞

*Mike is currently the President of **Gruenberg Consulting, LLC**, a firm he founded in January 2012 after a highly successful sales executive career in the information industry. His company is devoted to providing clients with sales staff analysis, market research, executive coaching, trade show preparedness, and best practices advice for improving negotiation skills for librarians and salespeople.*

*His book, "Buying and Selling Information: A Guide for Information Professionals and Salespeople to Build Mutual Success" is available on **Amazon** and **Information Today**.*

*Mike has an Undergraduate degree (BA) from **Long Island University** and a Masters degree (MS) from **St. John's University**. He is an avid life-long collector of music recordings and since 2000 a columnist for **www.jambands.com**.*