Both Sides Now: Vendors and Librarians — Can You Justify Your Price?

Michael Gruenberg
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Since my book, Buying and Selling Information: A Guide for Information Professionals and Salespeople to Build Mutual Success was published four years ago, I have had the opportunity to speak to both vendors and librarians throughout the country on how to work through the process of negotiations so that both parties can eventually benefit from the results. Achieving a “win-win” result is always the mutual goal in any negotiation. Admittedly, the entire process can be difficult and yet with a bit of training and sage advice, both parties can achieve their desired results with a minimal degree of difficulty.

Most recently, I spent a few days at the Charleston Conference speaking to Information Professionals, Marketing Executives and Salespeople on understanding the library market and the fine art of negotiation skills. Few of us are born with the ability to skillfully negotiate a contract which means that this is a skill that needs to be practiced and learned. It truly is an acquired skill set. As proof of this statement, companies in all industries spend large sums of money sending their salespeople and customer facing executives to attend courses and seminars on the fine art of negotiation skills because it is that important to the company’s bottom line and the professional development of those employees.

Unfortunately, on the other side of the negotiating table in our industry, Information Professionals are not taught those skills in library school either on the undergraduate or graduate levels. Moreover, when these folks graduate and go out and acquire jobs in libraries, their management does not spend the money or devote the time in encouraging their employees to attend classes to teach this important skill. Not even one course in dealing with the buying process is offered in this important area by most accredited library schools! And most libraries do not invest in helping their librarians become more adept at negotiating with vendors.

These are quite astounding facts to take in, inasmuch as virtually every library school graduate who gets a job in a library will inevitably get calls from information industry salespeople hoping to interest them in their latest database/technology offerings. Sure as the sun rises in the east and sets in the west, salespeople will call librarians to sell them on the importance of the latest and greatest company offerings that should be added to library’s holdings.

For some librarians, the call from the salesperson, the making of the appointment, the eventual visit, the follow-up, more scheduled visits, the length of the ordering process, the wrestling over price, etc., can be fraught with duress, uncertainty and discomfort.

In actuality, the Information Professional has many cards in the deck at their disposal that can be used to make the negotiating process more palatable leading to significant success. The overarching concept in this process is to “keep it simple” and understand that the process goes through many iterations where the momentum of the progression of events shifts from seller to buyer. Much like watching a sports event, momentum switches and the alert negotiator understands this concept and uses it for their advantage.

Secondly and more importantly, the information professional needs to understand that the vendor is not an enemy. The vendor is the person from the company’s offices that knows the products, understands how those products apply to the library’s applications and also knows the best deals that can be offered from a financial standpoint. It would be wise to embrace the knowledge set that the salesperson brings to the table as opposed to treating them like an adversary. As we all know, we are living in an annuity business which means that a database product sold today, comes up for renewal next year. That means a sale made today signals the start of a relationship that may last many years. It is far better to work together than look for ways to create an adversarial relationship.

In the quest to keep it simple, a negotiator for the library has to understand four basic steps:

1. What are your Objectives?
2. What is your Timetable?
3. Who is on your Team?
4. What is your Strategy?

The one word that appears in each step of the negotiators handbook is the word “your.” For the Information Professional to expect to achieve any degree of success, they must take control of the process and own it. This requires a significant amount of time in preparation and quite frankly, doing the homework. If that preparation is done, then the chances of negotiating a deal that is favorable to the library will increase tenfold. If you own it, you will control it.

The above mentioned questions go into effect when it has been determined that the salesperson, in fact has a product or service of interest to the library. It is at that moment of revelation that the negotiating momentum moves from the salesperson to the librarian. This is simply because the sales rep upon sensing the interest on the part of the librarian will do their best to sell the product as quickly as possible. That means that they may be amenable to granting incentives to hasten the buying decision. Those incentives can be in the form of financial discounts, extended payment options, longer subscription term, etc.

Time now becomes an important factor for the salesperson. This is because they are compensated for selling new business and renewing current subscription business, as well. Every month, the salesperson has a quota of new and renewal $ goals. It is imperative that they meet (and exceed) those goals every month if they expect a good commission check. Furthermore, some compensation plans pay higher commission percentages on new business sales than renewals. In other words, it’s in the salespersons’ best interest to get the order sold as quickly as possible. That time table works in the interest of the buyer since financial incentives to buy the product sooner rather than later may work to both parties’ interests.

You will notice that in each of the four steps, the word “price” is nowhere to be found. That’s because the subject of specific pricing should never be discussed until all aspects of the sale are answered to the buyers’, satisfaction. The most important aspect of the price discussion is alerting the salesperson that the buyer has the money to purchase and of course, is interested in pursuing a discussion that will ultimately lead to a purchase. The salesperson needs to know that if a reasonable price can be offered, then the possibility of a sale is indeed doable.

In these past four years of crisscrossing the country speaking to vendors and librarians, the two questions that I have heard the most involve (1) the relationship between the buyer and seller and (2) when to speak about price.

In regards to the relationship between the salesperson and the librarian, it has been frequently asked about dealing with a sales rep who is either less than courteous or even worse, totally clueless in understanding the product that they are trying to sell. In answer to the first question, if the buyer does not like or is uncomfortable with the sales rep, then the librarian has every right and responsibility to ask for another rep to handle the account. Time is too short to waste it on someone who is less than knowledgeable or makes you uncomfortable.

The price issue is a bit more complex than asking for another salesperson to handle your account. Perhaps the most important part of a price discussion is for the buyer to understand the value that the product brings to the library. 

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To that end, what research went into the development of the product, what data is included, what are future plans for the product and what were the factors that determined the final price that is being asked?

When a prospective customer asks those questions, nine out of ten times, the salesperson may not be able to answer those inquiries. In these days of sales reps having multiple products to sell, those details are often glossed over. Of course, getting the answers will ultimately lead to a discussion with the Product Manager, Sales Manager, VP of Sales, etc. This is good because before your money is spent, you want to know how the company arrived at the selling price they are asking you to spend. That means that the five word question, “Can You Justify Your Price?” needs to be answered to your satisfaction. If it cannot be answered to your satisfaction, then maybe that product is not right for you.

That question, when elevated within the company indicates that the buyer is serious about the product and wants to know how the price was developed. Only when the customer is completely satisfied that the price is aptly justified, then the final details of the sale can be completed.

In the 1974 Kinks album, “Preservation Act 2” the song “Nobody Gives” says: “Why can’t we sit down and work out a compromise? Why not negotiate and try to be civilized? I’ll tell you why, because nobody gives.”

Using that philosophy, no deals would be consummated, so it’s better to work together and make the deal happen.

Mike is currently the Managing Partner of Gruenberg Consulting, LLC, a firm he founded in January 2012 after a successful career as a senior sales executive in the information industry. His firm is devoted to provide clients with sales staff analysis, market research, executive coaching, trade show preparedness, product placement 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” has become the definitive book on negotiation skills and is available on Amazon, Information Today in print and eBook, Amazon Kindle, B&N Nook, Kobo, Apple eBooks, OverDrive, 3M Cloud Library, Gale (GVRL), MyiLibrary, ebrary, EBSCO, Blio, and Chegg. www.gruenbergconsulting.com

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Conference on “Short Books: Why They are Published, the Obstacles they Face, and their Prospects for Success” by Matthew Ismail (Central Michigan University and Steven Weiland (Michigan State University). Short books have languished but we now have several examples from Oxford University Press, Cambridge University Press, MIT Press, the Charleston Conference Briefings, Morgan & Claypool, etc. The audio from the Short books session should be coming up soon on our YouTube channel. And watch for a Briefing on this topic! https://www.youtube.com/user/Charleston-Conference/

Hot off the press! John Dove’s mother used to work for Encyclopedia Britannica. Last Sunday night, John’s sister called him from Chicago and told him to turn on the television since their mother was on the CBS Sunday Morning Show. The episode was about the history of the Encyclopedia Britannica and its 250th anniversary. The link to the tape is below. This is definitely worth looking at. John’s mom is fourth from the right at 03:02 - 03:08. His mom was an “answer girl.” Just for the record, John says he never heard his mother refer to the team she was on as “The Answer Girls.” “My mother was a feminist, continued on page 72