

We need it yesterday. That is the expansive sentence that we'll talk about today in our focus week on Expansive Sentences, the book by Jack Quarles. Let's go.

Looking to up your negotiation and procurement skills? You're in the right place. Welcome to Procurement Zen, with your host, Phil Kowalski.

Welcome to episode number six of the Procurement Zen podcast. This is the show where I will help you become even better in negotiation and procurement. My name is Phil Kowalski, and I'm your host today. So, here we are on day number two of our Expansive Sentences focus week. Want to learn more about the focus week? Just listen to episode number five. In a nutshell, it's five days, five shows about one specific topic, and this time, it's about the book Expansive Sentences, written by Jack Quarles. As always, make sure to subscribe on <u>iTunes</u>, <u>Stitcher</u>, or <u>Google Play</u>, and also make sure to sign up to our VIP club. I share exclusive club, tools, and training with you there. We already have a neat little resource library ready for you to download. Go to <u>ProcurementZen.com/006</u> and sign up there.

So, last episode I introduced you to the book and its structure. Today, we will focus on the first of the three categories author Jack mentions in his book, if you remember, those were stuck, special, and scarce. The expansive sentence we will talk about today is one of the most common ones, and it is, we need it yesterday. Have you heard this one before? I bet you do. Before we dive deeper into the driving force behind it, let's see some variations of this.

One variation is, this is urgent. Another is, we can't afford to wait, or, don't just stand there, do something, or, we have to act now. I'm sure you have heard some of these before. I definitely have, and I hear them all the time. Recently, I talked to a colleague who somehow forgot that there is procurement. They knew of the demand already six weeks, and now all of a sudden it's urgent, as in, please process the purchase order, we want to start next week.

Within our biased community, we usually have a saying about this, and it is like, as if Christmas came as a surprise this year. My respond to this demand depending on how forceful and offensive it is transmitted to me, sometimes goes like this. "Hey, Dear Mr. X, Dear Mr. Colleague, let me send you a slide deck on how you should structure your work. You seem to know how mine work, so I could do the same for you." But where did this expansive sentence come from? Why are we not involved earlier on? It may not be my colleague's fault at all.

In the book, Jack talks about being on demand is the new standard. Look at our daily lives. If you order something online, you can get it the same day. Everything seems to become more available immediately. For example, I live in an area where some Amazon orders are delivered the same day. Our communication is the same. We are always online, always available. Email, the number one communication medium in business, is instant. No waiting time involved. Having small, high end computers in our pockets, they are many times more powerful than the ones that landed Apollo 11 on the moon. Facebook, Twitter, phone calls, all instant. This leaves us with the feeling that I want it now seems to be the new standard. This feeling is also an expectation: the expectation that everything has to happen instantly.



In the book, Jack shares an amazing example. He talks about the delivery of window blinds. First, it was next day blinds. This soon became same day blinds. What is the next step beyond that? Yesterday blinds? Don't get me wrong. Sometimes things are urgent, and the procurement professional sometimes has to deal with it, but when everything is urgent, something is wrong.

So, now that we know where this artificial urgency comes from, let us have a look how this reduces our options. There are three major disadvantages, and we will have a deep look at each one. First, loss of bargaining power. Second, reduction of options, and third, urgency seems to duplicate itself.

so, let's start with the first one: loss of bargaining power. For sure, one of the things you don't want to experience as a negotiator, but it happens, and the, we need it yesterday, sentence is one of the main drivers. By the way, as bad as artificial urgency is, it is also a chance to prove your value. Dealing with difficult situations is an opportunity for my point of view, and when we cover how to overcome this expansive sentences, you see how you can shine as a procurement professional.

But back to topic. Usually your supplier also knows that the demand is urgent. In my example, mentioned above, they have had intense discussions with my colleague before he even involved me, so they may have done their best to also increase this artificial urgency. This is often done in the services business that I am in by introducing certain specialist resources. They say things like, "If you don't order now, we have to assign this resource somewhere else." This means that you, as a seasoned buyer, have to fight two parties that seem to work together somehow against you. Your own colleague who wants that specific resource, and the supplier who has a certain security that the demand owner will act as "the supplier wishes."

This makes it even more difficult, but we will see in a few seconds what we can do against that. But let's first talk about the other disadvantages. The second one is a reduction of options. In theory, other suppliers could do the same, but this would mean more effort for the demand owner, explaining everything, again, to one or more other suppliers, introducing them to the project, telling them what your business "is all about." I will also cover, again, as explained in detail in the book, how to deal with this when we come to counter measures.

Besides that, another expansive sentence also influences this second disadvantage. The artificial urgency also creates a sense of special. What do I mean by that? The combination of urgent and special often results in the following: They are the only ones who can do that on such a short notice. For sure, not one of the situations a buyer likes most.

The third disadvantage is that urgency often duplicates itself. It means that things that are urgent now often become more urgent tomorrow, even if you comply to demand owner's wishes. The urgency does not fade; it does not go away. It seems like a self-fulfilling prophecy, but in a negative way. I experience often that once you accept this urgency, supplier use it against you tomorrow and in other demands as well, always following the approach of "you did it last time, why can't you do it now?"

So, you have to make sure to overcome this behavior, this approach, and this opposing force put against you. With your colleagues as well as with your suppliers, you do not want to weaken your negotiation position, short term, and surely you don't want to do that on a long term basis.



Let's have a look now how we can fight the expansive sentence of, we need it yesterday. In his book, author Jack Quarles has a similar approach for all expansive sentences. He first shares a kind of mindset you want to apply, followed with some wise questions to ask. So, what is the mindset you can apply to overcome the, we need it yesterday, topic? First, you should apply a mindset of urgent empathy and deliberate action, but what does that mean? Well, in a nutshell, I understand it as I understand the urgency, Mr. Colleague; let's consult what the best solution is.

Do not reject it right away, because you're opening up another battle ground internally with a stakeholder. Thank you, but I personally do not need this additional conflict. Make sure you understand the reasoning behind this or his urgency, and also make sure you tell this to the demand owner. Some example and good responses could be, I understand that it's difficult to wait; let us see what options we have, or, for example, so you want to start next week; let us discuss what is possible to fulfill all our company's requirements.

Another idea to consider is to understand their fear. The demand owner didn't create the artificial urgency to attack you. It could be that budget was not approved until yesterday, or that the scope wasn't clear. Confirm them that you will do your best to fulfill their needs. Yet, this does not mean that you accept or fulfill everyone's wishes. It only means that you understand the fear and will take care of it, but it also ensures that you consider the company's greater good.

Now that we have covered how you could address your colleagues' fears, what mindset to adopt, let us see what questions you can ask. In his book, Jack lists four questions for this expansive sentence, and we will go into details for each one. Whose that line is it anyway? How much time would make a difference? What could be gained by waiting? What is the cost of delay?

Let us have a look at the first line, whose that line is it anyway? As mentioned above, often times suppliers do their very best to avoid competition. This is understandable, and looking at it from a sales perspective, I maybe would do the same. This is often time exactly by artificial urgency reflected in the sentence, by your stakeholder, we need it yesterday. Ask some clever questions to find out who created the urgency. Is it a resource topic as mentioned above? Was an early start date introduced by the supplier? Looking at it from a neutral standpoint, do we need it this early, or is it just nice to have? Who introduced this timeline to us? You get the point. But, you have to be careful not to accuse anyone. Ask questions in a neutral voice and find out whose idea this urgency is.

The next question is, how much time would make a difference? This means a little negotiation within the negotiation, so to say. Try to figure out what extra time you can get from your demand owner. This also means some preparation for you. Often times, the answer to that question is, how much time do you need? You should have an idea what you need. Whatever you can give me is not the right answer here. Way too generic. It's also important to share at least some reason for your requested timeline. Because I want to call three other vendors, I need to research your chosen vendor, I have to read through the existing contract and align with some colleagues. It is also important that you do not want this time to please or satisfy a process, but to achieve a better result for the demand owner and for the company both of you are working for.



Another question you might ask would be, what could be gained by waiting? Again, a question that requires a little bit of preparation. The idea behind it is to give a clear overview about the opportunities ahead. It helps to reason your "counter demand." You're not doing this whole question thing because you want to harm anyone. You do this to show that it may make business sense, that you want to save money, that you want to ensure diversity or fulfill a frame contract, or even that you need to improve your negotiation position.

As with the example of how much time would make a difference, you should also have a plan with this one. What do you expect to happen when you wait, or to make sure that there is always in procurement never a guarantee. If you could give one, you would have your own consultancy charging thousands per day, I promise. There is never a guarantee for anything when it comes to negotiations, but you're buying opportunities here. I usually use my own experience here and give a good estimate what can happen. I have also prepared a list of best in class case studies, and this list helps to underline my counter demand in this regard. With this list of case studies, I mean things like in example A/B/C, we waited one more week, which resulted in a 12% higher saving for the same scope. That is something people can work with.

Again, another tip here, if you also have meetings with you management from time to time, it surely helps to have these figures. I personally have a list I call missed opportunities, and this is where enter this cost of delay, if someone forces me into artificial urgency and I cannot withstand it. So, I then can reframe it and tell my manager and our management, "See? We needed to have this urgent, and that was the price for it."

In this episode of the Expansive Sentences focus week, we covered, we need it yesterday, aka, artificial urgency. We talked about where it's coming from, a sense of on demand is the new standard. After that, we looked at what the cost of this expansive sentence is, and that was loss of bargaining power, reduction of costs, and a self duplicating urgency. Finally, I gave some examples from Jack's book, how to fight this expansive sentence: mindset, urgent empathy and deliberate action, as well as understanding the fear. The wise question, again, you might ask here, were, whose that line is it anyway, how much time would make a difference, what could be gained by waiting, and what is the cost of delay?

This concludes the second episode of our five-part expansive sentences focus week. It's based on Jack Quarles' amazing book. Head over to Amazon or your local book store and make sure you get a copy of it. It's definitely worth it. Also download a short checklist to fight artificial urgency, as always, at ProcurementZen.com/006. Make sure to also tune in tomorrow, where we will talk about the special myth. We'll cover the sentence, we trust them, and we'll talk about where it comes from and how to fight it. Subscribe on iTunes, Stitcher and Google Play, and join the Procurement Zen VIP club. It'll make sure that you never miss an episode.

So, that's it for today, and always, successful negotiations. Bye bye.

Thanks so much for listening to this episode of Procurement Zen, with Phil Kowalski. For more great content and to stay up to date, visit ProcurementZen.com. If you enjoyed today's episode, please review and subscribe, and we'll catch you next time on Procurement Zen.