



In this episode of Procurement Zen, I share with you a neat tool that makes sure you get the best offers possible and levels the playing field for all participating suppliers. The amazing question and answers tool. Let's go.

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

All right, here we are again with Procurement Zen. Today, we're talking about a pretty decent tool that comes in very handy when it comes to, let's say, situations where certain suppliers may have their advantages, and it helps you really to level the playing field and share information across the board so every supplier has the same chance to make the best offer possible.

So what is that tool? The tool actually is a questions and answers session accompanied, like always, with a documentary that shares questions and answers after a set session. I have a very special approach to this not very new, let's say, tool. It has shown in the past that it's quite helpful to do this so, let me just give you a brief overview what we are going to talk about in this episode. We have actually in this episode three sections that we're going to deal with, and the first section is the structure of the question and answer session and the idea behind that. The second is the deep dive into the question and answers document itself, which will as always, be available on my website at procurementzen.com/three, and the Q&A session itself is the third section, and I show you also how to organize it.

One disclaimer upfront maybe, sometimes I get asked if I do not fear that suppliers will align themselves with their competitors and build alliances against us. Quite honestly, as you will later see, I usually do joint question and answer sessions, so all suppliers usually in one room. I have never, ever experienced that. Even if that would happen, why is that so bad? Let me see what you could you.

You could, for example, forbid that suppliers you send an RFP to, you could forbid in your RFP that they build alliances and that you don't want it. Even if you do not forbid this, it's usually ... say it's wraps and your key account manager is from the suppliers, they know their market pretty well so they have a pretty decent understanding who their competition is, even if we don't tell it to them. Through joint Q&A sessions, we have really nothing to lose here but really a lot to win, which I will lay out in a few seconds.

One additional comment is that I usually do this type of question and answer sessions that I will describe in this episode for bids and projects with three or more suppliers, which in my case is nearly always the case. Another disclaimer here, I have always been in enterprise procurement and cannot say really very much about procuring for governmental offices or similar, and I know that governmental or state owned companies have their own set of rules and it may not work out for them.

I know, for example in Germany, the country where I live in, it may not be the best approach to use and there are different rules that may apply, and just as a side note for you, if you're working in governmental procurement maybe this is not for you, but if you're working in enterprise corporation procurement, you may find a neat idea here and there. So again, you can download my enterprise level Q&A package at procurementzen.com/3, where three is the number three for this episode number three.



Let's start with the first section, the how, the when and the why. How, how do we usually do this? What I usually do when preparing for Q&A sessions is that I send an empty Q&A template with my RFP and I actively ask my suppliers to fill out questions, any gaps they may have, anything that is unclear to them and simply put it in this Q&A, question and answers document. It is quite important that they follow the structure that I give them, that they use exactly that document because only this would assure that we can then later on easily share all feedback with all suppliers, but we come to this in a second.

Next part of the how is I usually invite for the sessions. If, from a supplier perspective, my RFP or RRF is important enough for them, they will make a date possible. I usually do not give them a set of dates, I say like this is the date, it's January 10 when we send out the RFP, and I usually send a note, an invitation right after sending the RFP and saying this is the joint Q&A session. Please make sure that you can participate or send any proxy if you cannot participate yourself.

I usually do not accept any wishes for changes and so on, because that only gets huge deal of administrative tasks and aligning with a lot of internal and external stakeholders and it makes no sense from my point of view. I am the customer here, I say at this date is when the Q&A session is going to happen. If my RFP's important to you, make it happen.

Sometimes in bigger projects I send a pre-info for important RFPs, so like something is coming and I also tell them the timeline up front. In one of my future episodes I will have a case study where I will showcase a very, very successful high discounted, high savings RFP and where I think that was important. That approach is what I follow there, and I will share that in a future episode, so stay tuned for that of course.

Another important topic of the how section is we will send all questions and all answers that we have collected and that we have given afterwards to all RFP participants. It's quite important, and this is really the point that levels the playing field between suppliers because they really do think about what questions they will ask, what is important to them and what will also get shared with their competitors.

Another thing quite important of the administrative part is I usually only allow three to four participants per supplier, and I experience certain suppliers that usually come like with seven, eight, nine members and if I make very clear in my invitation that I only accept three to four participants, I really send those people home if they ignore this. In certain project where they approach with five people, I say, "Sorry, I told you that we can only due to room limitations or anything, you can only accept four and to make this a fair game, please decide who's not going to participate and who you are going to send home."

So, that's really what I do if they ignore this kind of rule. Also strengthens my position from a negotiation point of view usually. I also make sure that our secular experts are available. I inform them internally up front and ask for a proxy in case someone is not available. I also try to help them understand that this really helps to improve the feedback and makes the feedback in the office more comparable from the usual people I invite to these sessions are legal, because I nearly always get legal questions, legal feedback. Commercial, this is usually myself the responsible buyer, and also subject matter experts on products or people that can answer technical questions.



For example, I come from an IT background. I often have information security questions or if someone is developing software from us, I tend to invite intellectual property colleagues if any of those questions occur.

Quite important to understand is that Q&A, question and answer session, is not, I repeat, is not a replacement for contract negotiations of course. It only helps to clarify and to level the playing field. I usually, as mentioned before in the introduction, I usually do only one joint Q&A. Let me repeat that. I do one joint Q&A, usually on site in my location with all suppliers at the same time and the same room. Yes, that can be a little bit of a hassle to organize, but we come to the advantages in just a few minutes.

Next, let me cover when do I usually do these Q&A sessions. Let's imagine we have an RFP that runs for three to four weeks, I usually do this Q&A session, the joint session, after one and a half weeks in a three to four weeks RFP, and what I also do is that I usually get the questions after one week of the RFP submission date. I think it's a fair deal that I do not expect it the next day, I also do not want to give too much time like two or three weeks to send in all the questions. One week should be good enough for a good supplier to discover any gaps, to raise any questions, to fill out the document and send it to me, and that one and a half week timeframe would give me two more working days to prepare the answers to the questions also with my internal colleagues, which I mentioned above, like subject matter experts, legal and so on.

Why do we do this? Actually, it is a very lean approach. I have experienced in the past that we did question and answer session one on one with every supplier, and I usually always had projects that went for four weeks, and that would mean if we were talking about five or six suppliers, that would block already one and a half to two weeks with ongoing Q&A sessions and a lot, a lot, a lot of repetition. Getting similar questions all the way and giving similar answers all the way is really not a very lean way. Also, it is kind of unfair because the first Q&A on a one on one model has much more time to use the answers and create the offer than the party that had the last time slot. So, that's the reason why I do only and usually multiple sessions also with our internal stakeholders are sometimes quite hard to schedule, so one intense day is much easier to schedule instead of five half days in a two weeks timeframe or so.

Okay, so another reason why that is a specific procurement point of view of course and a negotiation point of view is the core of this podcast is it leads, usually, to a competition increase. Clever suppliers really start to shine in such joint Q&A sessions. We really discover who took a deep dive into our RFP, who has maybe applied this best practices or their best experts on the RFP and who try to understand and who didn't. It may also lead to situations where certain suppliers start to, like in the Q&A live session, they start to give some feedback on what they tend to offer in a side sentence or so, and that puts really their competition under massive pressure, which from a procurement point of view, is of course a good thing.

An additional added benefit is that it may reveal potential gaps in the RFP as well. Nobody's perfect and it's quite interesting to see if a question gets asked again and again that may reveal a gap that we have overseen in the RFP creation, and we may now have in this Q&A part the chance to answer and close that gap.



That leads me actually to the section number two, the Q&A document itself. Again, you can download that if you sign up for our VIP club at procurementzen.com/three, where three is the number three for this episode number three. Let me just go through this file one by one. If you open up the Q&A template, Excel spreadsheet, that I share in my enterprise Q&A package, let me just give you a brief overlook of what you can find.

The first column is the question IDs. I usually have consecutive IDs like one, two, three, four, five and so on. You can, as I mentioned before, download a copy of my proven template at procurementzen.com/three with some other goodies, which I will explain in a second. The next column is the supplier and also the corresponding main contact for the RFP, which is usually the sales rep or the sales executive. I usually want one counterpart on supplier, and that's usually a condition that I write into my RFP. I want one counterpart that I can talk to and not let me go from A to Z to find out who may be responsible on supplier side or who isn't.

If the RFP contains more than one document, such as RFP annexes, RFP attachments and so on, I also ask our suppliers to note down the location of the part that raised the question, the info sec annex if we're dealing with an IT RFP. I also ask them to note down the chapter and even the page because sometimes chapters and pages contain a lot of content and it's quite important to understand what raised the question so that we do not have a misunderstanding here.

Next column is categories. In my RFPs I usually have pre-defined categories such as general, and categories means categories of questions. General questions, methodology or approach questions, scope questions, application, again working with IT, or product questions, financial questions, legal questions. I let my supplier, again, let them fill this out. Then we come to the core, the question itself. That will be the next column, question. Then when submitting the Q&A document with the RFP, the next column, the answer column of course, is empty, but we will fill this out as mentioned above. We try to fill out as much as possible before the joint Q&A session, and the remainder is usually filled out during the live session.

Also, I allow them usually additional comments and these could be either from suppliers when submitting or from us when filling out. For example, it's quite useful for repetitive questions if all the suppliers have the same questions, I answer them once and then I refer in the comments for you to see question ID number XYZ for the answer. That actually is already the document, and that leads me to the most powerful part which actually is the question and answer sessions itself.

What I usually do at the beginning of a joint Q&A is that I try to implement some sort of psychological effect called pattern interrupt. I am working for a huge, global acting engineering company here from Germany, and we are very technically focused. I usually do use as pattern interrupt a short, comic style video that they do not expect from us. This pattern interrupt helps everyone to focus on the topic of that very session and gives maximum attention. It's also a good reference point if the live Q&A session goes out of control.

Why is that? Because the content of the video is usually my rules of the game. I have actually five rules that I apply to the live Q&A session. The first one is give a short, crisp introduction of yourself and your company, like name, function, company. No overview please of your history, how long you have been in



the market, what customers you have won that you have easily done with us. Just like my introduction will be Phillip Kowalski, Siemens AG, strategic procurement. Next. That is a short and crisp intro.

The second rule is stick to question and answers. No meandering monologues. Neither in the introduction as mentioned above, but also in the question and answering session.

Third rule is that any answer that is given by us has to be understood as an integral part of the RFP, so that becomes an official RFP part.

Fourth is try to go fast through the questions so that we can really answer all questions, and it usually happens and sounds like a big number, but it's really doable. For example, in bigger RFPs seven and eight figure RFPs that I have done in the past, we get like 200, 250, 300 questions and it is still possible to answer them for six, seven or eight suppliers, 300 questions in an eight hour timeframe. So, that is absolutely doable if we stick to the rules, so let's go fast through the questions.

The fifth and final rule is that all answers are final and it is quite important to understand that. The question and answer session is the place where you ask questions. No later than that are you usually allowed as a supplier to ask any questions. That really has to avoid side communication, so again, you can download the video and the accompanying hand out in my enterprise Q&A package at procurementzen.com/three.

Some administrative tasks that I'd like to add here. It's always a good idea to have a moderator, for example a team assistant or a consultant or some senior person, even a student that is working in your department because that really helps you as a strategic buyer to focus on, for example, commercial questions that are geared toward you. You really have some type of neutral person who writes it down.

It is also quite helpful when you have a note taker for any additional questions, so you can write down the answers and any additional questions really live, and usually share this on a screen and project it to a screen during a live session. I also as a procurement professional, also the note taker may ask if the answer that you write down, they can see it live, if that really answers the question.

One additional thing to consider is to plan some buffer time for additional questions that are raised throughout the session. What I usually do here is when these additional questions come up, I note them down at the end and I respond to it in the buffer time. This motivates everyone to quickly go through and keep up the high pace and go through the questions and responses lean and smooth, and then focus on the additional questions afterwards.

For example, when I'm doing a Q&A session all day, I usually plan an eight hour meeting like six hours for submitted questions, and an additional two hour buffer for these additional questions. As mentioned before, I have had RFPs with 200, 250, 300 questions which were really doable in this six hour timeframe and then we used another hour or so for answering any additional questions.

I also send out the finalized document as a PDF to all the suppliers who are participating in the RFP and when I do that, I of course ... and you should too, delete the supplier and contact columns that we covered when we discussed the document. Before converting it to PDF, make sure that you save as and



then simply delete the supplier and main contact columns there so that they really have like ID and then all the other columns in there, and then turn it into PDF.

As a conclusion, here are again the benefits and the goals with this Q&A approach, and that is to have really a lean and smooth way to answer any open topics and discover and especially close any potential gaps, and it also has the goal and the advantage of let certain suppliers that are very good shine here for the first time.

One additional thing you might want to do when your suppliers have left the room after ending the session is do a short, internal wrap up with a one minute spotlight of every participant internally, what our internal negotiation team members liked and what they didn't like, and how they see it and so on. As I said before, you can download my enterprise Q&A package at procurementzen.com/three, where three is for the number three, episode number three.

Let me know if you like that approach in the comments section on that page. Again, that is procurementzen.com/three, the number three, or simply write me an email at podcast@procurementzen.com. Again, don't forget to subscribe, leave a rating on your favorite podcast platform like iTunes or Stitcher, and as always, happy negotiations and I talk to you soon in the next episode of Procurement Zen. Thank you and bye bye.

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