

This is episode number seven of the Procurement Zen podcast. I'm your host, Phil Kowalski, and today we are going to focus on another expensive sentence: "We trust them." 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.

Hi. My name is Phil and this is my podcast where I help you to become even better in negotiation. As introduced in the last two episodes, this is the third part of our expensive sentences focus week. What's a focus week, you ask? Well in a nutshell it's five days, five episodes. We already talked about what the book Expensive Sentences by Jack Quarles is all about. Yesterday we covered the first category of expensive sentences, the stuck myth. In that episode, available at ProcurementZen.com/006, we covered the statement, "We need it yesterday." To find accompanying material for this episode, go to ProcurementZen.com/007. I also prepared some bonus PDF for you there.

Today we will have a look at the second category out of the three, and that is the special myth. The sentence we will cover in depth today is, "We trust them." As author Jack Quarles lays out in his amazing book, it also comes along in different variations. Some of them are, "They are not just vendors, they are partners. Let's not micromanage. They are pros. We can always count on them. We don't need to know all the detail. We trust them." I also would like to add a personal variation that I have heard and that stuck with me and that is a perfect match for this expensive sentence. They also have to have fun doing it, so let us have a look where this expensive sentence is coming from.

The main reason for this is that trust is fundamental for all human societies. In general, it's in our genes. If we would not have trusted that our wives would take care of our children when we were out hunting, we're in trouble. If we do not trust that there are some basic rules everyone believes in, we're doomed. People want to trust. We're searching for it, hoping for it. It makes us sleep better. If we can trust that someone is out there and taking care of a problem, ah, sweet relief, isn't it? We want that someone takes care. We even need it. Due to this core belief we tend to accept when partners or in our example suppliers ensure that we can trust them. Finally someone who would solve at least one of my problems.

Although this is an inconvenient truth, this often makes us blind. Blind for the bigger scope of the situation. Blind for the fact that suppliers do not only have our best in mind. They also, quite understandable by the way, do think about what is in it for them. Thinking about this could lead to a loss of trust. We as humans do not want this. We want to be consistent. We search for things that prove our point of view, and there comes this nasty procurement person and questions our trusted relationship, and now our unsolved problem is there again, and to a certain extent we sometimes feel even betrayed. When we come to the solutions and the question that Jack suggests in his book, we have to keep this in mind.

But first let's have a look what dangers the sentence "We trust them" might bring us. It might waste our time, it might lead to a diminished reputation, and it might lead to missed opportunities. Let us step into these three dangers one by one. It might waste our time. Especially in company environments, time is more often than not a limited resource. Following a partner and his or her recommendations might lead to a certain blindness, as mentioned above. This can result in traveling down the wrong path for quite some time, and once we recognize it we have to catch up with the time lost. My experience is that in



project work, this often leads to the conclusion that we have to go five steps back. In extreme cases we even lost our confidence and still wanted to proceed. Talk about losing face here.

This leads to the second disadvantage. Diminished reputation. If you trust someone, you stand in for him or her. You have a special connection. Your face, your person, your career might be bound to that relationship, like the Unbreakable Vow by Severus Snape in the Harry Potter series. As described above, this may lead to strange situations. Situations in which colleagues fight breaking up because their reputation is in danger, but it can become even worse. It can also affect a company's reputation. Depends a little bit on how deep the trust relationship was and how public we stood in for it. Another of these situations that you as a negotiator would want to avoid by any means.

In Germany where I live, we have quite a special labor law, just as an example. This puts several restrictions on temporary labor, and one of my daily problems I have to deal with is that trust may lead to a break of this specific law. I always tell my colleagues that this is not about internal processes. This is about governmental regulations. We have a proverb here that goes like, "Trust is good. Control is better." Breaking the law, as I mentioned before, could have severe impact on our business so this usually works as a good intro to fight the "We trust them" sentence, but before we dive deeper into the solution of this problem let's have a quick look at danger number three, missed opportunities.

Jack has an amazing example in his book on how he discovered this expensive sentence. It's about several of his colleagues telling him not to change a financial provider. Every single one of them even used the same sentence. Every one of them showed a trusted relationship, and as it turned out, that was not a good idea because massive savings would have been possible much earlier but they missed these opportunities for a long time. Lots of money lost. Jack reveals that finally they changed providers and could realize better conditions, but this would have been possible much earlier. The company could have invested that "missed opportunity money" better, so now we know where the expensive sentence "We trust them" comes from. We also uncovered what disadvantage it brings.

Let us now together look at how we can fight this sentence. Jack proposes several things in this chapter of the book. I want to highlight two of them that really stuck with me. First, put the trust in context, and second, reset with new goals. Putting trust into context is a very smart approach because you're not shouting, "Don't trust anyone!" Instead, you ask for something like an adjusted trust. Well, how do you do that? Well here are some of the examples from the book. What would you trust them to do? Do you trust them to do it well? In what circumstances do you trust them? Do you trust them to do it on time? Sounds like micromanagement. Yes, maybe. But isn't it wise to control the supplier you're spending money with? For me it makes more sense to have a certain level of control, at least business-wise, when it comes to spending the company's money.

The second approach is reset with new goals. This mindset that we want to put in place also in our colleagues comes in four angles. Trust in character, trust in competence, trust in capacity, and trust in communication. I really loved how Jack expanded the original concept by Stephen Covey with two extra Cs, capacity and communication. Character, competence, capacity, and communication. They build upon each other, but using this approach, described in much more detail in the book, can give us the right thresholds. The limits of trust are the frame in which we are willing to give trust.



We have now covered some of the mindsets and approaches to fight excessive trust. Let's see some of the questions we want to ask. In the book, again as discussed in yesterday's episode, Jack shares some amazing questions we can ask. What if there's a better way to do it? Does the competition do it this way? Why or why not? Is that a reason, or an excuse? Is that the answer we want to give our board? I don't want to go into all too much detail on each of those questions, but one thing is important. These responses might sound aggressive. Thus, it is quite important that we state them in a neutral voice. We do not want to attack our demand owners. We do not want to offend them. We want to "open their mind" to come to the best solution. Best for them if you remember the personal connection required for trust, and of course best for our company. It should start a thought process.

Finally, we're in this together. Offering critique without insulting on your colleagues is a fine line, but I am sure that we as procurement professionals are up for this challenge. So let's recap what we have covered in this episode of the expensive sentences focus week. We first learned about the expensive sentence "We trust them" and where it came from. We discovered that trust is deep within us as it is fundamental for human societies. We want to trust. Then, we looked at the dangers from this expensive sentence. Wasted time, diminished reputation, and missed opportunities, before we came to solutions to it. The countermeasures covered putting trust in context and reset with new goals. Finally we saw some wise questions to ask once we hear that expensive sentence.

This concludes episode number three of our expensive sentence focus week. As always, you can download some extra material over at ProcurementZen.com/007, if you join our VIP club. If you want to get the whole series all at once go to ProcurementZen.com/ExpensiveSentences. Once I publish all five episodes you can find them there along with some extras.

Tomorrow we will cover the third section, the scarce category. In it we will cover the sentence, "We can't afford to let them go." If you like what you heard, make sure to get your own copy of Expensive Sentences by Jack Quarles. On Friday in our last episode of this focus week, I will share an interview I did with Jack. He shares some great insights from his procurement career and also a story you cannot find in his book, so make sure to tune in tomorrow, and always successful negotiations. I'm your host, Phil Kowalski signing off. 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.