



Welcome to Procurement Zen and our focus week on expensive sentences. This time we cover "We can't afford to let them go"

Hi and welcome to Procurement Zen, I am your host, Phil Kowalski. This is the 4 th episode of the expensive sentences focus week. This time, we'll cover a scarcity topic. The sentence of today is "we can't afford to let them go".

As always, head over to my [procurementzen.com/008](http://procurementzen.com/008). Or you can go to [procurementzen.com/expensivesentences](http://procurementzen.com/expensivesentences). There you will find details and interesting tips for this expensive sentence. You also can listen to all the other episodes of the expensive sentences focus week.

Today's topic also comes in different variations. Some of them are

- Nobody else can do what they do
- We'll be sunk without them
- I'm afraid to break up with them
- No one else has their technology (or knowledge)

Let's have a look, where these statements are coming from.

From my experience, this is one of the most used expensive sentences in procurement. Only topped by we need it yesterday. And it is one, that suppliers love to implant in our organizations.

The topic here is "perceived scarcity". The focus in this term lays on perceived, because it is - in most cases - artificial. Created by suppliers to make them "unique".

We as negotiators try to solve this problem, but I'd like to share one idea with you. Warning: this is a little bit more aggressive but may at least help in internal discussions. If a supplier needs to use this technique against us, what has he got to hide?

I mean, for me this seems to cover some other weaknesses. If they do not have a unique position out of other product or service features, why do they then use this?



But let's dive deeper into the topic of perceived scarcity. The impact of this approach can decrease through early involvement. If a supplier has enough however time to repeat this over and over, it becomes "true" (although it's not most of the times).

Yet, if you're involved late, this may have been already confirmed already times and times again. Here you have it, by the way, another argument for procurement early involvement.

Let us now have a look at the problems of the "we can't afford to let them go" sentence.

I see three major disadvantages:

- it is nearly always a threat to quality
- it is a threat to continuity, especially our own
- increased cost through wrong fit

So let's look at them one by one:

#### Threat to quality

In most cases, a perceived and artificial scarcity is a threat to our quality. How can that be? Isn't high quality the exact reason, why we can't afford to let them go?

There's a problem with the perceived scarcity. It relates to extraordinary talent most of the times. But this quality is also perceived. We do not control it anymore.

Peter is the only who knows that, how can we measure Peter?

We see a success and think of what high quality it must have. In the end, it comes from the only resource who knows that, a diamond in the rough so to say. To me this always seems like a self fulfilling prophecy.

#### Threat to continuity



We will cover this in more detail, when we come to the wise questions. But let me phrase it this way: Do we want to make business dependent on such limited resources? Is it wise to do that? Wouldn't it be better, if we had more options? Isn't that high risk?

Increase cost through wrong fit

The problem with this one is, that our suppliers foster this. They tell their resources, that they are scarce. That they have sold them this way. This in itself often times results in a not fitting behaviour of the resource. Especially when you're dealing with services.

I know of a case where a supplier demanded way above the standard treatment because he was so "scarce".

More laptops, also better ones, than our own employees got. Better infrastructure, more freedom, own office and much more.

And shouting and screaming and insulting on us and others in meetings.

All because he felt so safe. All because, we couldn't afford to let im go.

What signals do you send in your own organization if you accept this behaviour from a supplier?

Besides a direct cost impact - oh sorry, we're so special, we can't reduce prices - what other damage is done? We also increase flucutuation, decrease motivation and so much more. All very expensive.

Now what mindset can you apply to overcome the "we can't afford to let him go" sentence?

Actually both relate to options (as very often with expensive sentences):

- Try to find more options



- Do not fear other options

When I am confronted with perceived scarcity, I try to check with my colleagues, what options we have.

I like the classical brainstorming here, because one of the main rules is "every idea allowed".

If you want to follow this approach, it is often wise to have a neutral moderator. This moderator jumps in, when censorship takes place.

This also includes the second part of the idea. No fear with new options. Let us discuss open if an option is viable or not. No emotional "nahhh... this will never work". Facts, please!

Some of the wise questions from the book are:

- Have we fully accounted for the cost?

A close relationship to that is the question:

- Have we evaluated real cost for change?

It goes on with

- What if he or she wins the lottery?
- How does the special know how relate to our business results?

The last one is very interesting. This is also a question we could ask our supplier. If they start to blah blah around - a clear indicator for a very artificial scarcity. You could then even label it this way in the discussion.

So this concludes our 4th session on expensive sentences. Make sure you get the amazing book by Jack Quarles.



Make sure you subscribe to our VIP club for our well filled resource library. Go to [procurementzen.com/expensivesentences](http://procurementzen.com/expensivesentences). You find all episodes there and more interesting stuff for procurement pros.

Tomorrow I have something special as a final to the focus week. Tomorrow I will publish an interesting interview I did with Jack. We talk about expensive sentences. Where he is coming from and how he discovered them. What challenges are in procurement? What works these days in procurement and what doesn't? And a lot more.

Make sure you tune in tomorrow, by signing up to the VIP club or by subscribing on [iTunes](#), [Stitcher](#) and [GooglePlay](#).

As mentioned in the beginning, you can also download the specials for this episode at [procurementzen.com/008](http://procurementzen.com/008).

That's it for today, folks, always successful negotiations.

I'm you host, Phil Kowalski, signing off.