Vendor Negotiations

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What do Buyers do at Market?

- Meet with vendors
- Discuss performance of vendor's merchandise during the previous season
- Review the vendor's offering for the coming season
- May place orders for the coming season
- Sometimes they do not buy at market, but review merchandise, return to their offices to discuss with the buying team before negotiating with vendors

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Negotiating with Vendors

Two-way communication designed to reach an agreement when two parties have both shared and conflicting interests.



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Planning Negotiations

- Consider prior history
- Assess current situation
  - General market conditions
  - Vendor's position
  - Power of vendor
- Set goals
- Be aware of vendor's goal's
- Number of people involved
- Select an advantageous place
- Be aware of deadlines

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Issues to Negotiation

Price and gross margin

Additional markup opportunities

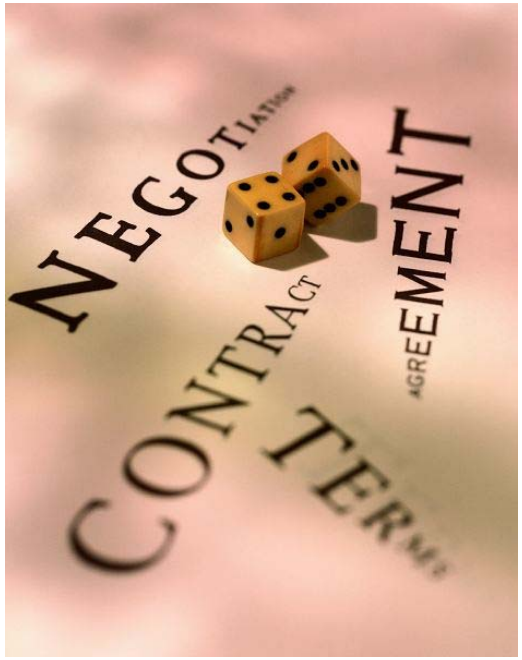
Purchase terms

Delivery times and exclusivity

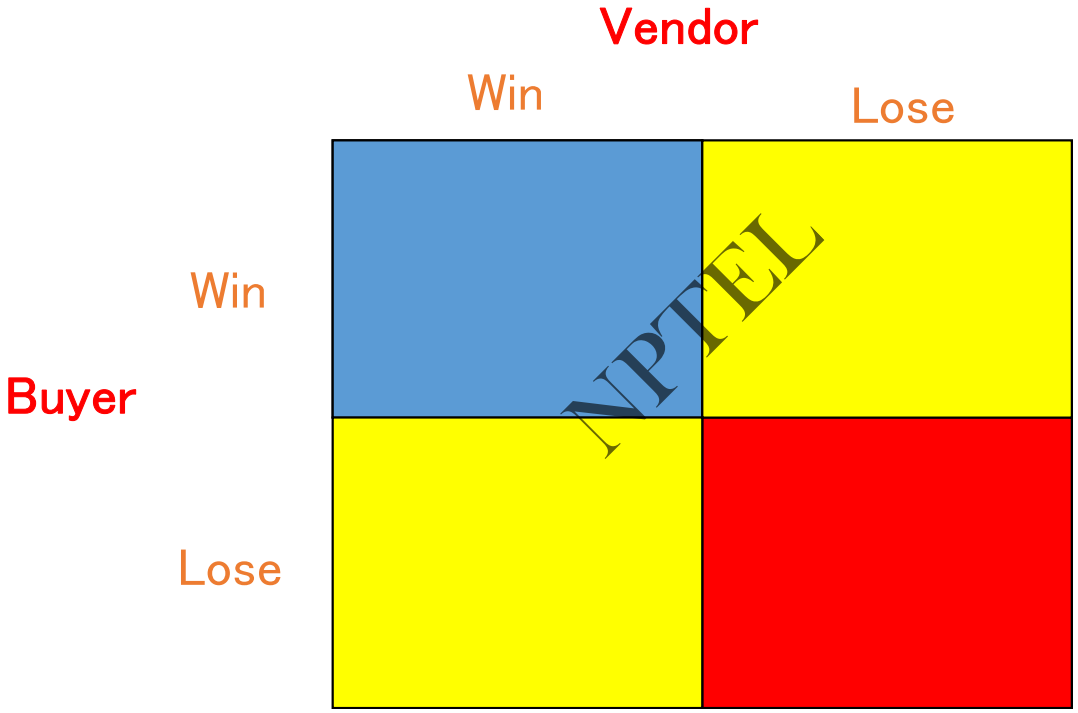
Advertising allowances

Transportation

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Types of Negotiations



Guidelines for Negotiations

- Separate people from problem
- Insist on objective criteria to evaluate performance
- Invent options for mutual gain
- Let the other party do the talking
- Know how far to go

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Negotiating Tips

- Be aware of time
- Location -- comfortable
- Keep negotiating participants even
- Be patient
- Let him/her mention a figure
- Don’t be afraid to say “no”

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Negotiating Tips

- Don’t over negotiate
- Don’t assume
- Visualize the negotiation
- Timing is everything
- Always leave the door open
- Maintain self-esteem

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Negotiation SUMMARY

Planning is critical

Knowledge is power

A person will only do what is right for him/her

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Thank You

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