



Unpaid Consulting: the "New Breed" of Service that Every Purchasing Department Needs

We've heard things like this from our parents, bosses and mentors:

- There's no such thing as a free ride
- You get what you pay for
- Nothing worthwhile comes easy

This is so ingrained into us that when someone comes along and offers something "free", we immediately become paranoid, wonder what they're "selling" and move to protect our wallets! We're just waiting for the "pitch"...

But wait. What if there really are people that can solve your most urgent logistics, purchasing and materials problems – people that are ready to listen to your problems, do research on your behalf and find you the best (and often lowest-priced) solution – at no cost to you? Does this sound too good to be true?

Creating Win-Win-Win (W³) Solutions

A multibillion-dollar manufacturing company was in the middle of an intensive site construction project, with 3,500 construction workers and contractors on site. The Purchasing Department was directed to solve two urgent situations: Traffic and Food Service. These 3,500 people needed to park, get to work and eat! This needed to be handled immediately. After considering several options, they were put in touch with a Solutions Broker.

In only 48 hours, the Solutions Broker had contacted over a dozen service providers and identified three prospective providers for each of the problem areas. The Solutions Broker pre-negotiated the prices with the vendors, identified the higher quality, low cost providers, and handled the site reviews with the vendors where needed. In less than two weeks, the problem was solved and contracts were signed. A Transportation Management firm was selected that would start shuttle services in only 48 hours after contract signing, and a Food Services firm was scheduled to setup a cafeteria operation over the scheduled weekend. The manufacturing company had to pay no consulting dollars to the Solutions Broker, the cafeteria provider setup the cafeteria with no fees for the manufacturing company, and the transportation service was negotiated with flexible terms such that the manufacturing company was guaranteed of service quality and could stop at a moment's notice.

Situations like this one are win-win-win. A win for the client since they found immediate solutions to urgent problems at no cost, and by using the Solutions Broker they were able to focus on other urgent issues while the problem was being solved. A win for the vendors because they landed business and significant revenues they had not expected – an un-forecasted addition to the top line. For the Food Service provider, the six-month contract doubled their expected catering revenues for the year. For the Transportation provider, the unexpected revenues (\$30K month) were achieved with no sales effort. For the Solutions Broker, long term revenue streams resulted for the duration of the contract as a portion of sales commissions from both suppliers.

The Value of Using Solutions Brokers

Manufacturers are increasingly becoming challenged in locating and negotiating with providers. This is especially the case in dynamic markets where practices and technologies are changing rapidly. Solutions Brokers address these challenges by serving as the broker to clients in areas of risky or doubtful provider

engagements, or in times of urgency when their internal procurement resources are stretched beyond capacity.

On the other hand, Vendors/Providers no longer rely solely on traditional marketing techniques to grow their business. In the business services and technology markets competitive advantage does not guarantee high growth. Solutions Brokers assist providers in attaining high growth by serving as a channel to matching clients' opportunities to the Vendor products and services.

Solutions Brokers should be used in situations where you need a solution immediately, and have either exhausted your inhouse expertise and aren't happy with the solutions or that you simply have so much to do that you can't get everything solved in the demanded timeframe. Solutions Brokers generally assign your situation to a single partner or representative. This person is exclusively focused on solving your problem in a short, concentrated timeframe.

Solutions Brokers are generally paid by the vendors they bring to the table to solve your problems. They're not restricted to preferred vendors for any particular service or product. They have extensive business networks, and will contact several vendors that can meet your defined needs, and based on your criteria, bring solution options to the table. They will conduct reference checks on your behalf, conduct research into your problem or situation, visit with the vendors, and even help you with your evaluation of the presented vendors.

Types of Services that Solutions Brokers Provide

Solutions Brokering - This is the primary service that is offered to manufacturers. This service is a full lifecycle offering that formally establishes the business or technology requirements of the client and locates providers that are able to fulfill these requirements. Brokering is made successful by ensuring that the requirements expressed by the clients are effectively delivered by the identified and recommended providers.

Through a solutions brokering service clients are able to procure solutions that independently would have been difficult to locate. Clients are also relieved from the exposures associated with engaging less known providers or risk is reduced during the deployment of complex solutions. Solutions Brokers assure competitive pricing and optimum performance by negotiating contracts with providers and monitoring progress throughout all engagements.

Supplier Contracting - This is the primary service that is offered to vendors/suppliers. This is a market positioning service that exposes providers to business opportunities that are unreachable using their existing marketing channels. Providers are funneled opportunities that are professionally aligned with their capabilities and the implementation bandwidths they possess to deploy mission critical systems.

Through this service providers are brought opportunities that would have been impossible to uncover using traditional marketing vehicles. These opportunities are uncovered purely based on the relationships established with a specific client and the knowledge possessed on their needs. Solutions Brokers assume the role of chief negotiator and ensure the interests of both providers and clients are effectively met.

Trying Out a Solutions Broker

If your purchasing department doesn't have a backlog of procurement requests, you may not need or want to use a Solutions Broker. If business is steady and predictable, and you're not faced with impending deadlines that are causing you heartburn or loss of sleep, you're probably not the right client for a Solutions Broker.

But if your buyers are struggling with too many requests, if your material requirements are changing dramatically, if you have to buy products or services that you've never bought before, or if your supplier network is struggling to meet current demands with a looming deadline – try using a Solutions Broker for an urgent, time-consuming, problematic need. It won't cost you anything, and the results could be, well, Win-Win.

Robert Osborne is President of Business Breakthroughs Inc. (BBI), and a thought leader in the field of solutions brokering. BBI provides great solutions to for demanding situations in procurement, supply chain, technology and problem-solving. For a free consultation to discuss whether or not Solutions Broker or Supplier Contracting services make sense for your company, call Robert Osborne at (801) 358.5304 or email him at rosborne@great-solutions.biz.