

TREAT YOUR VENDORS LIKE YOUR CUSTOMERS

It's Important to Your Success

You want your customers to come back for more; you should want your vendors to do the same. Treat them well and you'll all enjoy the benefits of a successful relationship.

by Bob Bloom • INK & TONER USA

Used to work for a company that sold software used to automate factories. We were very good at what we did, and we had developed a reputation as a leader in our industry. Our customers included manufacturers of all sizes, small to multinational, and from virtually every industry. Most of our customers were great to work with, but, like everyone, we had the ones that may not have been worth the effort.

One of my accounts was a very large transportation company. We won a significant project to automate a conveyor system at one of their locations. The promise was that if this project was successful, it would be rolled out to many locations. It was a great win for us. Our company was committed to make it a showcase.

Our responsibility was to provide our software product and support. The customer would provide the engineering needed to configure the application and make it work. Our software was "off-the-shelf" in that it provided the tools to develop what you need for your project without having to do any programming. Conceptually, it's similar to Microsoft Word and PowerPoint,



which let you easily write letters and develop presentations.

Once the project began, the reality was very different than the expectation. The customer assigned a “rookie” engineer to the project. She was smart, but right out of school, and had no idea as to how our software or the equipment controlling the conveyor worked. The customer threw the responsibility on our company to make it successful. We ended up spending a huge amount of time training her and essentially working alongside her to get the project up and running. The customer blamed us for delays and didn’t care that their

employee was not prepared to take on a project like this.

Why did we do it? There were multiple reasons: 1) we had invested a lot of time in gaining this customer, 2) we always tried to do everything we could to support our customers, and 3) we saw a huge potential opportunity with this customer in the future. We learned quickly that this customer treated every vendor like they did us. They knew that companies wanted to do business with them and would do whatever they had to (and spend as much as needed) to make them happy.

We’ve all had customers like this — ones that you’ve bent over back-

wards to please but likely can never really satisfy, no matter what you do.

I suggest a different approach. Vendors, at least your key vendors, are essential to your success. While the word “partnering” is grossly overused, developing strong and mutually beneficial relationships with your vendors is something that you must strive to do. Here are some “rules” that you should follow:

1) Treat your vendors like you treat your customers. You want your customers to come back for more; you should want your vendor relationship to encourage them to come back for more.



2) Since salespeople sometimes come and go, establish contacts within the ownership, executives, or management level of your vendors. Let them know that they are important to you, and it will make it a lot easier to talk to the right person when you have a problem that needs to be resolved.

3) Make sure that your vendors understand your business – both where it is today and where you hope to take it in the future.

4) Recognize that your vendors will make mistakes — incorrect or late shipments, bad products, and more. While you can't tolerate this if it happens regularly, deal with it.

Good vendors will make it right, just as you will with your customers, who are likely forgive you if you have developed a good relationship with them.

5) It's OK to push for the best pricing you can from your vendors. But you need to make sure that they remain successful — and that means they must make money on what they sell to you.

6) Pay your vendors on time. If you have Net 30 terms, pay in 30 days. If you can't for some reason, call them. They will likely better understand if you're honest and upfront with them and if you have built a relationship with them. It's not acceptable to just avoid

the subject, as you won't accept that from your customers.

If your vendor relationship is not strong then it likely won't last. Quality, pricing, convenience, or other reasons will end it at some point. Plan on having other vendors lined up to be ready to replace them. **R**

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