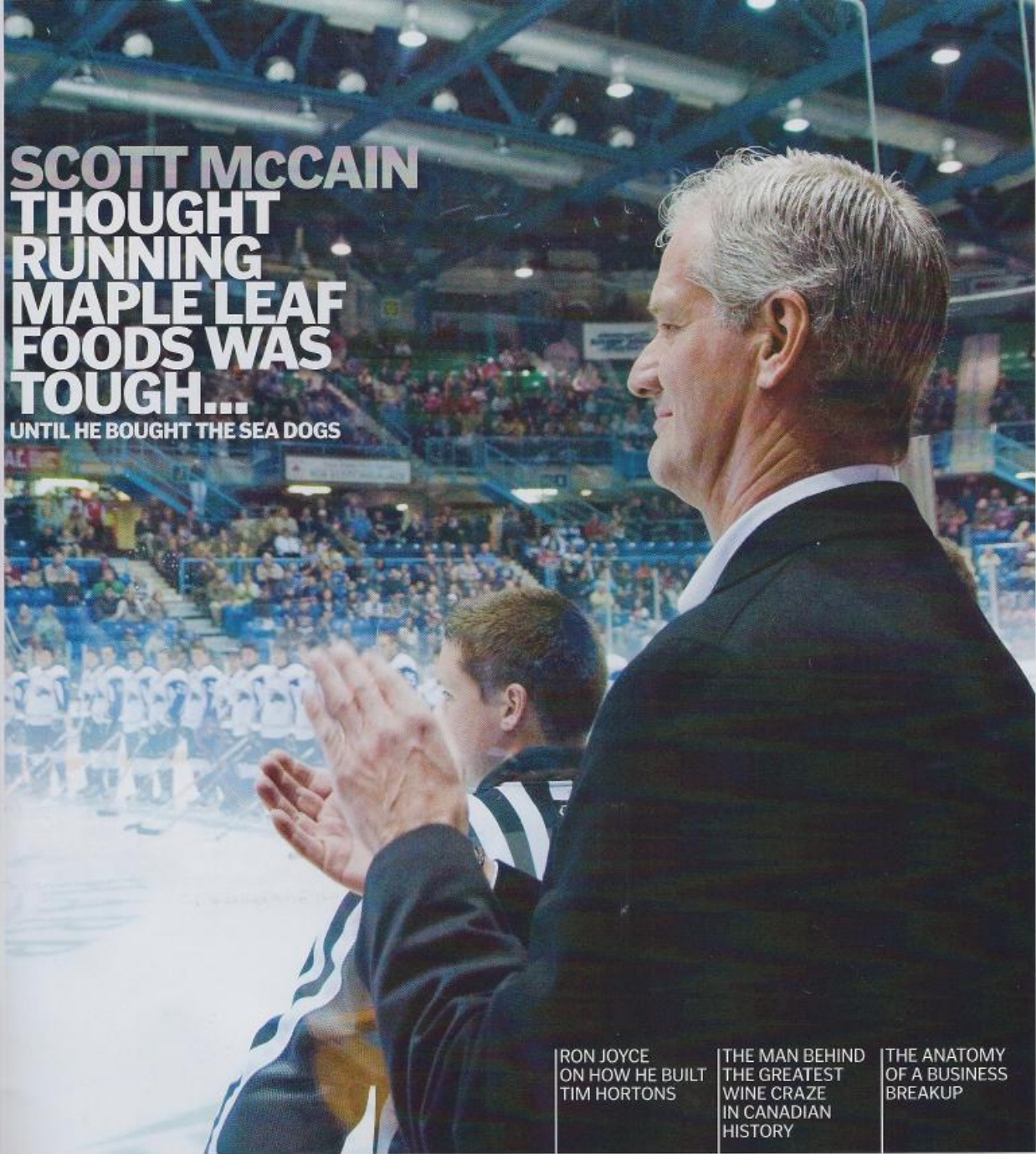


YOUR BUSINESS

THE GLOBE AND MAIL

MARCH 2010



**SCOTT MCCAIN
THOUGHT
RUNNING
MAPLE LEAF
FOODS WAS
TOUGH...**

UNTIL HE BOUGHT THE SEA DOGS

RON JOYCE
ON HOW HE BUILT
TIM HORTONS

THE MAN BEHIND
THE GREATEST
WINE CRAZE
IN CANADIAN
HISTORY

THE ANATOMY
OF A BUSINESS
BREAKUP

BACK OFFICE

• **I'd be happy to recommend you to others.** Offering to refer customers or serve as a reference can be an intangible but valuable service to the supplier, especially if they're just getting their business off the ground or face a highly competitive industry. This is particularly true of business services such as accounting or commercial law that rely heavily on relationships.

• **I'm looking for a long-term supplier.** Make your business attractive by offering to negotiate a long-term relationship, which would make you a worthwhile customer even at a lower unit price.

• **Can I get your loyalty discount?** If you're a good customer of some standing, find out what kind of pre-set price breaks the supplier does offer—a new customer discount? family and friends discount?—and request that deal for yourself.

• **I'll gladly pay now.** Offering cash up-front can divert many hesitations, especially in tough economic times. Service businesses are particularly burdened by having to chase default accounts and manage payment plans, notes Adam Baker, who writes a blog about his fight with debt and has become a student of haggling. "In my experience, the smaller the business, the more valuable paying up-front will be."

• **I guess we'll have to forgo these extra features.** By refusing or cancelling non-essential elements of the product or service, you show the supplier that you're serious about finding savings, says Gartner research-director Stewart Buchanan in a webinar on hardball negotiation tactics. You also inflict an immediate revenue hit.

• **What would you do if you were in my shoes?** If negotiations have stalled, restate your issue with the price and turn the tables by asking the supplier to suggest a more affordable option or ways you could trim the cost. It can produce surprising discount ideas that might never have occurred to you, especially when buying services like insurance or accounting that have complex pricing structures.

• **Let's look at this line item first.** It's best to negotiate smaller or item-specific discounts before broader ones—for example, asking for a price break on a particular office cabinet before requesting 10% off the entire order. Not only is it harder to get the smaller discount once you've secured the larger one, but a broader discount can often further lower the price of the item you've already managed to haggle down.

• **I'm going to have to check with my partner/controller/boss.** Borrow the classic car-lot technique and establish a bad cop offstage who's not going to take anything but the supplier's best offer.

• **I'd love to work with you, but unfortunately...** Show that you're serious about buying, and that it's worth the supplier's investment in time and attention to work out a deal with you. Make clear what it would take for you to become a customer.

• **Let silence ring.** You've made your pitch for a discount, now wait for a response. "The quickest way

to shoot yourself in the foot is to talk before the other party," advises Baker. "Just keep your mouth shut. I'll admit sometimes the silence can get a little weird, but opening your mouth will cost you money in the long run."

• **Okay, you win.** After you've beaten the price down, don't push your luck. Accept the vendor's offer. If you let the supplier have the final word, you'll leave him smiling—while you pocket the savings.

Where to find discounts



Business associations:

The Canadian Federation of Independent Business offers members' discounts on online courses, long-distance calling and other business services. One of the most popular is a group insurance plan that provides lower rates. Similar programs are available from most local and provincial chambers of commerce. The Calgary chamber, for example, gives members 25% off payroll services and auto insurance, while the Halifax one provides lower credit card costs (as low as 1.69% Visa transaction fees) and up to 70% off

office supplies. Annual fees vary, based on the size of the business. For example, it would cost a two-person operation \$295 to join the Halifax chamber, while a 250-person company would pay \$1,740 (plus taxes).

Bargain hunters: The editors at Redflagdeals.com, a Toronto-based bargain-hunting website, scour newspaper and magazine ads, retailer websites, newsletters, community forums and submissions from readers, and post the best deals and discount offers. Slickdeals.net is a similar service covering American vendors. Or simply set your own Google Alerts for any equipment you're looking for and the word "deals."

Gift cards: At Cardswap.ca, you'll find discounted gift cards for everything from office suppliers to travel packages. Savings range from 10% to 40% off the cards' face value. The Toronto-based site verifies and guarantees the value of each card.

Coupons: Check out websites such as RetailMeNot.com and CouponShack.com that collect and share coupon codes for printing or online use. MyCoupons.com is particularly good for entrepreneurs, with big sections covering technology and business services like telecommunications.

Credit cards: Major companies have cards targeted at small businesses, offering discounts, rewards and cash back. Visa Savings for Business card, for example, provides discounts and rebates on printing and travel services, computers and many other business staples.

Software: Look for well-reviewed open-source versions of basic business programs, which tend to be free or significantly cheaper. Alternatively, sign up for software as a service (SAS), where you pay a fee to use the program online. For example, SAS fax software Myfax runs \$10 a month and saves you the cost of a dedicated phone line. And with SAS, there are no upgrade costs, as you always use the newest version.

Used goods: Look for going-out-of-business sales to snap up discounted business machines or office furniture, or check Craigslist or Kijiji online classifieds.

Partners: Consider teaming up with nearby businesses on combined direct mailings (to take advantage of discounts for larger mail volumes) or on advertising and promotion costs. Or go further by forming a buying alliance with a few businesses that make you eligible for bulk-buying discounts.

Payments: Ask suppliers about discounts for early payment or for using cheques instead of credit cards.