

Former Office Equipment Vendor Reveals 11 Secrets to Get the Best Deal from Your Vendor!

These are the specific steps that I recommend you take in order to ensure you receive the best “deal” from your office equipment (copy, print and fax) dealer. I am defining “deal” as the best value considering price, equipment capabilities and service support. I will list each step below and provide some background explanation for the importance of each step.

Step 1

To start your research, make a list of multiple vendors you want to evaluate. Make sure you include at least six vendors. You will want to ultimately compare at least four vendors’ offers and a couple will drop out or be dropped by you through the process being described.

Research and include brands and/or vendors in addition to your usual brand or vendor preference. The industry and manufacturers are constantly changing. Unless you have researched the market recently, your current perception of the industry and who makes the best equipment may not be accurate.

Step 2

Review and summarize your service requirements in writing based on your current experience and/or service agreement. Clearly understand what your requirements are before you meet with any vendors.

Step 3

Meet with your potential vendors and ask for feature set advice. Ask them “what’s new”? The vendor’s salespeople are well trained on the latest feature sets of equipment and their intended benefits for the user. Ask what features are new and how they might help your business. Look for features that can provide real productivity boosts within your work flow.

Discuss your service requirements with the vendors to make sure they will be able to comply with your needs. If not, drop that vendor from your list and add another one. Always keep at least six viable vendor choices through this portion of the evaluation process. Share your intention of requesting quotes from multiple vendors, but not the names of the vendors being considered. Provide the vendors with a timeline of the decision-making steps you intend to follow.

Step 4

After meeting with vendors for your initial appointment, create a summary list of the equipment features that you require. For any new features you want to include, outline a business case using a spreadsheet to list the feature’s cost, the expected work flow improvements along with the resulting hard dollar cost reductions. Compare your current work flow and associated costs to provide a benchmark for your business case.

Step 5

Create a request for proposal (RFP) using your meeting notes. Create an organized request for equipment and service support pricing that includes a list of the desired equipment, described by performance criteria (speed and duty cycle), as well as feature set. Estimate what you want to spend up-front based on the RFP requirements, but do not share your budget with the vendors. Your current costs can provide an estimate for your budget.

Step 6

Distribute the RFP to the list of potential vendors that you have met with. You want to collect at least four quotes. This almost always requires sending the RFP to more than four potential vendors. Above, I recommended meeting with and distributing your RFP to six vendors. You need multiple quotes to complete a thorough evaluation of the current market. State a clear RFP submission date and do not accept RFP responses past that date.

Step 7

Review the RFP responses submitted by your vendor pool. The good news is that you will receive several quotes to compare; the bad news is that you won't know if you are getting the best deal possible. The copy, print and fax industry is very restrictive regarding the Information that flows outside of it. Cost and service support benchmarks are not available to industry outsiders. The only way to know that you are receiving the best value the industry has to offer is to have insider cost and support benchmarks or use a guide/consultant that has those benchmarks.

Step 8

Now that you have at least four RFP responses to compare, how do you determine who delivers the best value for you? Price is one differentiator and is the easiest to compare. Make sure you are comparing equal feature sets, duty cycle and quantities.

Qualitative service metrics is another differentiator. You must decide which vendor delivers the best service support for your organization and how likely it is that the vendor will perform as promised up-front.

References don't work.

Vendors always have at least three customers (the typical quantity of references asked for) that are currently pleased with them. You will only receive references that the vendors have already confirmed are pleased. As a result, you will talk to only the customers that are pleased with your entire vendor pool. If you want to check references, find them from your own contact list of peers or friends working at other companies.

Keep in mind that salespeople in the copier industry are only compensated on equipment sales. This means they must continue to prospect and close new business

to get paid. Finding prospective customers and closing equipment sales consumes most of their time. No matter how attentive your sales representative is at this stage, you need to look for additional support positions within the potential vendor to assist you when you need help. In other words, pretend your sales representative leaves the vendor, who else or what existing position within that vendor can you expect to receive assistance from?

Step 9

When you do select your vendor of choice, notify all the other vendors not chosen by e-mail or mail. Offer to send up to 30 minutes with each vendor on a schedule that you dictate, to debrief them regarding the components of their RFP response that was not satisfactory for your organization.

Work with your chosen vendor to document the service-support requirements that were discussed during your initial meeting. Make this a part of your overall agreement with them.

Step 10

When placing your initial equipment order, do not upgrade current lease agreements (not currently expiring) early unless:

- a) You are experiencing a severe reliability issue that is interfering with workflow and you have exhausted all possible remedies with your current service vendor and/or
- b) You are within 3 months of your lease(s) expiring and have identified a verifiable and quantifiable productivity benefit that will outweigh the cost of rolling (adding) the last several payments owed on your current lease into the new lease. This is true even if the vendor for the new equipment is telling you they will “buy out” the current lease. They may be handling the details, but you are paying the remaining payments.

Step 11

Make sure you allow for the time needed to complete a thorough analysis of your requirements (equipment and service), the potential vendor pool, as well as the proposed equipment and support options. For an 8-15 machine fleet, the time investment will be approximately 70 labor hours. For equipment fleets larger than 15 units, the time investment will increase from 100 labor hours to multiple hundreds of labor hours depending on the number of units in your fleet. I am happy to provide you with a break out of labor hours needed by step. Just call or send me an e-mail using the information listed below.

Faithfully completing each step listed above will provide you with an accurate map of the options currently available within the copy, print and fax marketplace. This process will make it much easier to select the best choice among your options.

Unfortunately, this process will not be able to tell if your choices are the best the industry can offer. Only insider cost and support benchmarks allow for that comparison.

You will have, however, completed a more thorough evaluation of available options than 90% of the firms we speak with.

David Cantliffe is the President and Founder of BottomLine Advantage LLC located in Louisville, Colorado. BottomLine Advantage is a performance-based, client advocacy consulting group that specializes in reducing hard dollar costs for copy, print and fax expenses while simultaneously enhancing vendor service support levels.

David has over 18 years experience as a sales representative within the copier industry combined with 5 years experience as a dealership principal. You can download additional free articles containing cost reduction ideas at <http://www.bottomlineadv.com> inside the resources tab, send an e-mail with questions or contact David at 888.400.3600.

© Copyright – David Cantliffe. All Rights Reserved Worldwide