



DEFENDING PRICE™

**Now available
in a virtual
delivery format**

Strengthening Negotiations with Purchasing

SALES TRAINING FOR SUPPLIERS OF:

- **Chassis components**
 - **Braking & suspension products and systems**
 - **Safety systems and components**
 - **Body controls**
 - **Paints and coatings**
 - **Interior components**
 - **Engine components**
 - **Steering components**
 - **Raw materials and chemicals**
 - **Services**
 - **Process manufacturing and testing equipment**
 - **Electrical/electronic components and systems**
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**defending
price**

High quality suppliers have been able to pass along significant price increases over the past 12–18 months, but purchasing teams are actively working to roll-back these increases, and are refusing to accept any increases related to labor, energy, or freight costs, which remain elevated.

For nearly 20 years 650+ parts and component suppliers have relied on our training to help their sales and account teams to sharpen their messaging and defend their price. To help suppliers prepare for this eventuality, and defend their 2024 pricing and margins, we are making our popular training program—developed specifically for automotive and commercial suppliers— available in a virtual delivery format.

CURRICULUM: TWO (2) DAY PROGRAM

DAY 1: OVERCOMING SALES CHALLENGES IN THE AUTOMOTIVE AND COMMERCIAL VEHICLE INDUSTRIES

Module I – Today’s Sales Challenges for Suppliers

- Locking in and defending recent price increases
 - Defending recent input-related price increases related to:
 - » Labor
 - » Energy
 - » Freight
 - » Direct Material & Other (DMO)
 - How to best handle “cost-down” & “give-back” requests from purchasing.
- How to manage cost-disclosure requests
 - Levels of transparency: how detailed should you get?
 - Which suppliers are saying “No” & how do they get away with it?
 - The crucial “pivot” point for account teams
- Five (5) rules to follow that will put you in a stronger negotiating position in the short and long-term
 - The best source of leverage for value-added suppliers
- The purchasing evolution in the automotive & commercial vehicle markets
 - Examining the current purchasing “playbook”
 - How purchasing prepares for negotiations
 - » Six (6) advantages purchasing believes it has over suppliers
 - » The “Stockholm Syndrome” & its impact on buyer/supplier negotiations
- Managing by scorecard
 - Limitations of Purchasing’s “scorecards”
 - » Three (3) items Purchasing Departments are not measuring

Module II – How Suppliers Should Respond

- The need to go beyond “features & benefits” & “solution” selling
 - The simple three-step process to a stronger negotiating position
 - What the value equation looks like
 - » How to position your offering to the buyer
- How progressive Purchasing departments evaluate bids
- Supplier success stories from within the industry
 - Tier I-III suppliers who have negotiated significant price premiums
- The #1 imperative for supplier account teams
- Industry case study
- Breakout Exercise #1: Identifying “Points-of-Difference”

DAY 2: PUTTING IT ALL TOGETHER AND DEFENDING YOUR PRICE

Module III – Building Your Case to Buyers

- The need to quantify value in economic terms
 - Two ways suppliers create value for customers
- How to organize your case into a “Benefits Framework”
 - Quantify the value of benefits suppliers typically promote, including: higher quality, design and engineering support, weight reductions, improved performance, the value of shorter supply chains, sustainability and carbon reduction initiatives and improved time-to-market
 - Breakout Exercise #2: Quantifying your value

Module IV – Gathering Data to Document Value

- Identifying the data you need
 - Determining where it resides & how to access it
 - How to overcome challenges
 - Sources of data from within the industry
- Breakout Exercise #3: Substantiating your value

Module V – Bringing it All Together & Defending Your Price

- Common objections from Purchasing & how to overcome them
- Managing “gives & gets”
 - Nine (9) concessions suppliers are often asked to make
 - One (1) concession value-added suppliers should never make
 - Three (3) actions you can take with buyers who refuse to “play ball.”

WHAT YOU'LL GET

Workshop participants will:

- Learn industry best-practices for managing the program bid and negotiation process
- Quantify & document the value you offer to defend recent price increases
- Understand how to resist Purchasing's demands for cost-downs & give-backs

Learn how to quantify the value of benefits suppliers typically promote, such as:

- The value of design and engineering support
- Higher quality and improved performance
- The benefit of shorter supply chains
- Improved productivity & throughput
- The value of lighter weight
- The value of supplier sustainability & carbon reduction initiatives

The Instructor

Workshops are facilitated by **Steve Rose**, an automotive industry veteran with over 35 years of industry experience.

Steve started his career at Michelin, where he held leadership positions in sales and marketing, with P&L responsibility, in a number of divisions, including Passenger, Truck and Earthmover. Under Steve's leadership, Michelin's Truck and Earthmover divisions routinely exceeded expectations and remain market share leaders today.

He's a sought-after speaker and expert on the subject of value measurement, negotiations, and pricing. Steve has given keynote at presentations at many automotive-focused conferences and events in North America, EMEA, and Asia.

He's conducted training programs for hundreds of parts suppliers all over the world. Steve has personally trained and advised over 3,500 professionals from more than 650 parts suppliers. Program attendees have characterized the workshops that Steve leads as the best training they have ever had.

Steve has also advised leading car makers on how to implement a value-based sourcing process, rather than one that emphasizes low price. Given his experience with suppliers and buyers, Steve enjoys a unique perspective on the supplier-buyer relationship in the Automotive and Commercial industries.

WHO WE'VE TRAINED

(Partial List of 650+ Companies)

- AAM
- AGC
- AK Steel
- Alps
- American Standard
- Aptiv
- Arcelor Mittal
- Autoliv
- BASF
- Behr
- Bendix Hendrickson
- Borgwarner
- Bosch
- CK Europe
- Cummins
- Dana
- Delphi
- Denso
- Dow
- Dura Automotive Systems
- Eaglepicher
- Eberspaecher
- Excalibur
- Excel-Polymers
- Exxonmobil
- Forvia
- Federal Mogul
- Ferruform
- Finnveden
- GKN Sinter Metals GMBH
- Goodyear
- Hitachi
- Inergy Automotive Systems
- ITW
- Johnson Controls
- Kendrion Automotive Metals
- Kongsberg Automotive GMBH
- Magna international
- Magnetto Wheels S.P.A.
- Michelin
- Nemak
- Parker Hannifin
- PG Group/Shatterprufe
- Plasticomnium
- Ramsay Engineering
- Rieter
- Saint Gobain
- Saturne Electronics & Engine
- Schaeffler Group
- Shell
- Siemens AG & Siemens VDO
- SKF
- Sodecia europa
- Takata
- Thyssenkrupp
- TI Automotive
- Timken
- Triple C
- TWB
- Visteon
- Voith
- Webasto
- Yazaki
- ZF Lemforder

A CALL TO ACTION

“China’s auto parts exports have increased more than sixfold in the past five years. Most of these auto parts go to the United States and Europe.”

The New York Times

“Significant material and labor cost increases have eroded or erased profits on programs that were awarded 12 to 18 months ago. OEMs are raising prices and dramatically reducing incentives on new vehicles, but they are not willing to give any relief to their suppliers.”

Forbes

WHAT SUPPLIERS ARE SAYING ABOUT THE DEFENDING PRICE PROGRAM...

“Worthwhile at twice the price. I see an immediate need and use for this.”

– Brad Murphy
Director of Business
Development, GKN

“Buyers are increasingly under pressure to cut costs. It’s critical that our sales force be able to effectively demonstrate why our products have lowest total-cost-of-ownership (TCO). The Defending Price program showed us how to do this.”

– Paul Williams
EVP Sales, Continental

“Very relevant to what takes place in negotiations with customers in automotive, truck and AG.”

– Timothy J. DeCesaro
Director OE Sales,
Johnson Controls

“Interesting; good exercises & many examples of how various suppliers have handled difficult negotiations.”

– Claudio Magnano
Sales Manager, Lear

Suppliers can, and should, get credit for the value of their offering.

Interested in a company-specific training delivery, either virtually, or face-to-face?
Contact Steve Rose at the Kotler Group at 202-560-2877 or by email srose@kotlermarketing.com
Visit us on the web at https://kotlermarketing.com/ind_auto.shtml