

COMPANION WORKSHEET PACK

Vendor Negotiation Playbook

The First Price Quoted Is Not the Best Price Available

9 Worksheets · 3 Categories · A4 Print-Ready

High-Volume · Niche-Search · Specific-Case

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PART 1

High-Volume Worksheets

Universal worksheets — what most operators reach for daily or weekly. Run these on a regular cadence regardless of business size or stage.

Vendor Scorecard Quick-Check

Run quarterly for every vendor with annual purchase value above Rp 50 million.

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VENDOR	ON-TIME DELIVERY % (TARGET ≥90%)	DEFECT-FREE % (TARGET ≥97%)	PRICE COMPLIANCE % (TARGET 100%)	AVG. RESPONSE TIME (TARGET ≤1 DAY)	OVERALL: MET / BELOW
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1. For any vendor with two or more dimensions below target: calculate the operational cost of the gap in rupiah per quarter. This number belongs in the next renegotiation conversation.

2. Which single vendor shows the largest combined gap across all four dimensions? Mark them for a scheduled performance review within 30 days. Send the completed scorecard to the vendor two to three days before the meeting.

Payment-Terms Review — One Vendor

Fill in before renegotiating payment terms with any vendor where you have at least 12 months of transaction history.

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ITEM	CURRENT	PROPOSED	DIFFERENCE
Payment terms (days)			
Monthly purchase volume (Rp)			
Annual borrowing rate (%)	12%	12%	—
Monthly working capital value (Rp)*			
Annual working capital value (Rp)			
On-time payment record (months)		—	—
Trade-off offered to vendor		—	—

1. *Monthly WC value = monthly purchase × (additional days ÷ 365) × annual borrowing rate. If your business borrows informally at 2 percent per month, use 24 percent as the annual rate — the working capital value is proportionally higher.

2. Is the annual working capital value of the proposed extension larger or smaller than the value of a 1 percent unit price discount on the same volume? Calculate both before entering the meeting.

Pre-Meeting Preparation Card

Fill in for every vendor meeting with annual contract value above Rp 50 million. Estimated time: 30 minutes for a known vendor, 60 minutes for a new vendor.

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COMPONENT	YOUR ENTRY
Vendor + product category	
Meeting date + estimated value (Rp)	
BATNA: concrete alternative if no agreement	
BATNA reference price (source + date)	
Estimated vendor floor (IHPB + UMK basis)	
Buyer ceiling (from margin requirements)	
Key interest — ours (1)	
Key interest — ours (2)	
Known vendor interest (from experience)	
Opening position — price (Rp)	
Realistic target — price (Rp)	
Minimum floor — price (Rp)	
Opening position — terms (days)	
Realistic target — terms (days)	
Minimum floor — terms (days)	
Open-ended question to ask first	

1. For each key variable: calculate annual rupiah difference between opening position and floor. This is the maximum annual value available to negotiate — keep it visible during the meeting.

2. After filling the table: do you have a BATNA you can actually execute if the vendor will not move to your floor? If not, resolve the BATNA gap before the meeting, not at the table.

PART 2

Niche-Search Worksheets

Rare-situation worksheets — high value when the situation hits. Run these only when the trigger appears, but keep them findable.

BATNA Construction Worksheet – High-Stakes Contract

For negotiations where the annual contract value exceeds Rp 500 million or where the vendor supplies a category with no short-notice replacement. Complete at least two weeks before the renegotiation meeting.

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STEP	CATEGORY A (HIGHEST-VALUE)	CATEGORY B	CATEGORY C
1. Alternative vendor name #1			
1. Alternative vendor name #2			
2. RFQ sent date			
2. Quoted price per unit (Rp)			
2. MOQ (units / kg / pcs)			
2. Lead time (business days)			
2. Spec fit verified? (Y / N)			
3. % gap vs active contract price			
4. Next refresh date (max 6 months out)			
<p>1. For each category: is the best alternative quote better than, equal to, or worse than the active contract price? A quote 8 percent below the active contract does not require switching — it requires stating calmly that a market survey was run. The vendor does not need to know whether you intend to act on it.</p> <hr/>			
<p>2. Which category has the weakest BATNA (no qualified alternative, no recent quote, or spec not verified)? Resolve that gap before any renegotiation meeting in that category. A phantom BATNA — a vendor name that has never been contacted or priced — is worse than no BATNA.</p> <hr/>			

Supplier Consolidation Analysis

Use when evaluating whether to reduce the number of active vendors in a category from multi-source to single-source, or when a category has accumulated too many low-value vendor relationships.

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VENDOR	ANNUAL PURCHASE VALUE (RP)	% OF CATEGORY TOTAL	ON-TIME RATE (%)	DEFECT-FREE RATE (%)	SWITCHING COST ESTIMATE (RP)	KEEP / CONSOLIDATE
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1. Total the 'Annual Purchase Value' column. Which single vendor, if made the primary, would cover more than 70 percent of category volume? Does their scorecard data (on-time, defect-free) support that concentration? Calculate the working capital and vendor-switching cost implications before deciding.

2. Deming's single-source argument applies where: (a) specifications are tight and qualification takes weeks; (b) the vendor has no near-equivalent in the market; or (c) depth of relationship produces measurable collaborative benefit. For standard commodities available from many vendors, multi-source competition is usually worth more. Which description fits this category?

Escalation-Clause Cumulative Impact Calculator

Use before signing or renewing any contract with a term of 18 months or longer, or when auditing whether an existing escalation clause is still calibrated correctly.

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VARIABLE	CONTRACT YEAR 1	CONTRACT YEAR 2	CONTRACT YEAR 3 (IF APPLICABLE)
Base price per unit (Rp)			
BPS IHPB index – start of period			
BPS IHPB index – end of period			
IHPB change (%)			
Trigger threshold in contract (%)			
Adjustment triggered? (Y / N)			
Adjusted price per unit (Rp)			
Monthly purchase volume (units)			
Price change impact per month (Rp)			
Cumulative impact over period (Rp)			

1. If no escalation clause exists in the active contract: estimate what the cumulative price impact would have been if one had been in place, using actual BPS IHPB data for the contract period. Compare that to what was actually paid. The gap is the cost of having no mechanism.

2. For the next contract renewal: is the trigger threshold (e.g. 3 percent IHPB change) still appropriate for this raw material category's price volatility? Check the last 24 months of IHPB data for the relevant sub-sector. A threshold too high means the clause never triggers; too low means it triggers in routine price movements with no real cost pressure behind them.

PART 3

Specific-Case Worksheets

Pre-framed scenarios — each worksheet walks you through a single, concrete situation. Read the scenario, then fill in your version of it.

Supplier Proposes an 8% Price Hike

Scenario: your primary raw material vendor contacts you with a written notice that they are raising prices by 8 percent effective next quarter, citing increased raw material input costs. You have been working with this vendor for three years. The contract has a price escalation clause referencing BPS IHPB, but the current notice does not cite any specific index data.

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ITEM

YOUR NUMBERS

Vendor name + product category

Current contract price per unit (Rp)

Proposed new price per unit (Rp)

Monthly purchase volume (units)

Monthly cost increase if accepted (Rp)

Annual cost increase if accepted (Rp)

BPS IHPB sub-sector most relevant to this product

IHPB cumulative change over the past 12 months (%)

Is the 8% request proportional to IHPB? (Y / N / Partial)

Unexplained gap between IHPB change and request (%)

Alternative vendor — best available quote (Rp)

% gap: alternative quote vs proposed new price

Your counter-proposal price (Rp)

Your counter-proposal basis (IHPB + notes)

1. Before responding to the vendor: request the specific component-by-component cost breakdown behind the 8 percent figure. BPS IHPB data is public and cannot be disputed. If the request is 8 percent but IHPB for the relevant sub-sector rose only 5.2 percent, the 2.8 percent gap needs an explanation — overhead increases, UMK adjustment, or margin recovery. Each has a different appropriate response.

2. What is your counter-proposal? State it as a number anchored to IHPB data plus any documented component changes the vendor can verify. A counter anchored in data is harder to refuse than one that simply says the increase is too large.

Main Vendor Offers 5% Discount for 3-Year Exclusivity

Scenario: your most important vendor, who supplies approximately 40 percent of your raw material volume in that category, proposes a 5 percent price reduction in exchange for a three-year exclusivity commitment — meaning you agree not to purchase the same category from any other vendor during that period. The offer arrives in a formal letter and they want a decision within two weeks.

Scenario: your most important vendor, who supplies approximately 40 percent of your raw material volume in that category, proposes a 5 percent price reduction in exchange for a three-year exclusivity commitment — meaning you agree not to purchase the same category from any other vendor during that period. The offer arrives in a formal letter and they want a decision within two weeks.

ITEM	YOUR NUMBERS
Vendor + category	
Current annual purchase value in this category (Rp)	
Annual saving from 5% discount (Rp)	
Total saving over 3 years at current volume (Rp)	
Current best BATNA price for this category (Rp / unit)	
% gap: BATNA vs current contract (positive = BATNA cheaper)	
BATNA annual saving if switched today (Rp)	
Estimated vendor switching cost (qualification + transition) (Rp)	
What you lose under exclusivity: ability to use BATNA as leverage?	Y / N
Any price escalation clause in the proposed 3-year contract?	Y / N
Performance-based termination clause in the proposed contract?	Y / N
Your decision: accept / counter-propose / decline	
If counter-propose: what are your terms?	

1. A 5 percent discount locked to a 3-year exclusivity commitment is only favorable if: (1) the discount is larger than what your BATNA already offers, (2) the contract includes a price escalation clause linked to BPS IHPB so the discount is not eroded by unprotected future increases, and (3) a performance-based termination clause exists so you are not locked in if delivery or quality standards decline. Calculate all three before responding.

2. What is the minimum counter-proposal that would make this deal worth accepting? At minimum: IHPB-indexed price escalation, a delivery performance clause with defined targets, and a termination right if performance falls below agreed standards for two consecutive quarters. Without these, the vendor gains three years of certainty; you gain a discount that may not survive the first year's market movement.

Key Supplier Announces Capacity Constraint Affecting Your Top SKU

Scenario: your supplier of a critical component — used in your highest-revenue product SKU — informs you by phone that their production capacity will be reduced by approximately 30 percent for the next two quarters due to a major equipment overhaul. They can continue to supply you but will need to prioritize orders. They have not yet indicated how they will allocate available capacity among their buyers.

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ITEM	YOUR NUMBERS
Component name + affected SKU	
Current monthly volume from this supplier (units)	
Volume you need per month (units)	
Estimated volume supplier can cover at 70% capacity (units)	
Volume gap per month if supplier cuts 30% (units)	
Revenue at risk per month if gap is not covered (Rp)	
Current safety stock level (units / days of coverage)	
Days until safety stock is depleted at reduced supply	
Qualified alternative supplier — name	
Alternative supplier — available volume per month (units)	
Alternative supplier — price per unit (Rp) vs current (Rp)	
Lead time to onboard alternative supplier (days)	
What you can offer supplier to secure priority allocation	

1. Your leverage with the constrained supplier is your value as a buyer. Before the next call: calculate your 12-month on-time payment record and total purchase value. A buyer with a documented payment history and high annual volume has a stronger claim to capacity priority than one who pays late and buys inconsistently. Prepare these numbers before the conversation about allocation.

2. The capacity constraint forces a BATNA decision: can your qualified alternative supplier cover the gap volume at acceptable quality and lead time? If yes, negotiate the allocation split with the constrained supplier from a position of having an executable option. If no, your immediate priority is emergency qualification of a second source — not negotiating allocation terms that depend on a BATNA that does not yet exist.

Companion to:

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