

HIGH-VOLUME

WORKSHEET 3 OF 9

Pre-Meeting Preparation Card

Fill in for every vendor meeting with annual contract value above \$30,000. Estimated time: 30 minutes for a known vendor, 60 minutes for a new vendor or a materially significant renegotiation.



Complementary worksheet for
Vendor Negotiation Playbook
by Ibrahim Anwar

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What This Is For

A vendor meeting without a preparation card is not a negotiation — it is an invitation to accept whatever is offered. This worksheet forces the five preparation components that separate operators who walk into meetings knowing what they will do if the vendor says no from operators who improvise answers to questions they should have settled the day before.

The card does not take long to fill. Its value comes from the act of filling it: you cannot complete the BATNA row with a real number unless you have actually contacted an alternative vendor. You cannot complete the ZOPA row without doing the cost estimation. Those constraints are the point. A preparation card that cannot be filled honestly tells you that the meeting should be postponed until it can be.

Benefits

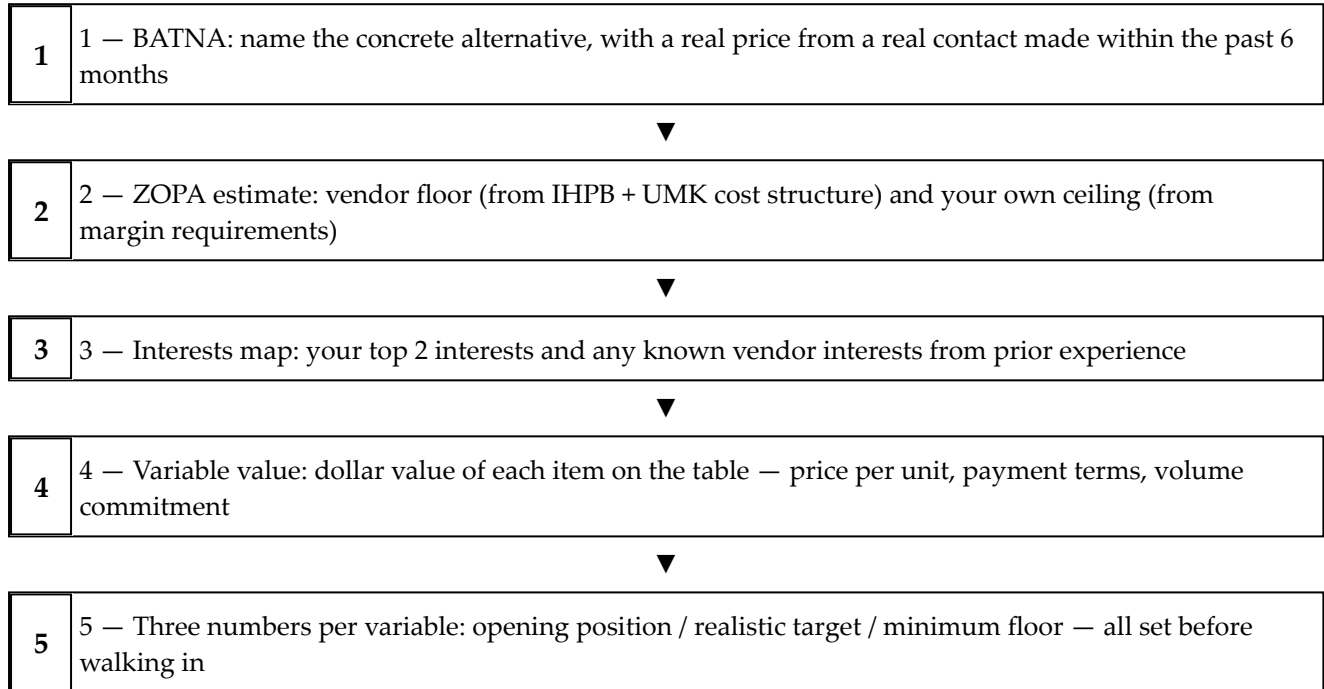
What you get when you actually run this worksheet on a real situation:

- Ensures the operator enters every material negotiation with a concrete BATNA — an alternative they have actually priced, not one they plan to cite without having contacted anyone.
- Forces a ZOPA estimate before the meeting, so the operator knows whether the vendor's opening position is far above or near the floor before anyone states a number.
- Calculates the dollar value of each variable in play — price, terms, volume commitment — so trade-off decisions at the table are based on numbers, not intuition.
- Pre-sets three numbers per key variable (opening, target, floor) so the operator has a boundary to hold when negotiating pressure increases.
- Provides two open-ended questions to ask before stating any number, increasing the odds of uncovering vendor interests that can be used to expand the available agreement space.
- Creates a one-page record of the operator's pre-meeting position, which can be compared against the post-meeting outcome to calibrate future preparation.

Framework To Use

— Five-Component Preparation Stack

The five preparation inputs that determine how the negotiation plays out — and which must be settled before the meeting, not during it.



How To Use

Follow these steps in order. Each one builds on the previous.

- 1 Write the vendor name, product category, meeting date, and estimated annual contract value at the top of the card.
- 2 Complete the BATNA row: name the specific alternative action if no agreement is reached, and the reference price from the most recent RFQ to that alternative vendor. If this row cannot be filled with a real number, resolve the BATNA gap before the meeting.
- 3 Estimate the ZOPA: use IHPB data for the relevant raw material category to estimate the vendor's cost floor, then add a minimum reasonable margin of 8–10% to get the vendor's price floor. Set your ceiling from actual margin requirements, not from what feels reasonable.
- 4 List your top two interests — not positions — for this negotiation. Write any known vendor interests from prior conversations or observed behavior.
- 5 Calculate the dollar value of each variable: what is 30 additional days of payment terms worth per year at your cost of capital? What is the value of a 3-month volume commitment to the vendor in production planning certainty?
- 6 Set three numbers per key variable: opening (more aggressive than target, backed by data), realistic target (inside the ZOPA), and floor (the number below which you execute the BATNA).
- 7 Write two open-ended questions to ask before stating any number. Use them.

Example Use

A West Sumatra coffee exporter is renegotiating their primary green-bean packaging vendor ahead of the contract renewal. Annual contract value is \$42,000. The vendor is expected to request a price increase of around 8%.

BATNA: Two weeks before the meeting, the purchasing manager sent RFQs to two alternative packaging vendors from the IndoTrading platform. Vendor X quoted \$0.31 per bag (same specification, 5-day lead time). Vendor Y quoted \$0.34 per bag but offered free spec-matching for the first order. The active contract is \$0.33 per bag. BATNA reference price: \$0.31, from Vendor X, quoted 10 days ago.

ZOPA estimate: The main raw material in kraft packaging is recycled pulp. BPS IHPB for the paper products sub-sector rose 6.2% over the past 12 months. The operator estimates the vendor's raw material cost at roughly 55% of their selling price. Labor cost floor (West Java UMK) adds approximately \$0.013 per bag. Estimated vendor cost per bag: ~\$0.27. Add 9% minimum margin: vendor floor at approximately \$0.295 per bag. Buyer ceiling: \$0.345 per bag (above this, the export margin falls below 18%). ZOPA: roughly \$0.295 to \$0.345.

Interests: Buyer's top two — price certainty for the next 12 months (export contracts are fixed-price) and delivery lead time of ≤5 business days. Known vendor interest (from a side comment in the last meeting): they want larger order batches because small frequent orders are inefficient for their production line.

Variable values: A 1% price reduction on \$42,000/year = \$420/year. Extending from net-30 to net-45 at 15% cost of capital = $\$42,000 \times (15/365) \times 15\% = \$259/\text{year}$. A 3-month batch volume commitment (instead of weekly small orders) = estimated \$600/year in vendor production cost saving, which is the trade-off leverage.

Three numbers — price: opening \$0.30 (below BATNA, with IHPB data cited); target \$0.315 (inside ZOPA, 4.5% increase not 8%); floor \$0.33 (current price — no increase accepted unless paired with performance clause).

Open-ended questions: "What part of the production process is most affected when we send small orders weekly instead of larger monthly batches?" and "What matters most to your team in a customer relationship beyond price?"

The Worksheet

Tear this out, copy it onto a fresh sheet, or fill it in directly.

Pre-Meeting Preparation Card

Fill in for every vendor meeting with annual contract value above \$30,000. Estimated time: 30 minutes for a known vendor, 60 minutes for a new vendor or a materially significant renegotiation.

COMPONENT	YOUR ENTRY
Vendor + product category	
Meeting date + estimated annual value (\$)	
BATNA: concrete alternative if no agreement	
BATNA reference price (source + date of RFQ)	
Estimated vendor floor: cost + min. margin (\$)	
Buyer ceiling from margin requirements (\$)	
ZOPA range: vendor floor to buyer ceiling (\$)	
Key interest — ours (1)	
Key interest — ours (2)	
Known vendor interest (from experience)	
Variable 1 (price): annual \$ value per % change	
Variable 2 (terms): annual \$ value per 15-day extension	
Variable 3 (volume/batch): \$ value of commitment offered	
Opening position — price (\$)	
Realistic target — price (\$)	
Minimum floor — price (\$)	
Opening position — terms (days)	
Realistic target — terms (days)	
Minimum floor — terms (days)	
Open-ended question #1 (to ask before stating any number)	

COMPONENT

YOUR ENTRY

Open-ended question #2

Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. For each key variable: calculate the annual dollar difference between your opening position and your floor. That number is the maximum annual value on the table for that variable. Keep it visible during the meeting — it tells you whether a proposed trade-off is proportional.
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2. After filling the table: can you execute the BATNA named in row 3 if the vendor will not move to your floor? If not — if that alternative vendor has not actually been contacted and priced — resolve the BATNA gap before the meeting. A preparation card with a phantom BATNA is not preparation.
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Tips and Traps

TIPS

- For contracts above \$100,000 per year, spend proportionally: 0.5% of contract value in preparation time (at your hourly cost) is a reasonable investment. A \$100,000 contract justifies 4–6 hours of preparation.
- If the vendor states the first number and it is outside your ZOPA on the unfavorable side, do not react immediately. Acknowledge the number, ask what cost factors are driving it, and respond after you have heard the explanation.
- Preparation cards should be filed after the meeting with a one-paragraph outcome note. Two years of preparation cards and outcome notes is a negotiation learning archive most operators never build.
- The three-numbers rule prevents concession creep: if the vendor pushes past your target toward your floor, you can hold because the floor is a number you set before the meeting — not one you are calculating under pressure.

TRAPS

- Filling in the BATNA row with a vendor name that has not been contacted. That is a phantom BATNA. Experienced vendors test it. When they do, you lose credibility for every negotiation that follows.
- Setting the floor at the same number as the realistic target, leaving no room to make a visible concession and still reach your goal. The opening must be genuinely aggressive — not your target dressed up as an opening.
- Preparing the card but not looking at it during the meeting. The whole point is to have your three numbers on paper so you do not calculate your floor under pressure.
- Asking open-ended questions and then immediately returning to the price agenda without actually listening to the answers. If the vendor's answer changes what you know about their interests, update the plan.

Appendixes

Appendix A — ZOPA Estimation Quick Method

For manufacturing vendors (goods):

- Step 1: Identify main raw materials in the product.
- Step 2: Find relevant BPS IHPB sub-sector; read 12-month change.
- Step 3: Estimate raw material as % of vendor selling price
(light manufacturing: 50-70%, distribution: 30-50%).
- Step 4: Apply IHPB change to that cost component only.
- Step 5: Add minimum margin of 8-10% → vendor floor estimate.

Example: packaging vendor, selling price \$0.33/unit

Raw material % assumed: 55% → \$0.182 raw material component
 IHPB plastics group 12-mo change: +6.2%
 Adjusted raw material: $\$0.182 \times 1.062 = \0.193
 Non-material costs (unchanged): $\$0.33 \times 0.45 = \0.149
 Total estimated cost: $\$0.193 + \$0.149 = \$0.342$
 At 9% minimum margin, vendor floor: $\$0.342 \div 1.09 = \0.314

Note: this estimate can be off by 5-8% and is still useful.
 An imprecise floor is better than no floor estimate at all.

Appendix B — Open-Ended Question Bank for Vendor Meetings

Before stating any number:

- "What matters most to your team in a long-term customer relationship?"
- "Are there operational conditions you are managing right now that we should understand going into this discussion?"
- "If we could change one thing about how we have worked together, what would be most valuable to you?"

After the vendor states their opening position:

- "Can you walk me through the cost factors behind that number?"
- "Is that figure the same for all your customers at this volume, or does it reflect something specific to our account?"

When exploring trade-offs:

- "If we could offer [volume commitment / earlier PO / fixed payment date], would that change what you can offer on price or terms?"
- "What would need to be true for you to move on [specific variable]?"



WHERE THIS WORKSHEET COMES FROM

Vendor Negotiation Playbook

The First Price Quoted Is Not the Best Price Available

by Ibrahim Anwar

This worksheet is one of nine in the *Vendor Negotiation Playbook* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

Read the source book on Google Play Books:

<https://play.google.com/store/books/details?id=KEfXEQAQBAJ>

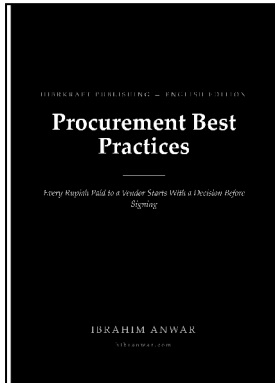
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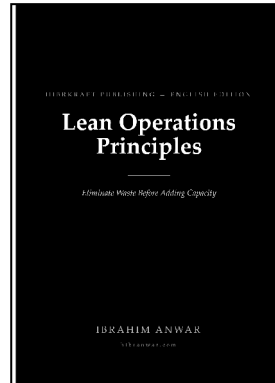
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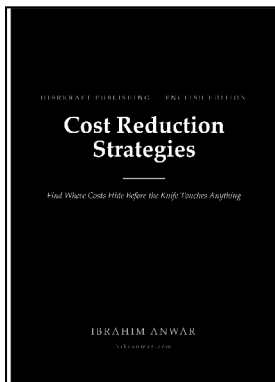
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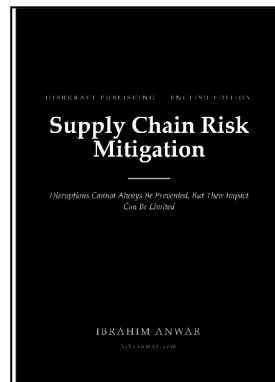
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