



3 Tips for Selling Your Supply Chain Cost-Savings Initiative Internally

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Are you a supply chain manager who's struggled to make your ideas for generating cost-savings heard by those at the executive level? Below are three tips that can help you get your next supply chain cost-savings initiative approved and implemented.

1. Develop a relationship with an internal ally or influencer.

Important things in sales are developing relationships, educating, flexibility or customization, taking control, and the ability to measure performance or results. These are important whether you're selling an idea to someone outside of your organization or selling an idea to someone inside of your organization.

If you're selling internally and don't have a relationship with a stakeholder that has the ability to make or influence decisions, developing one prior to presenting your supply chain cost-savings initiative formally is a good idea. Take a stakeholder or influencer who's been receptive to your ideas in the past out to lunch and learn what's important for them to understand prior to making a decision. What are their likes and dislikes? Do your ideas for generating cost-savings fit in with the overall direction of the company? Are budgets tight, or are they looking for a game-changing idea? Having an advocate on your side when you do present your idea formally will greatly increase your chances of pushing your initiative through.

2. Clearly define your problem—from the stakeholder's point of view.

The problem you're trying to solve can't be relevant to only you or your logistics department. The problem also has to directly impact stakeholders in some way in order for your solution to have a real chance of gaining approval. Think about it: Why would stakeholders be willing to spend their budget on your idea unless there's something in it for them? Clearly defining your problem from the stakeholder's point of view will help you angle your presentation to suit your audience.

To angle your presentation properly, it also helps to understand both the formal and informal decision criteria people use to make decisions. Formal decision criteria relates to what business critical items people are basing their decision on. Budget? Results? Timeframe? Experience? Informal decision criteria relates to how the decision will impact people personally. Will they get a big bonus? Will they get a promotion? Will this make them the toast of the company at next year's Christmas party?

3. Arm yourself with hard data.

Recently, I had an interesting conversation on selling supply chain solutions internally with DSC Logistics Manager of Strategic Partnerships, Kevin McCaskey. McCaskey pointed out, "Solutions like DC consolidation, implementing a TMS, or those that require systematic changes often come with upfront costs in the thousands of dollars, or even millions, in some cases. To convince executives to move forward with an initiative that requires significant capital expenditures, you really have to work with the right third-party logistics provider (3PL) to transform your data into information that can prove the long-term value."

Do you need a fancy presentation? No. Things you do need are:

- solid, objective data developed by a reliable 3PL,
- an executive summary that describes what you are trying to accomplish, why you are trying to accomplish it, and the potential impact of your initiative,
- clear goals,
- key performance indicators and estimated results to measure actual results against, and
- costs versus potential return on investment (ROI).



Presenting stakeholders with options, or plans A, B and C as they relate to costs versus ROI is also advisable.

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