

7 Tips for Getting Past ‘Preferred Supplier Agreements’

“We have a Preferred Suppliers List.”

If you’re actively canvassing for new business, you probably get this objection every day. And this objection probably causes more frustration among recruiters than almost any other. But let’s get things into perspective. This is just a variation of the classic objection, “we’re happy with our current suppliers.” The truth is that this objection is less of an obstacle than most recruiters realise.

What NOT to say...

Most recruiters fall into the trap of asking, “When is your PSL up for renewal?” or “How would we go about becoming a preferred supplier?” These questions may be useful at some stage, but not as your initial line of enquiry. Why? Because these questions implicitly assume that there is no possibility of winning business from this client in the short term. So usually when you ask these questions, you have already admitted defeat in your own mind. And you may be giving up too easily.

The big lie

If we hear something often enough we’ll usually start to believe it – even if it’s not true. Be aware that just because the client says they have a PSL doesn’t make it true. Many companies have discovered that this is an easy way to get recruiters off the phone fast. And even if it is true, it may not be strictly enforced. Often the PSL is applied selectively. A good CV will almost always be considered no matter where it came from – especially in a candidate-driven marketplace.

So before you resort to arranging a call back or sending literature, try testing the strength of the PSL with one of the following strategies:

1. Remind them that there is no cost to consider your candidate

“It doesn’t cost you anything to consider our candidates. Let me send you my best 1-2 people. You can compare and contrast them against the applicants you’re already considering. If my CVs are no better to the ones you’ve received from other sources, then fine. On the other hand, you could be missing out on a real star that you would not have access to otherwise. And at the very least, you’ll satisfy yourself that you are recruiting from the best shortlist. You do want to recruit the best person, don’t you?”

2. Probe for problems with their current supplier

Now here's the challenge. If you come straight out and ask, "What problems are you having with your current suppliers" you're unlikely to get an honest answer. People don't like admitting problems to themselves, let alone to a stranger. So we need to do some detective work. Remember watching Lieutenant Columbo on TV? He was a master at finding flaws in the suspect's story. But he did it without them realising what he was doing until it was too late. In fact the secret to his success was that he was so polite and unassuming. He'd always start out with seemingly harmless questions, and these would inevitably lead to more challenging ones. Take a page out of Columbo's book. Try questions like: "You've got a Preferred Supplier's List? I'm glad to hear it! It tells me that you take recruitment seriously! Who do you use? What were your reasons for choosing them? If you could change one thing about the service you're getting right now, what would it be? Is there anything else you're not 100% satisfied with? Tell me, how well do they handle x,y,z (your area of specialty)?" Before you know it, you're engaged in a meaningful business conversation with your client.

3. Become a "Second Tier" supplier

Ask them, "What would you do if your usual suppliers were not able to provide suitable candidates? What's your back-up plan?" Many clients will not have an answer for this. They'll be forced to admit that IF their current suppliers could not deliver, THEN they would need to consider other alternatives. Then you can say, "Our intention at this time is not to replace your existing suppliers, but to complement them. Let us be your second tier suppliers."

4. The "Spare Tire" analogy

If the client is adamant that their current suppliers have never let them down before, try the spare tire analogy. "Do you carry a spare tire in your car?" *Of course.* "Why? You have four perfectly good tires. Have they ever failed you?" *No, but what if I get a flat?* "Exactly, and it's guaranteed to happen at the most inconvenient moment when you're under pressure and you don't have time to waste. What's why it's prudent to carry a spare tire. So let us be your spare supplier. No matter how good your current suppliers are, one of these days they will let you down. And we'll be waiting in the wings to come to your rescue." Yes it's cheesy, but it does get the idea across. For best results, try to adapt this metaphor to your client's industry. For example, if your client is in IT, talk in terms of co-location and redundant servers.

5. "We try harder because we're number two"

This was the famous strap line that helped Avis rent-a-car win market share from the market leader Hertz. And you can use a similar idea to win new business too. If the incumbent is becoming even slightly complacent, then you might be able to get in simply by working harder.

Tell the client, “I understand you’re happy with your current suppliers. That’s why my intention is not to replace them, but to complement them. Let me prove to you what we can do. What vacancies are you struggling with right now?”

If you succeed in filling the job, you’ll be a hero. And if you don’t fill the job, then they can’t fault you because none of their usual suppliers was able to either! You’re no worse off for having tried. And at least now you’ve started a dialog that you can expand on.

This approach is great for positioning you as the recruiter who will go the extra mile. However, beware of the client who says “Sure – send me some CVs.” This line is very often a brush off. The outcome of this conversation should ideally be a face to face meeting. As a minimum, insist on taking a proper job order. There’s no point in putting a lot of effort into a vacancy which is not fill-able, or which the client was never really motivated to fill in the first place.

6. Sell to the MAN (Money, Authority, Need)

In other words, you need to be selling to the real decision maker. Obviously the MAN is often a *woman*. The point is that unless you happen to recruit HR people, you should be targeting the line manager instead of Human Resources.

Avoid going through HR if at all possible. The line manager is usually more receptive to your approaches for two reasons. Firstly, she is the one with the staffing problem, and presumably is more motivated to find a solution. Secondly, she doesn’t usually care about the PSL and will often let you in the back-door. If you build a good relationship with the line manager, and come up with the right candidates, she can insist on interviewing your people and get the offer pushed through. Once you’ve got a proven track record, you can re-approach HR to look at their broader recruitment needs. Remember, it’s easier to beg forgiveness than to ask permission!

7. The Trojan Horse

Even if you’re getting knocked back, try specking in a star candidate. A top-calibre candidate can be a powerful door-opener. And it’s much easier to win the battle once you’re already inside the fortress. Let me give you a real example from my own experience. I used to recruit software salespeople, and I was determined to break into Oracle. Their Recruitment Manager in London told me they had a strict Preferred Suppliers List and they would not consider CVs from any company that was not on the list. I refused to give up and went directly to the Regional Sales Director in Edinburgh where I am based. He admitted that he was always looking for good salespeople, and agreed to meet me. However, he warned me that he already had a good relationship with two of my competitors and was happy with their service. Undeterred I met him in order to start building the relationship. Then I simply kept contacting him with good candidates. Eventually I struck gold with a candidate I was representing exclusively.

He was an eCRM sales specialist within the Insurance and Banking sector, which was a niche that Oracle was keen to develop. I made a £13,000 fee (20% of £65,000) and the recruitment department was forced to put me on the PSL, which opened up new opportunities for my colleagues in our IT recruitment division.

So the next time a client tells you they have a PSL, don't give up – get excited. If they have a PSL it probably means they spend a lot of money on recruitment. And with a bit of persistence, you could get a slice of the action!

About the Author

Mark Whitby is the leading sales performance coach to the UK recruitment industry. He's the best selling author of 12 audio training CDs, and delivers in-house seminars throughout the UK and Europe.

Mark has over 12 years experience of sales, marketing and business development in both the UK and North America. Since 1997 he has recruited and trained hundreds of salespeople from trainee to director level. His clients range from small independent recruitment companies to some of the biggest names in the recruitment industry.

Over 83% of Mark's revenue comes from repeat business. That's because he gets measurable results for his clients in the form of increased sales, higher profits, improved staff motivation and retention. And he's the only recruitment trainer who offers a money back guarantee.

Mark is the creator of Big Billers Club™ – the world's first monthly coaching programme for recruitment professionals. Every month hundreds of recruiters dial into his popular teleconference training sessions from the convenience of their own office. Mark also provides a telephone mentoring service for owner/managers of recruitment companies who want to “work less and make more.”

For a **F.REE Audio Seminar** called: How to Overcome Fee Objections: 23 Great Answers for when Your Client says 'You're too Expensive' visit:
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