Before the meeting, decide whether it is a negotiation at all

Some supplier problems are negotiation problems and some are business model conflicts. They look identical from across the table and they need completely different solutions. Telling them apart is preparation work, not meeting work.

A supplier had been selected on speed — they had a commercially ready, certified product when nobody else did — and eighteen months later the relationship was in trouble. The design had failed, a joint development effort had produced something valuable, and the buyer wanted exclusivity so that the thing they had helped create would not be sold to their competitors the following quarter. Reasonable. The supplier's entire business model is selling the same product to everyone in the market at volume. Also reasonable.

There is no clause that fixes that. Teams spend months drafting one anyway, because the problem presents itself as a contract problem and the instinct is to reach for the contract. But an exclusivity provision inserted into an agreement with a company whose economics depend on breadth is a provision they will sign, price, and route around, and the routing around is not bad faith — it is the business working as designed.

The diagnosis that has to happen first

So the first question before any supplier meeting is not what we want. It is which of two problems we have.

A negotiation problem is a disagreement about terms between parties whose interests are broadly compatible. Price, lead time, liability, volume commitment, warranty scope. Both sides can get what they need from the same structure and the argument is about where the line sits. These are solved in the room, by preparation and leverage, and a better contract genuinely helps.

A business model conflict is a structural incompatibility between what makes them money and what makes you competitive. Exclusivity against a volume-breadth model. Design ownership against a supplier whose intellectual property is the product. Custom configuration against a company that survives on standardisation. No amount of drafting resolves it, because the thing you are asking for costs them the business they are in. What is needed is a bridge — a commercial arrangement that buys time, an engineering contribution that builds shared ownership, or a structured risk-share — and the point of the meeting is to establish which bridge is available, not to close.

> **You cannot draft your way out of a business model conflict. You need a bridge structure, not a better clause.**

The pre-read is five sections and none of them is optional

Write it before every commercial meeting and circulate it forty-eight hours ahead. It is short. The value is that everyone walks in with the same version of the facts, and one of those sections is the one people skip and then regret.

WHAT GOES IN IT

- **About them.** Ownership, listing status, most recent reported numbers, guidance. And the line that matters most: what share of their revenue our category represents. That single figure predicts how much engineering attention we will get, and it is the difference between being a priority and being a pilot.
- **The relationship.** Agreement type and date, how they were selected and on what basis, committed value against forecast value. If they were chosen for speed to a certified product rather than best technical fit, write that down — it resurfaces every time.
- **Current status.** Open technical issues with mechanism and root cause where established. Any parallel or alternate path in development, and its honest objective: dual-source, replacement, or leverage.
- **What has already been communicated to them.** Every position we have stated, when, by whom, and what they said back.
- **Objectives.** One line per track, each with a named lead and a minimum acceptable outcome.

Why the fourth section is the one that saves you

It is the record of positions already stated, and it exists because of a specific and very common failure: two people from the same company describe the same position differently in the same meeting, four weeks apart. The supplier notices immediately. From that point the softer version is treated as the real one, and every subsequent restatement is discounted a little further.

So never restate a position more softly than it was first put. If it has to move, move it deliberately, in exchange for something, and record that it moved. A position that drifts has been given away for nothing.

That section is also where you track consideration that was not commercial. Permission to announce the relationship publicly, joint marketing, a reference call, a logo — these are assets, given in exchange for something, and they are almost never written down as such. Record what was promised in return, and whether it arrived. Marketing permission granted for a promise that never materialised is a live piece of leverage that most buyers forget they hold.

The three bridges, and what each one actually buys

Where the diagnosis comes back as a business model conflict, there are three structures worth knowing before you walk in, because the meeting goes better if you already know which one you are steering towards.

The first is a commercial bridge: you pay a premium for exclusivity earned against volume. It is the fastest to agree and the least durable. It buys time and nothing else — no intellectual property accrues, and when the term ends you are exactly where you started with a higher cost base. Use it when the real problem is that you need eighteen months to do something else.

The second is an engineering contribution — non-recurring engineering money, or a joint development agreement in everything but name. Your money buys a share of what gets created, and that share is what later lets you take a licensed design to an alternate supplier. It is slower, it costs more up front, and it is the only one of the three that leaves you owning something.

The third is a structured risk share: a volume floor and ceiling, transparency on margin, and a second-source carve-out written in from the start. It is the best long-term answer and much the hardest to negotiate, because it asks both sides to show their arithmetic.

On that carve-out, the wording matters more than people expect. Reserve the right to take a defined share of volume from a second qualified supplier for supply chain resiliency, with right of first refusal to the incumbent at matching price and lead time. Frame it as resiliency, not as a competitive hedge. It is the same clause either way, and only one of the two framings gets signed.

Fill in the walk-away column before you go

The last page of the pre-read is a table: issue, opening position, fallback, walk-away. The first three columns get filled in easily. The fourth is the one people leave blank, and leaving it blank has a specific consequence. If you have not decided in advance what you will not accept, you will accept what is offered, because the offer arrives with a rationale attached and the room is not the place to work out your own limit.

> **If the walk-away column is empty, you are not negotiating. You are being informed.**

Then write the record, within a day

What was agreed, with the named person who committed to it. What was not agreed, with their stated position and the next step. And what we learned — about their capability, their constraints, the pressure their owners are putting on them, and their intent. That third heading is where the useful material lands, and it is the one nobody writes because it feels like speculation. It is not. It is the only place the meeting's real output gets captured.

Circulate it for correction within forty-eight hours. An uncorrected record becomes the record, and it will be quoted back to you in a year by somebody who was not in the room.

None of this makes a hard supplier easy. What it does is stop you spending two quarters negotiating a problem that was never a negotiation — and that is usually where the time goes.

That is the work I do.

WHERE THIS GOES NEXT

Who builds it, and whether the price is right →

The sourcing and contract-manufacturing method — category strategy, cost models, and the structures that hold when a supplier has the leverage. Or start a conversation: rtackconsulting.com/contact