Podcast Series - “About Managing Contractors and Vendors”

Episode 4 Transcript: Manipulation, Part 2 – Games that Clients Play

This episode is the second of two parts where we look at what I call "client-vendor manipulation". In Episode 3, we covered some of the games that vendors can play. Let's look at some of the games that clients can play.

As with vendors, not all clients play games. Sometimes games are played during the selection process, sometimes during the ongoing delivery, and sometimes only when there is a problem.

This episode is for both clients and vendors. Clearly, if you’re a vendor, this will be helpful to you identifying some areas where you may need be careful in your dealings with clients.

And if you’re a client, this is not a how-to on tricking vendors and squeezing the most out of them. I prefer to see it as something of a caution about the costs and risks of game-playing.

If you’re a vendor, and you sense some game-playing, try to be aware of whether the client company approach tends to be manipulative, or if it’s simply one individual in the process.

Games can be destructive to both parties. If you're a client playing games, the cost may be that you engage a vendor who does not trust you. You may create a situation where vendor is no longer able to deliver effectively under the terms that you have imposed. And you may end up losing a vendor by them refusing to ever do business with you again.

If you're a vendor, and fall prey to games and manipulation, you may find yourself in a situation where you are legally required to deliver, yet doing so may put your business at risk, or very least be a losing proposition.

So let's first look at some of the games that a client may play during the proposal and selection phases.

Brain raid. A client may ask the vendor who they think has valuable expertise or experience to submit a proposal and then bring them in for a meeting to gather as much expertise as possible about how a job may be done.

Fake bid request. Ask a small or hungry vendor to bid on a job so that the client can use a low bid to drive the price down with their existing or favored vendor.

Deal squeeze. Make the job very attractive, and then slowly get the vendor to trim the price or add in additional services. The risk here is that the vendor may later feel the need to cut corners in other areas or reduce quality to keep the project as a viable job.

Bright future. The promise of things to come. Many clients will dangle a carrot of larger amounts of future work down the track, as a way of getting a vendor to make a bid that is a loss leader so they'll get in the door with the client. If the future work does not eventuate, and the vendor suspects that they have been tricked, this may lead to strained relations and reduce the quality of delivery.

Scope understatement. This may simply an underestimation on the part of the client as to what the job will take or what is involved. Or it may be a way of making it appear small, so that the vendor will put in a lower bid.

Experienced vendors will require contracts that carefully set out deliverables, milestones and assumptions, as well as exceptions. When this happens, the additions to bring the job up to what it should of been the first place will end up costing the client more.

Bait and switch. A vendor may find themselves dealing with a friendly and reasonable representative from the client during the proposal phase, creating a feeling of trust and harmony. Then, once the job is under way, the client may substitute a hard-nosed, demanding person to manage the project, or simply showed their own true colors - possibly even litigious or bullying. Most vendors do not do their best work under coercion.

Phantom competitors. When asked to submit a proposal, a vendor may be told by the client that there are a number of other vendors bidding who are very good, and who have previously submitted very low bids.

Concealed competitors. This is the opposite of phantom competitors. A client may hide from a vendor the fact that there are other vendors being asked to bid. The result of this is that the vendor may put in more valuable information to the proposal, and invest more time up front with the client, believing that there is a strong likelihood that they will be the ones doing the work.

Let's just go over the games that we covered that can occur during the proposal and selection stage: brain raid; fake bid request; Deal squeeze; bright future; scope understatement; bait and switch; phantom competitors; concealed competitors.

Delivery phase

Bullying. "You had better deliver, or we will hold your feet to the fire, to force you to deliver according to the letter of the contract."

Scope creep. Once the job gets under way, the client "innocently" adds in little extras that seem harmless but gradually accumulate. Or the client may try the old, "Oops, we forgot to tell you about that!". This is also known as the bear trap. Once the agreement is signed, the client can bring into play additional requirements that they will claim the vendor should have known about.

Timed release. This actually begins at the briefing phase. The client may fake an early deadline, or more limited budget, and then release more time into the timeline, or a "find" additional funds.

The problem here is that the vendor has planned and budgeted the project based on the original information. With the added time and budget, there also come new expectations that have to be added on. The final result may end up being of a lower quality, or more expensive than it needed to be simply because the client did not provide all the information up front for effective planning.

The client thinks they are being clever and getting more from the vendor, or keeping a tighter rein. In reality they are getting less.

Locking the doors. Frequently in projects and programs, situations and conditions change. Unexpected problems occur, outside factors increase the cost and difficulty of the job. In this situation, a vendor may find themselves being told they need to finish the job as promised, no matter what the cost to themselves.

Clearly, if the factors are something the vendor should have foreseen, or problems that they themselves caused, then this is not an unreasonable client expectation. But if the changes are totally unforeseen, then there should be some give-and-take between vendor and client. When the vendor is held under fire like this, the risk is they will take shortcuts or cut back on quality to meet the unrealistic demands.

"Bring me no bad news". This is when a client berates a vendor for raising problems with a project, with words like, "Don't come to me with problems. I pay you to fix these things!". With a response like this, a vendor is unlikely to bring problems to the client. This raises the risk that problems with the project will escalate and become more costly and damaging before they can be discussed.

Jobsworth. When a vendor asks for a decision from the client around scope increase, additional costs, or needs to vary some aspect of a project, they may be met with the response, "Oh, I could not made that decision. It's more than my job's worth."

Let's just recap the games that vendors can find some clients playing during the delivery of a project: bullying; scope creep; timed release; locking the doors; "bring me no bad news"; and jobsworth.

In addition to games that clients can play, there are also various client styles that can influence a project. That is, the way in which clients go about dealing with vendors, as a reflection of their management style, values or personality. These are covered in more depth in the full Think180 learning series, along with how they impact projects, and how to develop effective strategies for best delivery.

All these games were based on actual situations - either from our own research and experience, or that of our clients. In our workshops we spend time delving in more depth into these games, as well as client styles. We help clients and vendors develop their own specific skills and approaches to reduce destructive game-playing and get better results.

Hopefully, this brief introduction to another aspect of client-vendor relationships has been helpful to you. As always, it's good to hear from listeners about what you find of value in these podcasts. Send an e-mail to podcast@think180.com. You'll also find a transcript of this podcast on our website, www.think180.com.

This free audio series is an introduction to a more comprehensive video curriculum under development from Think180. If you'd like more information, or want to be on the mailing list to be notified when it's completed, please send an e-mail to podcast@think180.com.

In our next podcast will look at some of the steps involved in scoping out work that is to be done outside your company, and a few tips on how to select the right vendor for that work.

Thanks for listening.

Jim Everett
Think180™
jgeverett@think180.com