



Study Guide

Should Cost Models – How to build them; How to use them

Session Description

Most people agree should cost modeling favors buyers in price negotiations. However, they use them sparingly because they see them as hard to build.

In this webinar, we present tools and techniques that make building useful models easier (and faster). We also describe how to take maximum advantage of your models at the negotiating table.

Key take-aways:

- The advantages of 'proportional' should cost modeling
- How to make the most of should cost models in negotiations
- Ways that should cost models identifies the best suppliers

Reflection Questions

1. What is the source of the belief that should cost models are difficult to build?

2. Why are zero-based should cost models not useful for negotiating?

3. What are the 3 steps of building a should cost model?

4. What are you looking for suppliers to provide once you share a should cost model with them?



5. What important trait can should cost modeling reveal about a supplier's company culture?