

# Silent Slopes 10 Point Summary

- Most raw materials are commodities and commodity costs rise and fall constantly.
- Suppliers use rising raw material costs to justify price hikes.
- However, when these costs fall, they say nothing and pocket the windfall.
- We call these periods of falling costs 'Silent Slopes'. Silent Slopes are everywhere.
- 3 steps to follow: 1) - Track suppliers' raw material costs; 2) Break the silences when costs fall; 3) - Redirect the windfalls to where they rightfully belong – in your pocket.
- You have a compelling case for a price decrease – *your argument is identical to your supplier's argument* – changes to raw material costs justify changes to prices.

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- Naturally, suppliers prefer that you not discover their costs have fallen, but once you know, they quickly realize it's in their own best interests to cooperate.
- Not lowering prices when their costs fall would paint them as hypocritical and unfair, something suppliers will want to avoid. Preserving a good business reputation is critical to the success of any company.
- In business-to-business procurement not all customers pay the same price. Make sure your suppliers make their windfalls elsewhere.
- Knowledge is Power. Knowing about Silent Slopes empowers you to negotiate lower prices and create competitive advantage for your organization.