



From The World's  
Largest Manufacturer  
of Custom Web  
Handling Equipment

# Chase News

The following excerpt is provided by Chase Machine, the world's largest manufacturer of custom web handling equipment. From line machines to self-standing units, we offer a comprehensive range of systems that play an essential role in the success of well-known brands and products worldwide. For more information, contact Chase Machine at 401-821-8879 or visit [www.chasemachine.com](http://www.chasemachine.com).

## Buying On Price Buying on price is almost always a big mistake.

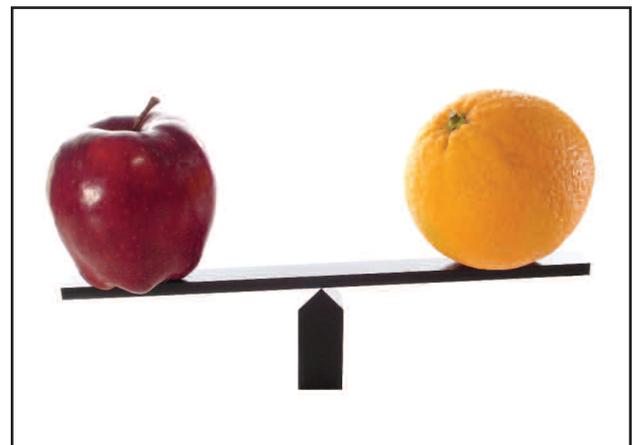
David Roisum, Ph.D

Buying on price does not mean that you will get the greatest value. Rather, it guarantees you will not get the greatest value except in the rare case where the cheapest is also the best value. It also guarantees that you will not have the best equipment or even adequate after market support. The cheaper suppliers do not have research or pilot facilities. Therefore, the customer is the guinea pig in the very real sense of the word. If things go wrong in the field, cheap suppliers will be quick to abandon the project because they have cut profit margins to the bone.

Hard negotiation to cut costs by playing one supplier against the other may also be counter-productive in the short run. You will lose options as more and more suppliers drop out. When pressed, suppliers may do things that are not in the best interest of either party. Examples include taking out recommended spare parts and training to get the quote down. Those suppliers that

survive the negotiation process will remember the bitterness of the selling process and how little margin they have.

Hard negotiation is also counterproductive in the long run, a view not considered by the myopic focus of business. The suppliers are the greatest source of information and innovation in our industry. If you do not support them by allowing them adequate profit, they may not be around



to help you in the future. This is not merely industrial charity, this has practical consequence, especially in the recent decade where suppliers have reorganized, merged and gone out of business. Every one of these business events means loss of information and resource for every company in that industry.

*Reprinted courtesy of Dr. David Roisum, blogmaster of AIMCAL's Web Handling and Converting Blog.*

