



A cost negotiation guide for medical practice owners

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Many medical organizations recommend that practice owners renegotiate costs as part of their pandemic recovery plan. The key is knowing who to ask for the savings — and how to go about it. This worksheet walks you through it all.

STEP 1: Get in the negotiation mindset

Negotiation doesn't have to be a confrontation: Think of it as an opportunity for two parties to address a challenge together. Here are a few pieces of information that may strengthen your position:

- **Provider name/contact:** Ask for a specific contact at each supplier or vendor, so you can develop a rapport. Make sure your contact has the authority to negotiate with you. How? Ask.
- **Monthly spend:** Check your payment records so you have an accurate number here. If this varies, find the average based on a full year. Why? This can help you decide whether negotiating a cost is worth your time.
- **Leverage points:** Mentioning things such as your payment history, site renovations, and years in business may result in a better deal. Also investigate competitor rates so you can make a reasonable request.

Tip: To keep track of business contacts' details (name, phone number, kids' names, hobbies, etc.), try a business-contact-management app. Referencing these details can help you build rapport.

STEP 2: Start with bigger companies

It's often easier to negotiate with older, larger businesses, especially if you have been a loyal customer or client. Remember: Negotiation isn't the only way to save. You may want to look at loan consolidation or payment options for some costs.

	Provider and contact name	Monthly spend	Leverage points for negotiation	Savings (if any)
Real estate rental or loan payment		\$		\$
Equipment rental or loan payment		\$		\$
Student loan payment		\$		\$
Credit cards		\$		\$
Insurance (malpractice, etc.)		\$		\$

STEP 3: Move on to supplies, services, and subscriptions

Using last year's tax returns and receipts, identify your biggest spending categories. Tackle those first, eliminating what you can. Some of these aren't about negotiating; they're simply about researching the best options for you. For example, could you replace print magazines with a bundled (lower cost) digital subscription? What if you bought office supplies in bulk?

	Provider and contact name	Monthly spend	Leverage points or alternatives to negotiation	Savings (if any)
Electric		\$		\$
Heat		\$		\$
Phone		\$		\$
Internet		\$		\$
Cable (TV)		\$		\$
Software/apps		\$		\$
Security		\$		\$
Magazines/newspapers		\$		\$

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STEP 3: Supplies, Etc.—Continued

	Provider and contact name	Monthly spend	Leverage points or alternatives to negotiation	Savings (if any)
Office supplies (break room, restroom, etc.)		\$		\$
Clinical supplies		\$		\$
Lab expenses		\$		\$
Marketing/website		\$		\$
Cleaning service		\$		\$
Other		\$		\$

Tip: Some categories of expenses won't be served by one single provider. For example, you may use multiple labs or get office and cleaning supplies from different big-box stores. If so, start with the categories with the biggest overall spend, then tackle negotiations one by one. Keep in mind that giving more business to one company may result in better rates overall.

STEP 4: Follow up with a thank-you

Regardless of the outcome of a negotiation, thank the person for taking the time to speak with you. Consider sending a handwritten note and some company swag. Acts of graciousness build goodwill and support your brand overall.

For more practice-specific tips for managing your business, visit our [small business resources page](#).

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