

OPERATIONS & DELIVERY
MODULE 17

Supplier & Contract Management

Your product house isn't your partner by default — they're your partner when the terms work for both.

COMMERCIAL LEADERSHIP PROGRAMME
Spa Director & Spa Manager Development

Module Overview

Your product house isn't your partner by default — they're your partner when the terms work for both.

LESSON	TOPIC
Lesson 1	Managing Product Houses
Lesson 2	Equipment Partnerships

Lesson 1: Managing Product Houses

Whether you're working with ESPA, Elemis, 111SKIN, or Aromatherapy Associates — the dynamics are the same. Standard trade terms are 40-50% of RRP, but volume and multi-year commitments can push this to 55-60%. Always negotiate margin, training, marketing support, and stock terms.

KEY POINTS

- Negotiate margin beyond standard 40-50% terms
- Secure training at the supplier's cost
- Request co-branded marketing and campaign support
- Negotiate stock terms: sale-or-return, extended payment

Lesson 2: Equipment Partnerships

Treatment beds, thermal installations, gym equipment — all involve significant capital. Evaluate lease vs buy on total cost of ownership. Negotiate maintenance agreements, training, and replacement guarantees. Never sign the first version of any contract.

KEY POINTS

- Analyse lease vs buy on total cost of ownership
- Secure maintenance and replacement guarantees
- Include training as a contract requirement
- Treat every first offer as a starting position

Key Concept

“Never sign the first version of a contract. Every contract is a starting position for negotiation.”

Practical Exercise

Review one of your current supplier contracts. Identify three areas for renegotiation with commercial justification. Draft a professional email requesting a contract review meeting, positioning it as a partnership discussion.

YOUR NOTES

Learning Outcomes

By completing this module, you will be able to:

1. Negotiate product house contracts covering margin, training, and marketing
2. Evaluate equipment partnerships on total cost of ownership
3. Identify negotiable elements in any supplier contract
4. Conduct contract review meetings professionally

SELF - A S S E S S M E N T

Rate your confidence in each outcome (1 = Not yet confident, 5 = Fully confident):

Outcome	1	2	3	4	5
Negotiate product house contracts covering margin, training, and marketing					
Evaluate equipment partnerships on total cost of ownership					
Identify negotiable elements in any supplier contract					
Conduct contract review meetings professionally					

Assessment

Complete the following submissions to demonstrate your learning:

Submission 1: Contract Audit

Review with three renegotiation areas and commercial justification.

Submission 2: Negotiation Email

Professional contract review request demonstrating partnership positioning.

MODULE COMPLETION

Name:	
Date:	
Assessor:	