NAEP FUSION WEEK 2020

Building Strategic Supplier Relationships with Communication, Creativity, and Collaboration

Key Takeaways:

Recognize the Importance of your Supplier Relationships

Commit to making a plan for your organization or the commodities you manage.

Define Your Supplier Management Process

Define your process for supplier management - sometimes we take suppliers for granted, but maintaining strong positive relationships with your suppliers allows you to be strategic and create new solutions. This can be an opportunity for mutually beneficial collaboration.

a. Ensure that internal departments know the plan and follow the plan.

b. Communicate to your supplier what to expect on their end.

c. Suppliers can be a great resource for new products, ideas and innovations. Are you taking advantage of their expertise?

Cost Evaluation

Focus on the holistic approach. What is the total value of the relationship in addition to the total cost of ownership?

a. Price is important, but it is not the only consideration and may not be the most important consideration.

Refine Your Process

Be willing to change gears, re-evaluate situations and suppliers. Circumstances change and our processes may need to be adjusted accordingly. Be flexible, be creative.

Communication

Set clear objectives with suppliers and understanding their objectives. Does your supplier completely understand your needs? Do you know who your primary contact is? Do you know who the decision maker is?

a. Identify Stakeholders

b. Are your objectives and the suppliers compatible?

c. Are you aligned with your internal stakeholders?

d. Are you aware of your own soft skills?

e. Are there concerns with the suppliers service or product, remember they cannot fix what they do not know about.

f. Schedule regular planned communication.

Quarterly Business Reviews

Quarterly Business reviews are great opportunities to keep your pulse on the relationship and for growth, follow-up on mutual goals, reports, etc.

a. Set a fresh agenda for every meeting.

i. Market trends and analysis.

ii. Client successes.

iii. New goals.

iv. Account solutions to any issues.

v. What s working well?

Service Level Agreements

Keep suppliers on track and protect your organization. Know your contractual agreements.

a. Be transparent and provide regular feedback.

b. Add KPI Indicators if applicable.

c. Identify risk, analyze impact and collectively develop mitigation plans.

d. Discuss exceptions and limitations, bring data to the table.

Information Management

The faster the flow of information the more successful the relationship is. This area presents another opportunity to brainstorm, can you be more strategic? Is there additional opportunity for growth? Is there something you can collaborate on for a win-win outcome?

a. Supplier Data - Suppliers can be a wealth of information take advantage of this where you can.

b. Analytics & Reporting – Gather accurate data, use spend analytics.

c. Forecasting – Determine current and future demands plus supplier capability.

d. Collaborate – Make informed decisions, ask your supplier for their data and update strategies when applicable.

Share Successes – Share with both your Supplier and your internal customer.

Ask suppliers questions. Ask suppliers for creative ideas, creative solutions, preventative measures. Ask for help if you need it.