



Building Strategic Supplier Relationships with Communication, Creativity and Collaboration

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Learning Objectives

- I. Defining Your Supplier Management Plan
- II. Communication
- III. Cost Evaluation
- IV. Service Level Agreements
- V. Information Management
- VI. Shared Supplier Successes



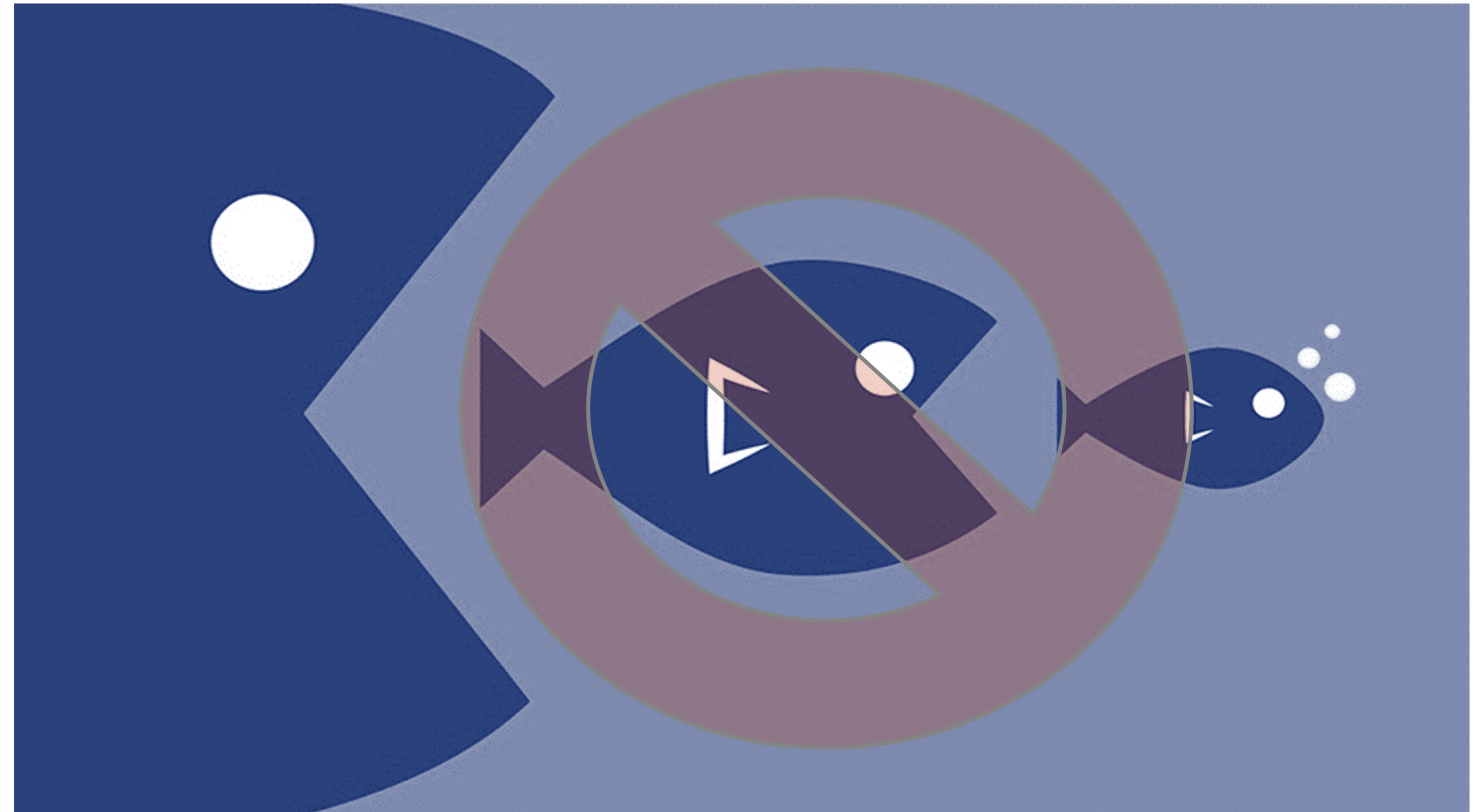
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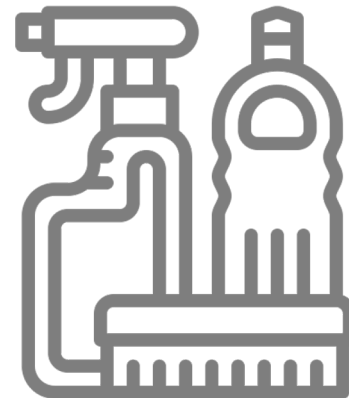


Importance of Good Supplier Relationship Management

- Suppliers and buyers exist in the same SCM ecosystem. Both....
 - Have mutual interests
 - Want to maximize value and impact cost savings
 - Are striving to co-dependently achieve goals



Supplier Relationships In Action



Supplier Relationship Management Overview

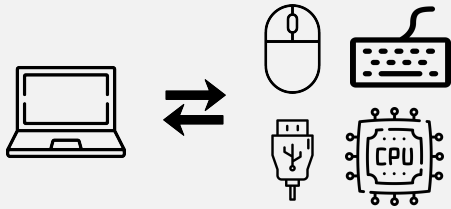


Cost Evaluation



Determine the value of the relationship including the total cost of ownership. When evaluating the costs of our supplier relationships, do we consider factors that impact our suppliers' costs?

Development



Shipping/Resources



Ordering/Invoicing



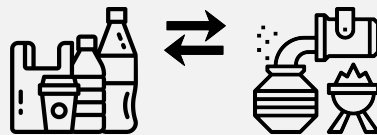
Inventory/Warehouse



Quality



Raw Material Volatility



Payment Method/ Terms



Environmental/Other

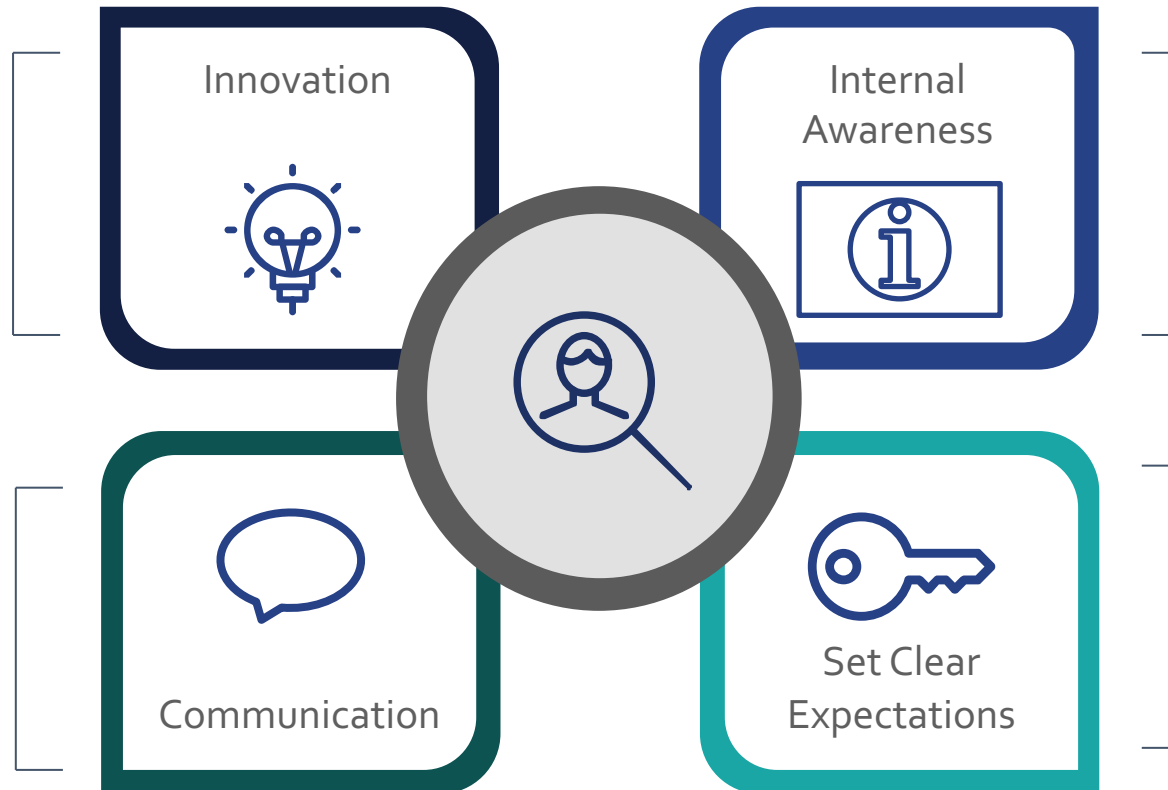


Define Your Supplier Management Plan



- ▶ Leverage supplier expertise
- ▶ New product development
- ▶ Collaborative opportunities

- ▶ Setup ongoing strategic meetings
- ▶ Identify points of contact



Communication



Set Clear Objectives & Performance Indicators

- Are both parties objectives and goals compatible?
- Are expectations clear on both sides?

Identify Stakeholders

- Are the key stakeholders identified for both parties?
- Are you aligned with your internal stakeholders and their needs?

Ongoing Performance Monitoring

- Schedule regular phone calls or meetings.
- Set and measure continuous goals. Leverage and assess different components of the relationship.



Quarterly Business Review



What's New

- Financials Update
- Market Trends/Analysis
- Client Successes
- New Goals

Account Problems/Solutions

- Account Concerns
- Share recent examples, scenarios, and data if possible

Key Performance Indicators

- Compliance Rate
- Purchase Order/Invoice Accuracy
- Lead Time
- Return Rate

Service Level Agreements

- KPI Indicators
- Service Levels/ Issue Resolution
- Exceptions/Limitations

Brainstorming Session

- Can we creatively achieve cost savings?
- Can we streamline processes?
- Can we adjust to market trends?

Successes/Other

- What are we doing well?
- What are other peers doing well?

Service Level Agreements



Know your contractual agreements. Keep suppliers on track and protect your organization. Realize suppliers must do the same.



Be transparent and provide regular feedback through quarterly business reviews. Suppliers can't fix what they don't know about.



Identify risk, analyze impact, collectively develop mitigation plans, remedies and penalties. Follow through as necessary.

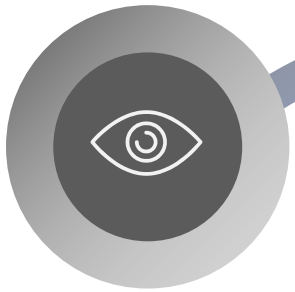


Bring data to the table. Analyze, evaluate and review mutually agreeable key performance indicators, objectives and goals.



Automate SLAs where possible via dashboards, automated alerts, and trend reports.

Information Management



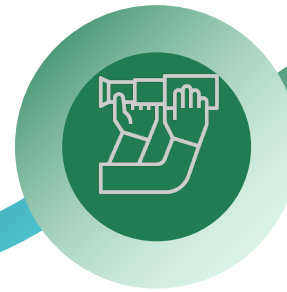
Supplier Data

- Supplier portals can be useful for:
 - Onboarding
 - Tax Information
 - Insurance
 - Compliance tracking
 - MBWE/SB Certifications



Analytics/Reporting

- Gather accurate data
- Streamline supplier data from disparate sources
- Spend analysis- P-cards, Purchase Orders, Invoices
- Automate reports and dashboards for ease of use and convenience
- Analyze trends and costs



Forecasting

- Determine current and future demands
- Determine supplier capability for support



Collaboration

- Make informed decisions
- Refine your approach based on data analysis
- Update strategies where applicable

Share Successes



Some Success Stories...

- ▶ Situational successes – COVID
- ▶ Cost Savings Identification
- ▶ Exploring innovative ideas via collaborative brainstorming sessions
- ▶ Identify win-win situations for both suppliers and institutions



Questions?



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