

Supplier Relationship Management

Effective approaches for the critical few strategic suppliers



Supplier Relationship Management

Supplier segmentation

Supplier performance measurement

Driving supplier improvements

Managing supplier relationships

SRM deployment options

SRM training options



Enabling Purchasing

Supplier Relationship Management

An approach for the critical few strategic suppliers

Some suppliers should always be at arms length but there will be a **Critical Few** with whom a relationship will bring great benefit



The Positive Purchasing SRM (Supplier Relationship Management) programs can help you drive out increased value, innovation and reduced risk from your supply chains. By working to review your supply base we can help you identify the right approaches for all your suppliers ranging from simple 'arms length' transactional management to a full strategic relationship with nominated relationship owners. SRM is a crucial component for any strategic purchasing function. Robust approaches in this area can not only help you realise the full potential from your supply chain but strong strategic relationships with your critical few strategic suppliers can help connect your end customer's needs and aspirations with supply chain possibilities.

We offer a range of SRM programs, each developed around the unique needs of your business. We can help identify the SRM approach that is right for your business and equip your practitioners with the necessary process, toolkit and training in this area. We can help establish supplier performance measurement and supplier improvement programs. We can also help to establish, re-balance or further develop all the elements of a strategic relationship with your key suppliers. Our SRM approaches are also relevant for driving the right relationships to support mergers, acquisitions and joint ventures. Call Positive Purchasing today to find out how we can help your business unlock the hidden value from your key suppliers.



Segmenting the supply base

Identifying the suppliers that need an SRM approach



Determining the relationship required at each tier

We can help segment the supply base to identify the significant or preferred suppliers where it is appropriate and necessary to monitor and measure performance and in some cases drive improvement programs. We can also help identify the strategic suppliers; the critical few with whom a strategic, collaborative relationship can bring great benefit or mitigate critical risks.

Identifying the approaches required for each supplier is the first step towards SRM and is not as straightforward as it might seem. Segmentation based upon spend is a good starting point, however there are many other relevant factors here including future business direction, security of supply and first call on supplier innovation. We can help to match your organisational strategy with the right supplier segmentation and then we can help to develop the right SRM approaches to secure precisely what you need from your Strategic and Preferred Suppliers.



Supplier qualification



Suppliers at the top tiers not only need to be selected, they need to be subject to robust qualification. Clearly before establishing a strategic relationship with a new, previously unknown supplier a degree of evaluation and checks of capability and standing would be expected. However the process of qualification is concerned not only with new suppliers but with the ongoing validation and assurance of supply for all critical or strategic suppliers.

We can help develop and implement the right qualification approaches where they are needed. These might range from simple financial checks to global factory level audits covering aspects such as quality management system capability and corporate social responsibility factors. Alternatively our managed qualification service can support your SRM program including factory level auditing available with near global capability.

Identifying
the suppliers
you need to have a
relationship
with

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Supplier Performance Measurement

Putting in place the right measures and approaches for the supply base

Measuring supplier performance

Understanding how your preferred and strategic suppliers are performing is an essential requirement if you are to target areas for improvement effectively. However supplier measurement is rarely done well, often with irrelevant or unnecessary parameters being measured and results not being put to full use.

We can help to identify and establish robust supplier performance measurement approaches to understand the areas that can make a significant difference to overall relationship effectiveness and unlock potential value from individual suppliers.

The precise measures required and the measurement approaches will depend upon the wider organisational and relationship requirements and the nature of the products and services in question. We can help to put in place effective quantitative and qualitative measurement systems using a variety of data collection and analysis approaches.

Within the Positive Purchasing SRM program we can install e-SRM tools using one of the worlds most powerful on-line measurement and supplier relationship management tool. We have integrated the Decideware Relationship Optimizer product with our SRM process to give an extremely powerful supplier and two way measurement solution enabling full collaboration from key stakeholders.



e-SRM measurement tools powered by

decide|ware

Relationship Optimizer
technology

What about you? How do you perform?



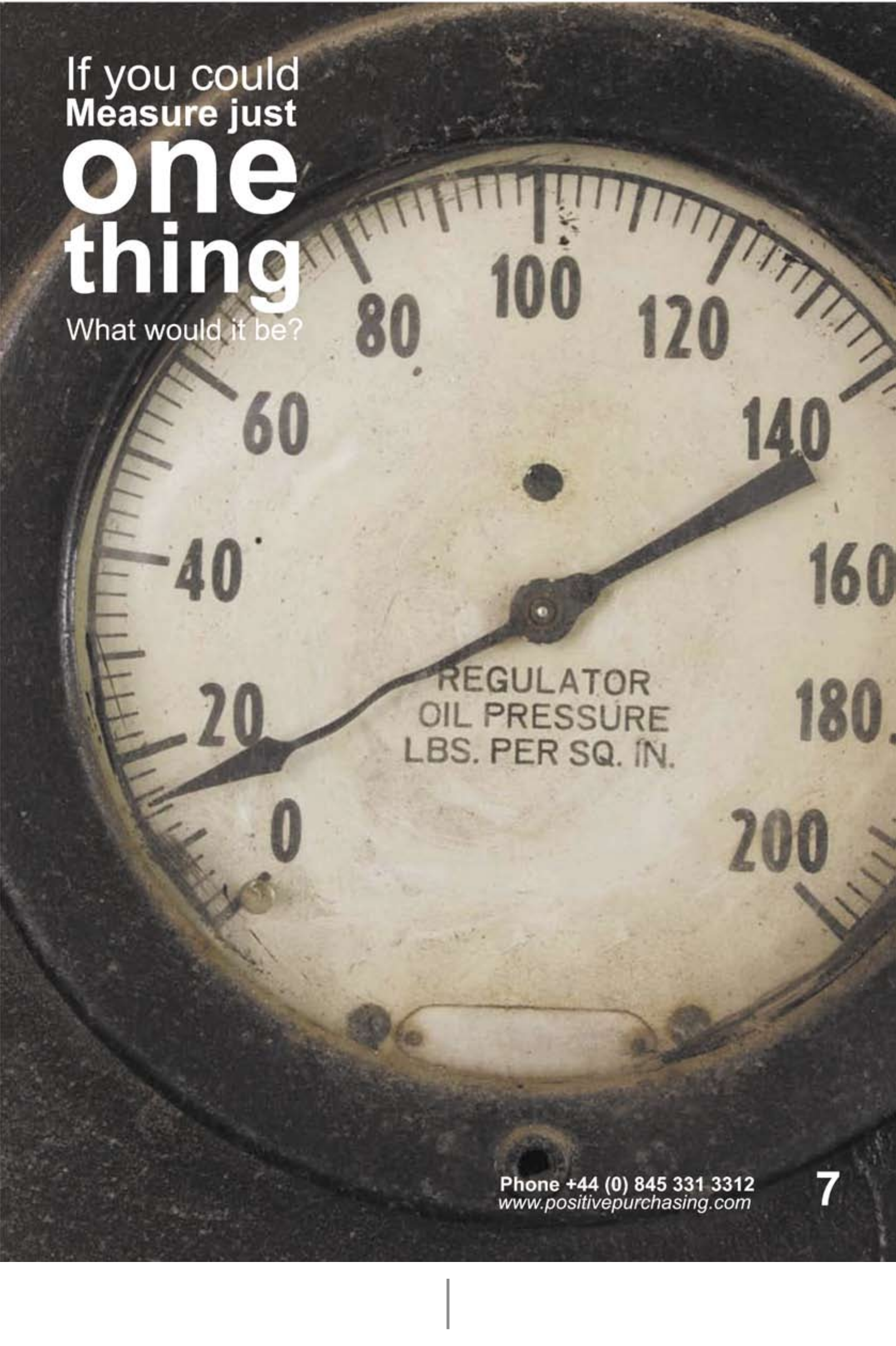
Effective supplier measurement should not just be one way or you might miss benefits that could be realised by making some changes to the way you do things. This is an area frequently ignored by organisations but can unlock significant and often unexpected benefits.

We can help to develop focused supplier evaluation surveys, designed to test the impact of specific actions on your supply base. Using the results obtained we can help you identify initiatives to improve the way you and your supplier engage with each other and provide the basis for cost reduction. Work in areas such as payment terms, enabling early engagement with the supplier and communication with the supplier can often enable dramatic improvements in overall effectiveness.

Positive Purchasing Supplier Survey programs have been delivered for clients over a number of years allowing performance improvement over time to be effectively monitored and significant improvements in effectiveness to be realised.

If you could
Measure just
**one
thing**

What would it be?



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Supplier Improvement Programs

Collaborative approaches for ongoing improvement

Improvement
programs
with key suppliers
**to stay
ahead**
of the rest

Supplier improvement plans

Once equipped with the right measures of supplier performance the next key component of SRM is to develop a managed approach to supplier improvement. This is an approach reserved for the critical few strategic suppliers and some of the preferred suppliers. Supplier improvement planning is concerned with focused, jointly agreed goals encapsulating how the relationship must develop. Specific areas to improve overall effectiveness are also agreed. These might include initiatives to explore innovation in response to a given need or opportunity or projects to drive in improvements in process, logistics or product/service quality.

Supplier improvement plans are at their most effective when they are collaborative with supplier and customer working together to solve problems and drive in 'value add' solutions, jointly sharing the benefits. Crucially; supplier improvement planning is not a once only activity but an ongoing activity demanding ongoing and determined management

We can help to identify the framework and approach for supplier improvement planning. We can help determine the improvement priorities and the governance arrangement required to manage multiple improvement initiatives across the entire spectrum of strategic and preferred suppliers.



Partnership Management Program

Our Partnership Management Program is designed to help accelerate the potential benefits from specific supplier relationships or address specific issues within a relationship. Initially, working with your team, we help to identify the strategic priority areas where there are opportunities for improvement and increased value. We can also identify where the relationship needs to be developed or fixed and create a goal driven improvement plan. Then, through a series of joint facilitated workshops we work together with your team and the supplier to agree and drive in joint improvements.

The Positive Purchasing Partnership Management Programs are particularly effective for key or strategic suppliers or outsourced partnerships where the relationship does not appear to be working as it should or where the balance of power seems to have shifted into the supplier's favour.

Relationship Development

Approaches to develop or rebalance strategic supplier relationships

**Great
things**
can be achieved
by working
together



Establishing the optimum relationship

The focus for relationship management is to ensure that the desired value contribution is achieved. For the critical few suppliers value creation will be at a corporate level, providing long term corporate impact.

We can help to establish the optimum relationship with your critical few strategic suppliers. We can help establish robust arrangements for supplier interface or 'face off' at all levels within your organisation, working with your supply base to ensure that the supplier's account management provision reflects your intentions for the relationships and establishing who within your organisation will interface with specific suppliers.

We can help equip your team with the tools and approaches to understand and maintain balance within your key supplier relationships. We can also help to diagnose problematic relationships and work with your team to rebalance them and then maintain the right balance of power.



Partnership Management Program

The Positive Purchasing Partnership Management Program not only helps to drive in supplier improvements but can work to drive in real and sustainable improvements in key supplier relationships. Working with your team we can help establish the relationship strategy for each key supplier and then determine the specific approaches to realise these and sustain them.



Establishing SRM Program

An approach to establish SRM in your organisation

Deployment Options

We can help establish SRM in your organisation. Building strategic purchasing arrangements already in place we can develop the customised SRM process and supporting tools, templates and training that is right for your organisation. We can help to establish the governance required to effectively deploy SRM and work with your team to develop the required organisation structure for SRM. The specific needs for SRM vary from organisation to organisation however we will work with you to determine and implement what is right for your organisation. Our SRM programs cover the following core areas, integrating these new solutions into your business as required.

Key Components

1 - Develop and define your SRM approach, fully customised to your business and integrated with existing ways or working.

2 - SRM advanced training for core practitioners and some stakeholders.

3 - SRM toolkit comprising reference materials, templates and e-tools as required, available either on-line within our Purchasing Academy platform or in encyclopedic reference manuals with CD ROM.

4 - Segmentation of the supply base and identification of the suppliers at each tier and type of relationship required for each.

5 - Opportunity analysis and development of prioritised areas and roadmap for development activity with key suppliers.

6 - Partnership Management Program with selected suppliers including a series of facilitated workshops to work on specific development areas.

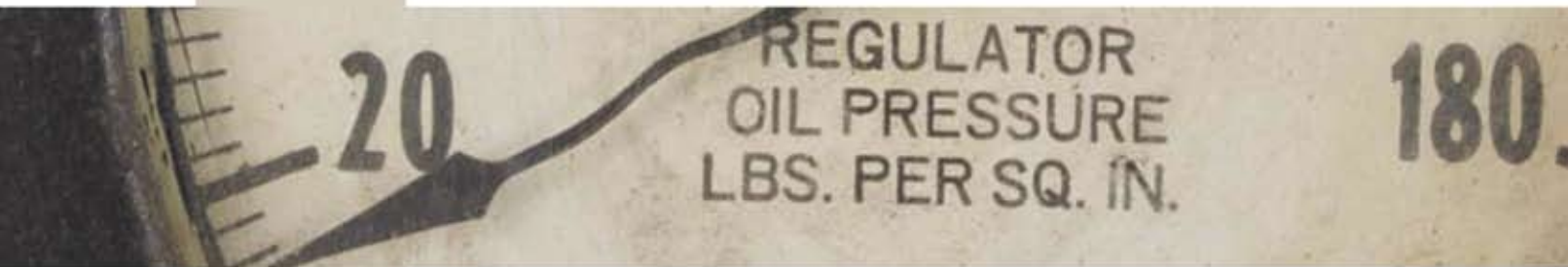
7 - Development of supplier relationship strategies with selected suppliers.

8 - Set up of SRM governance including executive coaching and training as required.

9 - Internal and external communications program including a 'guide to how we work with our suppliers' short publication aimed to encapsulate how the new SRM program works. Aimed at both suppliers and internal stakeholders.

Supplier Survey

A fully managed solution to gauge how you perform



Deployment Options

Identifying opportunities for development does not only come from measuring the performance of your suppliers, but also how you perform. We can help you gain insight into your strategic supplier relationships from the perspective of your suppliers. Using a range of survey approaches we can uncover the areas where your current approaches hinder the relationship, increase your total cost of ownership or prevent the required openness of working.

Our supplier survey program begins by our team working with you to establish the broad areas where there are difficulties and the future business needs from the supply chain. We then develop and agree the survey approach. Once there is agreement we run the survey, managing the process and work closely with your key suppliers along the way to ensure a comprehensive and true assessment of how the suppliers view you.

Finally we provide a series of analysis and specific recommendations for areas that represent opportunities for improvement. We can also help structure specific Partnership Management Programs to work in a collaborative way with key suppliers on specific opportunities.

The Positive Purchasing managed Supplier Survey approach consistently reveals areas of significant opportunity, often unseen as polite suppliers put up with ineffective ways of working as part of account mention. We can help in your business to unlock further potential in your strategic relationships through our Supplier Survey approach.

Partnership Management Program

An approach to develop specific suppliers

Deployment Options

The Positive Purchasing Partnership Management Program is an approach designed to drive improvements with specific suppliers and develop the overall relationship with those suppliers. Using a facilitated workshop approach we help you achieve focused collaboration with key suppliers to generate enhanced value from these relationships.

Our Partnership Management Program utilises a range of approaches from the Positive Purchasing SRM toolkit and our facilitators work together with your team to deploy them in a managed way. For each relationship we identify a series of workshops, initially focusing on defining goals for the relationship and subsequently working on specific areas of difficulty or improvement opportunity. We provide full facilitation support for workshops working with your team to transfer skills along the way so in time your team can take the lead with support turning from facilitation to coaching.

Our Partnership Management Programs are particularly suitable for relationships that could become much more effective if certain obstacles could be overcome or where the potential synergy of the two parties is understood but not fully realised. It can help to identify efficiency or process improvements for both parties to work on achieving, with both parties sharing the benefits. This program is also suitable to establish joint approaches for driving out innovation.

Relationship Rebalancing Program

An approach to fix problematic relationships

Deployment Options

Whilst it sometimes feels as though a strategic supplier relationship cannot easily be fixed, often this is not the case and there are approaches that can change or rebalance the relationship to get it where you need it.

Our Relationship Rebalancing Program is designed specifically to fix strategic supplier relationships that have become problematic or where the balance of power appears to have shifted in the supplier's favour. This program is particularly relevant where strategic outsourcing of areas of a business do not appear to be working as they should several years on.

Working together with your team, we first analyse the relationship to determine why the relationship does not appear to be working as it should. Then, in conjunction with wider stakeholders, we determine goals for where the business needs to be for this area of supply. Options and recommendations to move forward including approaches to gain leverage and rebalance the relationship are then developed for business agreement.

Once a way forward has been identified we work together with your team to realise the improvement goals, planning, monitoring and reporting progress along the way. This will include facilitated workshops such as those within our Partnership Management Program with the supplier as necessary.

Finally we will help put in place the necessary supplier relationship measurement and continuous improvement arrangements to ensure that the required relationship is maintained and further developed.

Our Relationship Rebalancing Program is designed to be collaborative with our people working together with your teams, providing tools and approaches and transferring skills and knowledge along the way to help equip you for the future.

Supplier Relationship Management

A range of training options

Training Courses

A range of SRM (Supplier Relationship Management) courses aimed at purchasing teams attempting to identify and manage the critical few suppliers that present the biggest opportunity, risk or most beneficial source of innovation. With three course options each covering the topic to a different depth, our SRM courses cover the core dimensions any organisation must attend to and make provision for in order to be effective in this area including supplier segmentation, qualification, measurement, improvement and relationship management.

We offer generic SRM courses suitable for any business but as most companies usually have some of the SRM elements in place we highly recommend customising our training so it relates precisely to your business. As our training is modular we can usually do this during one pre-workshop.

Our SRM training uses case studies and integrates fully with our Category Management training; in some areas utilising the same tools applied to a greater depth. The performance management, supplier improvement and relationship management elements align fully with our Supply Side CSR training to provide the required approach to drive and maintain compliance in remote supply chains. Talk to us about a full program integrating SRM training with Category Management and other purchasing initiatives supported by a common process, toolkit and governance structure.

SRM Training Options

Course	Details
SRM Awareness (one day)	Aimed at both purchasing and non-purchasing staff, 'SRM Awareness' takes delegates through the five core elements of SRM and explores the core principles with a closer look at a selection of approaches. Includes two carefully selected case studies. Ideal introduction level course.
SRM Intermediate (two day)	Aimed primarily at purchasing practitioners, 'SRM Intermediate' takes delegates through segmentation, qualification, measurement, improvement and relationship management. Helps explore what needs to be in place and how to transition to a robust SRM approach. Includes four case studies.
SRM Advanced (three day)	Provides in depth exploration of all elements of SRM including a series of workshops and group based case studies to further explore and apply key principles. This course places a significant emphasis upon relationship management including psychology dimensions to relationship management.
SRM Advanced with workshop (three or four day)	The 'SRM Advanced' course with an additional workshop component where delegates take the learning and apply it to real situations, working through tools and approaches with full facilitation support to develop the relationship management strategy that will subsequently be implemented for real. Also includes work on SRM governance. This course should ideally be customised to your organisation and ways of working.

SRM Advanced training

A three or four day course

Training Courses

Our SRM advanced training combines all elements of the SRM approach into either a three day course or four workshop with additional workshop to work on some real life scenarios.

Course Content (customisable and modular to suit your requirements)

- Introduction to SRM
- How SRM can benefit the organisation
- Examples of SRM approaches that have added significant value
- Segmenting the supply base
- Determining the types of relationship required at different level supplier tiers
- Supplier qualification
- Principles of measurement in business
- Measuring supplier performance
- Two way measurement
- Identification and prioritisation of supplier improvement objectives
- Developing supplier improvement plans
- Implementing supplier improvement plans
- Strategic supplier review meetings
- How suppliers secure power in a relationship
- Relationship drivers and balancing/rebalancing supplier relationships
- Developing supplier relationship strategies
- Securing cross-functional stakeholder support for supplier strategies
- Keeping on message - Managing internal/external supplier communications
- Defining the relationship with the supplier
- Measuring relationship effectiveness
- Securing ongoing innovation and breakthrough
- Techniques for continuous improvement

About us



The view from our head office across Plymouth Sound



This is us! Mark and Jonathan



Gemma and Mel - our co-Directors in Asia



We are passionate about what we do



We 'enable purchasing' all over the world

Positive Purchasing was founded in 2003 by Mark Hubbard and Jonathan O'Brien. Since then we have steadily grown into one of the leading strategic purchasing specialists.

We work all over the world with global organisations helping to deliver dramatic results and enable purchasing through our people development and purchasing transformation programs.

We set out to create a people orientated environment where exceptional, experienced and highly talented practitioners can realise their potential. We also set out to create a business where our clients love what we do every time. Our approach is refreshingly different and our team are passionate about what they do.

We are based in Plymouth (famous for its beautiful natural harbour) in the UK and in Shanghai with offices and partners all over the world.

What we do



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This sounds interesting

What do you do Next?

Call us today to find out how we can help better enable purchasing within your organisation and discuss the type of program that is most suited to your needs.

Enabling Purchasing

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