

Supplier Relationship Management

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The 3Cs:
Communication
Collaboration
Commitment



FORUM2014

Supplier Relationship Management

Happy Buyer!



Happy Supplier!



Supplier Relationship Management – 3Cs

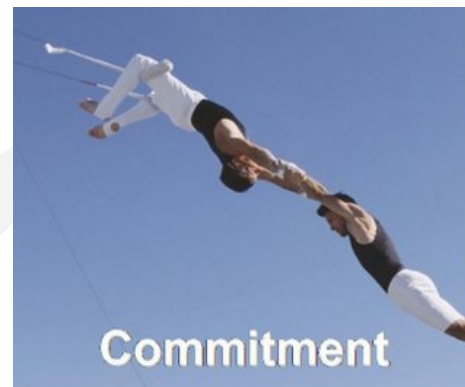
❖ Communication



❖ Collaboration



❖ Commitment



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Supplier Relationship Management – 3Cs

❖ Communication

❖ Expectations

- ❖ Based on culture, perceptions, desires, needs, wants, values, emotions
- ❖ Ensure your supplier is on the same page

❖ Follow Up

- ❖ Meet periodically to review if expectations were met – or changed!
- ❖ Meet with supplier if “Red Flags” are waving!
- ❖ Or just to say thanks for a job well done!



Supplier Relationship Management – 3Cs

❖ Collaboration

- ❖ Maximize supplier value and opportunity
- ❖ Suppliers are your best resource for the “latest & greatest”
- ❖ Collaborate and find mutual solutions
 - ❖ Invite your suppliers “into the house”, or better still, request an invitation to visit their “house”
 - ❖ Understand all the options and risks
 - ❖ Put the process for the solution in place
- ❖ The more you help people succeed, the more you succeed

Supplier Relationship Management – 3Cs

❖ Commitment

❖ Supplier Development

- ❖ Use of SWaM suppliers that may be new to doing business with COVa
 - ❖ May include operational, academic or emotional support
 - ❖ These activities help supplier feel respected and valued

❖ Commit to Listening to Supplier Feedback

- ❖ May lead to you being a “Customer-of-Choice”
- ❖ You receive their best people on projects
- ❖ You go to the head of the line when product is in short supply

Supplier Relationship Management – 3Cs

Case Study One:

Use the “Communication” principle on this case study

Case Study Two:

Use the “Collaboration” principle on this case study

Case Study Three:

Use the “Commitment” principle on this case study



Supplier Relationship Management – 3Cs

❖ Communication

- ❖ Increased efficiency – expectations are known and realized
- ❖ Cost savings: reduce occurrence of compliance issues and re-solicitations
 - ❖ Cost of 1 PO = \$75-125
 - ❖ Time to Administer/Manage a contract = 57 hours
 - ❖ Time from creation to roll-out of contract = 291 hours
 - ❖ Compliance:
 - ❖ Compliance: QQ PO issues/termination (2014) = 28% of all PCF received to-date; additional 25 hours
 - ❖ Termination leads back to the cycle of creating a new “contract”
- ❖ Emotional engagement with supplier



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❖ Collaboration

- ❖ Share cost efficiencies through supplier-driven technologies or methodologies
- ❖ Gain access to new technology, spark new ideas
- ❖ Work with supplier on issues that may be hindering them from fulfilling a project or contract

❖ Commitment

- ❖ You get the most talented personnel
- ❖ “Preferred Customer” status
- ❖ Committed to mutual benefit and gain through a trusted relationship

Supplier Relationship Management – 3Cs

Happy Buyer!

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Happy Supplier!

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