

D.I.E.-ing To Get It Right!



FORUM 2015

The Right Strategies at
the Right Time!

Presented by
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Supplier Relationship Management – 3Cs



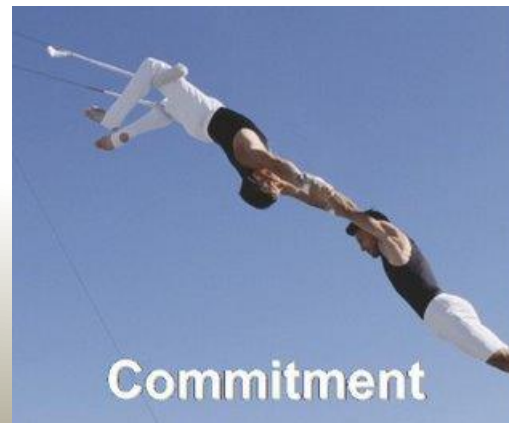
❖ Communication



❖ Collaboration



❖ Commitment



Supplier Relationship Management – D.I.E.



Due Diligence

Innovation

Engagement

These round out the 6 principles of Supplier Relationship Management



Due **D**iligence is:

the process of performing an investigation before a contract is signed by

- a series of questions, sometimes answered by completing forms and sometimes answered through the course of an interview
- Research into the operational/financial/security risk of strategic partners and performance history of tactical partners



Due Diligence resources:

Start with me!

- ❖ Procurement Complaint Form log
 - ❖ Data back to July 2003
 - ❖ On-line form being created to encourage participation by all COVA entities
 - ❖ Information includes supplier/COVA entity name, product/service, issue type, description of issue, resolution

Don't forget those References you requested!

Supplier Relationship Management – D.I.E.



Due Diligence resources: Internet search

❖ Financial data

ACTIV Financial

Bloomberg L.P.

Cbonds

CQG

Dealogic

FactSet

Fidessa

Interactive Data Corporation

IRESS

I-Net Bridge

Markit

Mergermarket

Money.Net

Moody's Analytics

Morningstar, Inc.

NYSE Technologies

Preqin

Quandl

Sage Data Service

S&P Capital IQ

SNL Financial

SunGard

SIX Financial Information

Zacks

Symphony Communication Thomson Reuters



Due Diligence resources: Internet search

❖ Company Information

- ❖ **Local business groups, i.e. chamber of commerce, state records (SCC), public library** (i.e. full-text databases, such as Infotrac, Nexis, ABI-Inform, EBSCO Masterfile, and Business & Industry (Gale/RDS))

❖ Local Business Journals

- ❖ American City Business Journals
- ❖ Web sites which have compiled links to other local resources including City/Regional magazines and Local/Business periodicals



Due Diligence resources: Internet search

❖ Company Information

- ❖ [Yahoo! Finance](#). This is a good starting point for all basic company information. Links to recent articles, SEC filings, recent stock information, etc.
- ❖ <http://www.hoovers.com/>
- ❖ <http://www.manta.com/>



Due Diligence resources: Internet search

❖ Business Lines

- ❖ Company Web Pages
- ❖ Some will be more helpful than others; each will be organized according to the needs of its company and with its own idiosyncrasies

❖ Miscellaneous (from SEC filings)

- ❖ R&D (i.e. efforts of pharmaceutical companies)
- ❖ Competition/Strategy



Due Diligence resources: Internet search

- **Security Measures**

- ❖ Operational security must be determined and clearly outlined before the vendor begins to work
- ❖ Especially true if the vendor will have access to money or confidential data, such as the personal information of employees or customers.
- ❖ Question a prospective vendor about their employee screening practices (are employees subject to a criminal background and drug screening?) Understanding the vendor's security controls, such as password protection and method of destroying data, is imperative before work begins.



Due Diligence resources: Internet search

❖ Private Company Research

- ❖ SEC: <http://www.sec.gov/investor/pubs/companies.htm>
- ❖ **Public Register's Annual Report Service - PRARS**, is a large annual report service. Company financials, including annual reports, prospectuses or 10k's on over 3,600 public companies are available without charge to the investing public with registration.
- ❖ **AnnualReports.com**
- ❖ **D&B Reports**



Innovation

Procurement must start looking to suppliers for inspiration and new capability, stop prescribing specifications and start tapping into the expertise of suppliers,” [writes David Rae in Procurement Leaders](#). The CEO expects it of your CPO, and your CPO expects it of you.



Innovation – what?

- ❑ We should be constantly pushing our suppliers for innovative ideas - for new products, for better ways to develop products already on the drawing board, even for new processes that can streamline the way procurement and the suppliers can work together.
- ❑ Use best practices to “innovate” your processes to reduce cycle time (solicitations, negotiations, contract management)
- ❑ Cost savings!!!



Innovation – why?

- ❑ For new products, for better ways to develop products already on the drawing board
- ❑ New processes that can streamline the way procurement and the suppliers can work together
- ❑ “Innovate” your processes to reduce cycle time (solicitations, negotiations, contract management)
- ❑ Cost savings!!!



Innovation – how?

- ❑ Visit Supplier Expos (like the one yesterday!) to find what is new and available
- ❑ Use best practices to “innovate” your processes to reduce cycle time (solicitations, negotiations, contract management)
- ❑ Encourage it through collaboration (sound familiar?)
- ❑ Win their trust (stakeholders and suppliers)



Innovation – who?

- ❑ Major source for innovative ideas is the stakeholders that procurement serves
- ❑ There is no reason why procurement can't set the stage, it's possible to be an instigator of innovation!
- ❑ Roles change - Innovation can come from anywhere, from R&D, internal customers, marketing, sales, end users



Engage - The need for supplier engagement in procurement is greater than ever

- ❑ You're probably not realizing the full collective power of your supplier relationships!
- ❑ Engagement comes in more than one flavor
 - ❑ Not just suppliers, but internal customers and end users as well
 - ❑ Professional organizations to find best practices, co-op contracts
- ❑ Don't forget –
 - ❑ Suppliers get to choose their customers, too
 - ❑ Suppliers can help simplify operations



Engage - The need for supplier engagement in procurement is greater than ever

- ❑ Don't forget –
 - ❑ Suppliers get to choose their customers, too
 - ❑ Suppliers can help simplify operations
 - ❑ Leverage the wisdom of your suppliers
 - ❑ Leverage the wisdom of your peers
 - ❑ **Remember that there's something in it for you as well**
 - ❑ Build strategic procurement skill sets