

## Executive Briefing: Supplier Relationship Management

Proper supplier relationship management is a logical extension of supplier strategies. You can't operate in a vacuum. Establishing a close relationship with your suppliers and sharing your goals – maybe even developing them together - will ensure success and continued improvements for both companies.

Since you are a busy person I am not suggesting you do this with every supplier. Of course you need to establish and manage a relationship with all suppliers that you are writing strategies for. In addition to those, you should add all suppliers that provide strategic supplies and can't easily be replaced. If you can't develop strategies for all of them, at least establish a relationship where you can and ensure good service and that famous extra mile. When a supplier has to go on allocation you want to be one of the ones that receive product. You won't be on that list unless you establish a relationship with the supplier first. Keeping a close alliance can also help you overcome low buying volumes and speed up problem solving.

The natural places to start are the strategies and the goals you developed for the supplier or commodity there. Now you start reaching out to your suppliers. Ensure that both executive teams are on board and find that carrot that keeps both sides moving. It is very important to create a win-win situation. Create performance metrics for both sides and communicate your expectations regularly. Phone calls or on-line meetings are an excellent way to keep the lines of communication open during most of the year. If it is feasible I recommend face-to-face meetings at least once a year. Alternate the traveling party to share the cost.

You will find that if used effectively, this will be the vehicle that delivers your goals and finishes your projects.

### Zirna Process:

