

Executive Briefing: Supplier Strategies

Welcome to the first and most important best practice: Supplier strategies. If executed well, your supplier strategy will give you a long-term sustainable strategic advantage over your competitor.

Your executive management team has to be on board. A supplier strategy can only be effective if it supports the overall company strategy (and ultimately, your executive team). It also must be simple to update. Why? Because you should update it regularly! And you are more likely to do that if that doesn't mean you have to sequester yourself in a dark cave for 2 months. Next, you have to be able to create a one page executive summary. Most executives have short attention spans. If you can't get your point across quickly, you have lost them. During those few minutes they decide if you/your project/the problem is important enough to spend more time with it. A well-written summary will capture their attention, allow you to elaborate and hopefully gain their support.

In the body of the document, the strategy should include highly integrated objectives, strategy by supplier (if you are writing one for a whole commodity), and tangible tactics and measures for the next 12 months.

Have writers block? A mission and vision statement is a great first step. Then perform a SWOT analysis – it will give you the major issues, good and bad. Develop cost reduction goals and take a stab at how you can achieve them. Will adding best practices make life better? Make sure to include long-term and short-term plans with actions. And beware of 'the Void': while you as the supply chain manager ultimately own the strategy, it has to be developed with other key players in mind. Engineering, R&D, quality, manufacturing, etc. need to be part of your team. Asking for their input and concerns will ensure that you have their support.

And that just makes life easier. Which is what this briefing is all about.

Zirna Process:

