

6 tips for building a supply chain that's fit for the future.

The world is in a state of flux. There isn't a month goes by without a new global challenge for suppliers and customer across the supply chain. So how can you build a more resilient approach? Here are our tips.



1

Go back to basics.

Constant change is evolving customers' and organisations' buying habits. Organisations should be asking themselves whether new demands and requirements are being matched by their existing infrastructure and supply chain solutions.

2

Start with a clean sheet.

With so much unpredictability in the global market place, the idea of zero-based budgeting – of putting aside last year's budget and starting afresh – may be beneficial to organisations as they seek to transition out of former ways of operating and into new ones, as it allows them to really think about what it is they need, without any constraints tying them to the past.

3

Revisit existing relationships.

Inevitably, organisations will have existing contracts and relationships with suppliers which make starting completely from scratch impossible. But sometimes having conversations with your suppliers about how things could be done differently, how the world is impacting them, how your organisation is changing, or how theirs has, offers you the chance to discover how – together – you can do things differently going forwards. It's a chance for innovation, better sustainable practices, or increasing efficiency through automation.

4

Add competition.

If there is anything the last few years highlighted, it's the risk of having all your eggs in one basket – of single-sourcing with a key supplier. Organisations should take advantage of the opportunity to diversify their supply by adding competition in the form of a framework. If one supplier is unable to service your needs, you have several other pre-vetted suppliers ready and waiting to do the job. As well as avoiding that single point of failure, the competitive nature of frameworks can help increase innovation and improve value for money.

5

Build partnerships.

There has been much talk about 'procuring for resilience rather than cost' and the debate about whether businesses should be reshoring their offshore operations continues but, rather than making sweeping changes, we believe long-term resilience is about working in collaboration. Members of supply chains are hugely dependent on each other, and importance of working in partnership to keep everything running smoothly is immeasurable. Organisations that succeed long-term are those that work with and innovate alongside their supply chain partners. Getting to know your suppliers' strengths and weaknesses enables organisations to look beyond the reported numbers and determine for themselves where they may be over-gearred and therefore financially vulnerable, or alternatively where they may be opportunities to work together more closely, for example to improve sustainability and increase innovation.

6

Stay informed.

Developing a closer relationship with suppliers helps organisations to get the management information they need to evaluate areas of risk and plan for potential disruptions, but it's important to know and understand exactly what information is needed to mitigate potential risks, and ensure suppliers understand what reporting they need to be doing. Organisations can ensure they stay on the front foot by using automation technology to enable live feed snapshots to be taken at any time, as well as registering for third-party updates.

Our supplier relationship management experts have experience in establishing collaborative relationships and negotiating with a huge variety of suppliers. They'd love to speak to you if you need help and advice. **Speak to us today.**