



Your Supplier and Their Value – “To YOU”

Selecting the right supplier(s) for your business needs truly does require skills – and it is not, by any means, considered to be “fun”. However, it is extremely crucial AND in an organization’s best interest to ensure they find the best fit so you are able to deliver your products and services on time and in compliance with your quality standards.

These days, the contractual status quo just doesn’t measure up. There needs to be “added value” included in the equation in order to strengthen and build upon the client/supplier relationship, trust and exceed all of the client’s requirements. It IS possible to identify companies that will work with you to meet the demands, so let’s start at the beginning:

Begin with Supplier Selection:

The implementation of your specific supplier’s selection criteria is a must. Create a list of supplier selection criteria that companies need to fulfill to be able to provide you with the items you need. This could include criteria such as:

- Quality assurance processes
- Extensive industry related skillsets, certifications and experience
- Specific methods of the Scope of Work delivery – How will the work be performed?
- True Partnership mentality – very close working relationship between buyer and provider at all levels
- Ability to collaborate to achieve outcomes beyond the contracted Scope of Work
- Payment terms and conditions
- Contactable references

Reviews the scopes of the services outlined in your proposal and consider whether the supplier matches your requirements. Decide on each criterion’s importance and score all supplier submissions against this for an objective method of evaluation.

Once you have chosen your supplier, it is just as important as the selection process to monitor the supplier’s performance. Even the most reliable supplier can occasionally slip up. Make sure they have a direct contact point at your company and conduct regular performance reviews. This will help you monitor their work and make sure they’re fulfilling their end of the agreement. These reviews will also help you when it comes time to talk about contract renewal, so you know where you and they stand.

Okay, let’s move on:

How your supplier can “add value” to YOU:

1. It’s a Partnership – A Good Partner

In a 2009 Outsourcing Center survey, 81 percent of buyers surveyed described client/supplier success in terms of the value of the relationship itself. They cited their tip indicator of success as the “depth of the relationship”. So how can a “good partner” add value to the contractual agreement and your overall business?

- Good partners will work to understand the unique aspects of your business and be responsive in adapting their services to your specific needs.

- A good partner will use a fact-based approach to assess the current state of your business operation, identifying both problems and opportunities, prioritize each with respect to potential benefits and then recommend the appropriate course of action.
- Good partners will work with you to identify the scope of work before any work even begins.
- In order to minimize disruption to ongoing operations, a good partner will provide a timeline of events that will help prepare your organization for the upcoming transformation and transition.
- No one likes to be kept in the dark. A good partner will keep you informed with periodic status reports. They will initiate and schedule client/supplier meetings to cover all aspects of the scope of work being performed.
- A good partner must be flexible and adaptable to your needs and expectations.
- Understand and support your business vision and future goals by becoming your strategic partner.

2. Cost Savings

Every business wants to save money. Along with hard dollar savings, there are a lot of “soft dollar” savings in Value Added Services that businesses typically don’t get. Your supplier must understand the importance of savings in every area, whether it is for increased efficiencies for your day to day operations or reduction of staff. The following list is just a sampling of Value Added Services that ultimately produces cost savings and expense reductions that you should expect from your vendors and suppliers.

- Industry Expertise, Certified and industry trend monitoring
- Track and document all hard and soft dollar savings - daily, weekly, monthly, yearly
- Documented Process & Procedures Guides
- Continuous communication
- Personnel coverage, for due and undue absences
- Cross-Trained personnel
- Custom-focused client goals and initiatives
- Streamlined processes which improves productivity
- Continuous reporting – if it moves, it should get measured and reported
- Technology recommendations - stay abreast of client technology needs
- Reduce Administrative Efforts in Other Departments
- Budget Forecasting

There is so much more that goes in to meeting the high standards of what is considered a “good supplier and partner” and what client-specific value that can really be brought to the table. The bottom line is, all of your suppliers should be going the 2nd mile for you, from inception of the contract and throughout.

To learn more about these and other OMG Value Added Services, please call 513-429-9526 or e-mail info@omgservices.com.