



# 10 Ways to have great supplier relationships

- 1. Choose Well** | Get it right in the first instance, don't choose the first one that comes along, see as many as you can. Which suppliers does your network use? If possible, undertake a selection process (RFP) using an expert.
- 2. References** | Always take up references, at least two. Talk directly with the reference sites. Don't be afraid to ask awkward questions.
- 3. Be Clear** | Be very clear about what you want from your supplier. Ask the supplier to play it back so you can know if they have understood you. If they have not, clarify and repeat the process until you're satisfied.
- 4. Ground Rules** | Get agreement on the basic way your company and the supplier are going to interact. Set ground rules and ensure they are understood.
- 5. Service levels** | Agree service levels. If you want something done within a certain timescale, tell them and gain agreement. Add it to the contract.
- 6. Reporting** | Set up regular reporting; don't expect it just to happen. Insist that it is included in the service levels and the contract.
- 7. Communications** | Constant communication on both sides is essential. Without it, the relationship will fail. Have regular meetings, whether there is anything to say or not. Don't only have meetings when things have gone wrong. Every meeting should have an agenda and a desired outcome.
- 8. Contracts** | Always have a contract. Read it and understand it and make sure it meets all your requirements. Don't sign long (>3yrs) contracts.
- 9. Relationships** | If you don't like the service delivery manager or the supplier's CEO, then don't use the supplier. Personal relationships are key to success.
- 10. Challenge** | Don't allow the supplier to become complacent. Keep them keen by challenging their pricing, their service levels, etc. Regularly benchmark their services and provide frequent feedback.
- 11. If it goes wrong** | Don't be afraid to cut them off if it's gone wrong. Don't hang on to something when you can clearly see is terminal. If you do, it will cost you a lot of money.