

## **SYNERGY 2009 Breakout Session**

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### **Vaughn Hovey, Lecturer / The Ohio State University Integrating Account and Supply Management**

“Best practices or best intentions”

“SRM and SAM”

Delivering Value

Sales and procurement has two different perspectives. How do you bridge the gap? Senior management should buy into strategic supplier relationships; we all need more supplier collaboration. Suppliers want to be strategic suppliers, not preferred suppliers. In order for this to work, you must provide suppliers with expectations. Otherwise, they won't know what you want from them.

Are your suppliers transactional or strategic? You can review the list of supplier relationship questions (slide: Are they strategic relationships?) to see if your top five suppliers are actually strategic. The questions will show you the true nature of your relationship.

Ask your suppliers to see their customer relationship management model – it will likely be sales focused. Suppliers view buyers as cash cows. Ask your supplier how you're viewed.

By categorizing your supplier base, you can manage who you need to manage. Management will have a gut feeling about which suppliers are strategic, but you need to show them data to prove which ones are strategic.

SRM and SAM should be aligned with the business units. A strategic business plan should be written and signed with your strategic business partners. This will provide more alignment and minimize miscommunications.

We aren't well-trained to collaborate. When you say “collaborate,” suppliers take that to mean you want to negotiate price.

Suggested reading:

*Getting to Yes* (Fisher, Ury and Patton)

*What Would Google Do?* (Jarvis)