

Getting the most from your key suppliers

Suppliers in the spotlight

In a recent survey of 68 members of the CIO WaterCooler even the most competent and organised IT teams are dependent on their suppliers to deliver effectively. You therefore need to make sure that the mix of partners you work with is adjusted as business demands evolve and technology advances open up new opportunities.

62% Increased use of emerging technologies (e.g. Al)

74% Pressure to manage IT costs Expecting more aggressively

69% Need to modernise, Expecting rationalise and consolidate RESULTING IN

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9 out of 10 anticipate significant changes to their supplier base over the next year

Need to prioritise Beyond managing your supplier base at a high level, it's also critical to have a clear idea of which suppliers are most important to you so you can proactively manage your relationship with them to unlock the most value. Many different criteria can be used to do this, and it's useful to look at how others weight them to help you optimise your own approach.

Prioritising Suppliers

What are the influences?

High influence 5 4 3 2 1 No influence



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> Strategic importance to your business Current run-rate level of spend with them How long you've been working with them



Supplier

Attributes

Reputation in relevant solution area(s) Leadership in emerging areas, e.g. Al

Reputation/knowledge within your industry



Business Alignment Solution roadmap fit with your evolving needs ESG posture, policies and performance

Delivery/performance track record with you

Nature and quality of account management

Quality of customer service and support

Cultural fit (values, mindset, engagement style)



Engagement



Commercial fit, e.g. pricing models, terms, etc Politics, exec relationships/preference, etc Geographic location, regional emphasis, etc



Unsure/na





64%			28%	8%
30%		54%		16%
52%		33%		15%

46%		37	37%		
13%	21%	40%	18	18%	
12%	27%	25%	25%		



Key supplier management is really about building and developing relationships, making sure both parties understand each other, align interests, and work together so each gets what they need. And this isn't just a romantic idea; just consider why some customers get treated better than others, even if they have a similar level of spend with the same supplier.

Getting the most from key suppliers

Do you do any of the following as part of your key supplier management process?





While the above illustrates that many CIOs know they could do more to develop key supplier relationships and unlock the kind of benefits highlighted, we were able to tap into a huge amount of collective experience on this topic. This gave rise to a set of tips and tricks, presented below in the CIO WaterCooler spirit of enabling IT leaders to learn from each other.

Insights for success

What are your top tips for getting the most from key suppliers?

Ensure you have engagement at a variety of levels - technical, service delivery, executive etc.

Treat them properly - you need them, even if sometimes your staff thinks differently.

Be transparent and open with expectations of ways of working as well as business goals.

Have structured governance, separating out the strategic and operational.

Be open and honest about your plans, even if they aren't attractive.

Make sure you have senior engagement.

Build the relationship, make contact regular and frequent. If you don't know the people, you don't know their business and how you can work best with them for everyone's advantage.

Honesty up front about aims and ambitions.

Keep a good relationship - even in tough times and separate escalations from personal matters.

track key supplier performance.

This infographic is provided with the compliments of Freeform Dynamics and The CIO WaterCooler. The data comes from a survey of 68 UK based IT leaders from a cross section of industries, with a bias towards larger organisations. Data was gathered during December 2023.

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