

Making supplier management work better

The need for discipline

In a recent survey of 68 members of the CIO WaterCooler it was clear that IT teams depend on a range of suppliers, and often have to explore new providers to meet emerging needs. But uncontrolled supplier proliferation makes it harder to drive consistency, reuse and commercial efficiency. Various supplier lists are therefore used to maintain control.

Supplier lists

Which do you have?

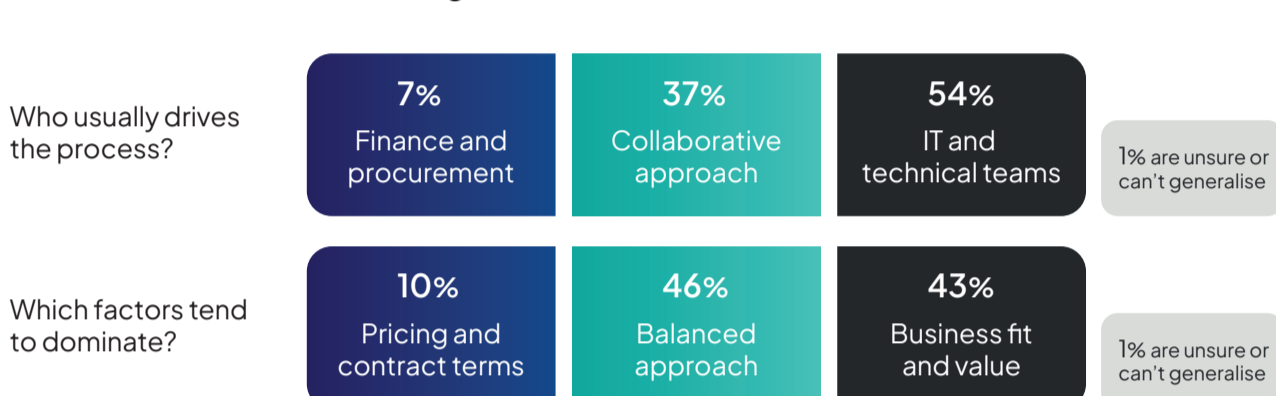


Striking a balance

It's critical to work with suppliers who can meet your needs, as compromising on functionality, quality, etc to save money can be false economy. But you also want good prices and terms, otherwise you burn valuable budget unnecessarily and/or risk being constrained by overly restrictive contracts. Despite this, less than half of CIOs report working collaboratively with their finance and procurement colleagues.

Supplier selection and approval

High level view of how it works

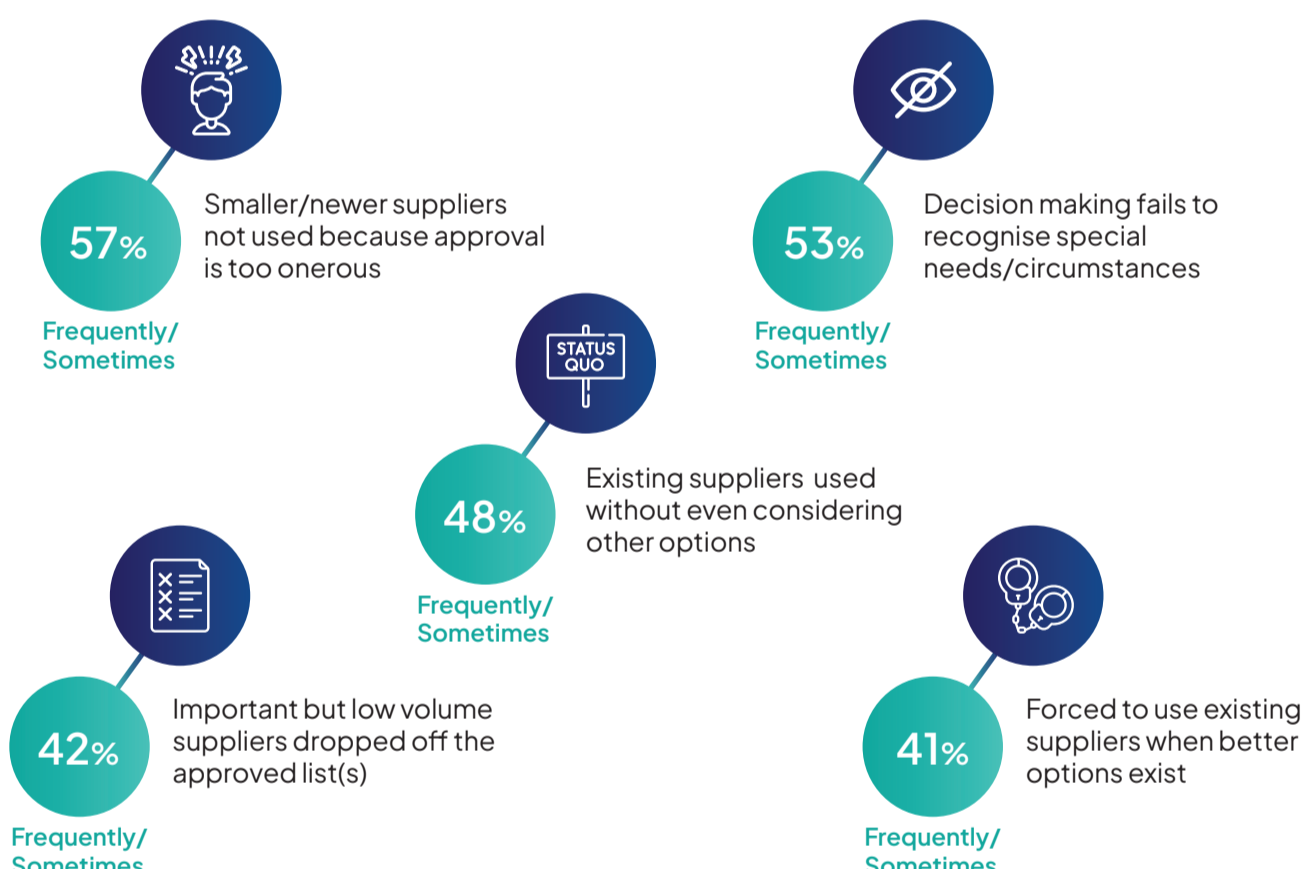


Process challenges

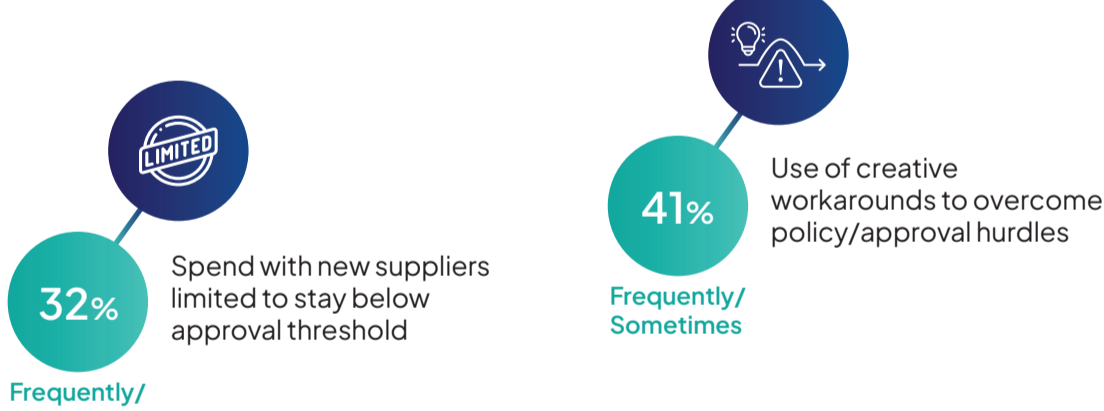
While finance and procurement teams can help get a better deal on more favourable terms, a common view is that this opens the door to blunt and burdensome bureaucracy that creates unnecessary work, slows decisions and curtails IT freedom. In some cases, it even encourages people to find ways to dodge procurement systems, which is less than ideal.

When policy and process get in the way

Have you encountered these supplier approval related issues?



Dodging the system



Can things change?

While the CIOs participating in our research were open about the issues they were experiencing, they were also not short of tips and ideas for making things better. While the space we have available means we can't present all of the feedback received, here is a representative set of suggestions for improvement expressed in participants' own words.

Suggestions for improvement

What would you do to optimise the supplier management in your organisation?

