

WHY MY VENDOR MANAGEMENT DOESN'T WORK?

Perhaps solely because we rely on suppliers so much, many companies have been stepping up their vendor management strategies in hopes to cement their success in the market and increase profits. That said, too many companies aren't aware of just how key those relationships are. Consider how often dealing with vendors is considered a peripheral of business – something to secure, something we rarely think about unless we need something else. The fact is, as time changes, vendor management is becoming an incredibly critical aspect of your overall business strategy and it's time to take that strategy seriously.

So many businesses remain unaware of the weaknesses in their current vendor strategy, whether it's an issue of stagnating relationships or lack of data overall. Luckily, I can help you understand just where those weaknesses are and help you better understand the benefits of a solid vendor management strategy.

Constant Optimization

In business, everything always comes down to “how can we make this better?” – and it should. There is room for improvement in every area and when we stop trying to improve, we risk stagnation and falling behind in an ever-changing marketplace. The same goes for vendor management.

Even the smallest of companies' deals with at least half a dozen suppliers on average, and that means a lot of details and intricacies that effect your daily operations. Things like shipment schedules, product quality, customer support and more are all a part of this and it's important to always be looking for ways to improve not just performance, but efficiency and cost as well. Many businesses have no idea, outside of cost, how to measure these things and that's where a good vendor management service comes in. By tracking hard data, they can ensure that everything is running smoothly and on time, which reduces any trouble you may get from late shipments. They can also track and measure vendor changes as well and alert you to better cost-savings, higher quality goods, relevant package deals and more.

A high quality vendor partner should always be attempting to secure you better rates, better products and better performance, all while minimizing inefficiencies or administrative concerns in your system. If your partner isn't constantly innovating, you risk problems in the long run, and not just those associated with stagnation.

Reliability and Loyalty

One result of a constantly changing world is that we often neglect our relationships, especially in business. While it's always important to consider the bottom line when it comes to our services, we often forget the big picture – strong, loyal relationships lead to a level of reliability, which simply can't be bought and sold.

It's difficult to find excellent vendors, and a good vendor management partner would ensure that those relationships don't fall by the wayside as you move forth. A proven relationship with an existing supplier is the kind of thing that helps us cut down on inefficiencies, leading to smoother processes and a more functional workflow in general. A good partnership starts with communication - if you're looking for supportive, helpful vendors, explain your long-term goals to them, help them understand you. This enables them to make better and more informed decisions, which is not only a service to you, but it's an excellent motivator, as well as making the whole process easier on them as well.

A loyal relationship with vendors who know what it is you want and know how to provide it can lead to a lot of unexpected benefits as well. You'll be one of the first people in mind when they have promotions to offer; you're more likely to be able to negotiate prices and services that mutually benefit your respective organizations and perhaps, best of all, the reliability that comes with your partners goes a long way towards effective risk management.