

Supplier Relationships [L4M6]

Target Audience: If you have over 2+ years of relevant experience in a business environment, our Level 4 Diploma will be for you. You'll develop the technical skills, knowledge and competencies employers are looking for.

Hours: 60 Hours

Pre-requisite: Basic understanding of how supply chain works. This is the third entry level qualification, there are no formal entry requirements.

1.0 Understand the dynamics of relationships in supply chains

1.1 Differentiate between different types of commercial relationships in supply chains

- Internal and external relationships
- The relationship spectrum
- The relationship life cycle

1.2 Appraise portfolio analysis techniques to assess relationships in supply chains

- Matrices to identify supply, supplier and purchaser positioning
- Developing action plans

1.3 Identify the competitive forces that impact on relationships in supply chains

- Sources of competitive advantage
- Competitive forces: sources of competitive rivalry, bargaining power of buyers and suppliers, threat of new entrants and potential substitutes
- STEEPLE factors that impact on supply chains (social, technological, economic, environmental, political, legislative and ethical)

1.4 Compare the sources of added value that can be achieved through supply chain relationships

- The link between relationships as a process and the

achievement of added value outcomes

- Sources of added value: pricing and cost

management, improving quality, timescales,

quantities and place considerations in procurements

from external suppliers

- The link between organisations in supply networks

2.0 Understand processes and procedures for successful

working with stakeholders

2.1 Analyse the purpose of organisational procedures and

processes in sourcing goods and/or services

- Achieving value for money
- Supplier identification, assessment and selection
- Selection and awarding criteria

2.2 Compare team management techniques to ensure

positive stakeholder relationships

- Positive relationships through positive contributions
- Overcome resistance
- Identify conflict and coping processes
- Cross-organisational teams
- Stages of team development – forming, storming, norming, performing

2.3 Compare the practical considerations of stakeholder

management

- Accurate cost modelling
- Reduced impact of price fluctuations
- Early supplier involvement in product and/or service development
- Knowledge transfer and access to innovation
- Common metrics to drive change for both organisations

- Improve risk management and continuity of supply

2.4 Identify the processes for terminating stakeholder relationships

- Reasons for termination
- The process of termination
- Timing
- Relationship impacts – amicable vs. hostile
- Legal considerations – finances, confidentiality, IPR, security, employee rights
- Succession issues – continuity of supplies

3.0 Understand the concept of partnering

3.1 Analyse the concept of partnering and where it is a suitable approach

- The three types of partnering
- Partnering vs. 'traditional' contracting agreement
- The drivers for partnership sourcing
- Advantages for purchaser and supplier
- High spend
- High risk
- Technically complicated supplies
- New services
- Fast-changing technology
- Restricted markets

3.2 Appraise the process of partnership implementation

- Identify items potentially suitable for partnership sourcing
- 'Sell' the philosophy to senior management and other functions of the organisation
- Define the standards that potential partners will be expected to meet
- Establish joint commitment to the partnership

- Reviews and audits

3.3 Identify the reasons why partnerships fail

- Poor communication
- Lack of senior management support and trust
- Lack of commitment by one or both parties
- Poor planning
- Lack of value-added benefit
- Changes in the market
- Corporate cultural differences
- Logistics and distance barriers