The Voice of the Supplier Survey

HICX

Contents

Key Findings

> *"The way we work with suppliers has to change."*
> Dr Elouise Epstein

61%

As the Suppliers' Perspective Survey reveals:

When thinking of their most important customers, 61% of suppliers say, "We find it challenging to do our best work for this customer."

Our survey revealed that suppliers must login to an average of 8.4 systems in order to serve their most important customers. Meanwhile, 38% of suppliers state that they have to login to 10 or more systems.
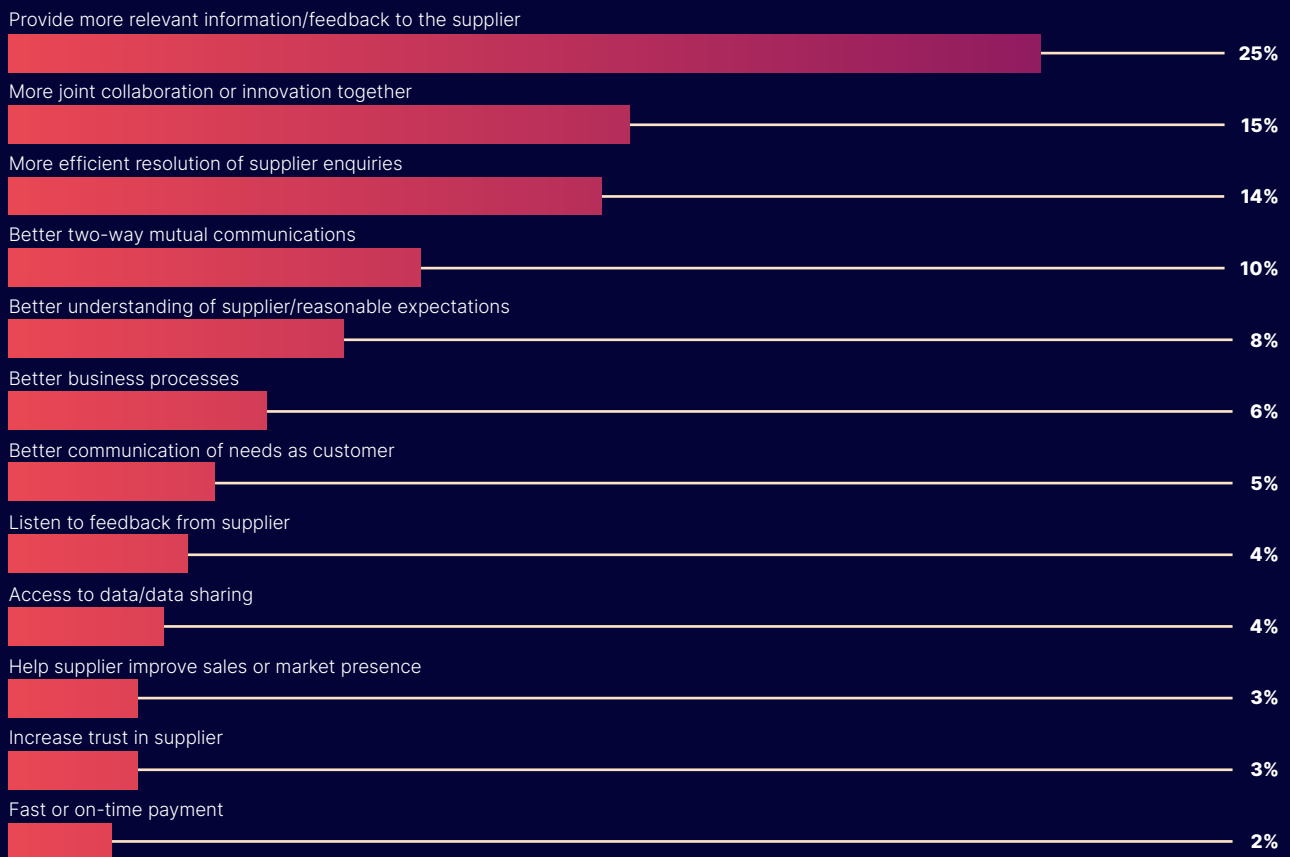
60%

A growing admin headache

The burden is being felt by suppliers, as 60% of suppliers in our survey stated they spend too much time on administrative tasks for their most important customers.

Almost half (47%) of respondents in the Suppliers' Perspective Survey said that they find it difficult to resolve queries with their most important customers.

The importance of communication

Communication issues top the poll when suppliers are asked what would most improve the relationship between themselves and their most important customers. Providing more relevant information and feedback to suppliers comes in at 25%, more efficient resolution of enquiries at 14%, and better two-way communications at 10%.

Provide more relevant information/feedback to the supplier
25%

More joint collaboration or innovation together
15%

More efficient resolution of supplier enquiries
14%

Better two-way mutual communications
10%

Better understanding of supplier/reasonable expectations
8%

Better business processes
6%

Better communication of needs as customer
5%

Listen to feedback from supplier
4%

Access to data/data sharing
4%

Help supplier improve sales or market presence
3%

Increase trust in supplier
3%

Fast or on-time payment
2%

# The benefits of becoming customer-of-choice

In our survey, 68% of suppliers say that they consider their largest or most important customer to also be a 'customer-of-choice'.

It's a status worth having... Although 50% of respondents said that they would prioritize orders for their most important customer if they were low on stock or resource, even though the customer is not customer-of-choice, the figure rises to 70% of those for whom the customer is the customer-of-choice.

We are likely to prioritize this customer's order if we are low on stock or output. Percentage of those who say yes:

Most important customer | **50%**

Most important customer and customer-of-choice | **70%**

↑ **20**%

We would go the extra mile for this customer. Percentage of those who say yes:

Most important customer | **49%**

Most important customer and customer-of-choice | **73%**

↑ **24**%
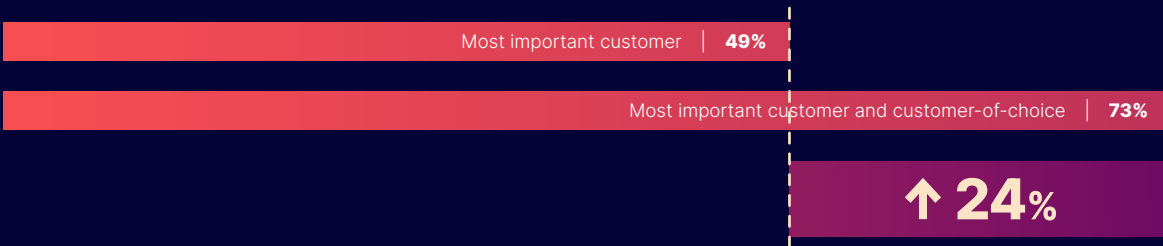
73% would go the extra mile for a customer-of-choice, compared to 49% where the most important customer is not identifed as customer-of-choice.

Introduction

Why should you care about supplier experience?

What matters most to suppliers is streamlining existing activities to make it easier for them to do business with their customers. It is the key to unlocking more ambitious collaboration initiatives, without which supplier relationships are unable to flourish to their full potential due to inefficiencies in transactional or operational activities. And it can leave suppliers with a feeling of not being treated with fairness and transparency – fundamental trust drivers that are critical for enhancing collaboration and becoming a customer-of-choice.

Removing friction

Suppliers to many large multi-national organizations are required to login to multiple systems in order to manage different types of processes, data or to access certain information. Managing many account sign-ons, coping with a variety of different user experiences, and trying to piece together the required actions (and the correct order) results in increased cost and frustration for the supplier.

"Traditional technology is wholly inadequate to support the digital evolution. There is a mountain, an overwhelming amount of evidence, to say that the way we've done it in the past doesn't work. It's abundantly clear that we have to do something different."[1]

Dr Elouise Epstein, Partner, Kearney

2 How Supplier Data Drives Resilience, Visibility & Value (hicx.com)

Supplier Experience Management

This has driven the trend for Supplier Experience Management (SXM), which focuses on identifying and removing these friction points. By doing so, it frees up supplier time to focus on more value-added activities. It reduces the supplier's cost to serve, which in turn encourages more favorable pricing, and it puts an organization in pole position to be the customer-of choice for every supplier, which is a serious competitive advantage.

Of course, to understand how the supplier experience can be improved, the most important stakeholders to ask are the suppliers themselves. It is crucial to recognize what pain points they are facing and acknowledge what they feel needs to be improved to better cater to their needs.

The Voice of the Supplier: Survey

In this 'Voice of the Supplier' survey, we asked over 500 suppliers who serve enterprise customers in the CPG, FMCG, Aerospace & Defense and Energy sectors about their experience serving some of the biggest organizations in the world. In each case, suppliers were asked to focus on one of their key customers and all respondents were individuals that work directly with that customer.

The survey was conducted by OnePoll during the first quarter (January to March) of 2022.

"I think it is important to view it through the lens of the supplier, because it helps you to better understand the issues as an organization that you might have and fix it in a way that adds a lot of value. Some organizations do not realize that they have problems and that is partially because they are not looking at it through the right lens."[2]

Costas Xyloyiannis, CEO, HICX

Chapter 1: What makes or breaks the supplier experience?

Suppliers are not set up to do their best work

61%

When we put this notion to suppliers, 61% of respondents said, 'We find it challenging to do our best work for this customer.'

This result reveals the extent to which current technology landscapes and approaches have been hindering suppliers. As Adam Brown, Procurement Strategy & Digital Transformation, Maersk, explains, "The sheer multitude of touchpoints for suppliers when transacting with many large enterprises can create confusion and inefficiencies."

³ Supplier
   Experience
   Management
   In Practice
   (hicx.com)

⁴ Supplier
   Experience
   Management
   In Practice
   (hicx.com)

He advises that an in-depth, honest review from the perspective of the supplier is key, adding:

"It's the small things that count and can really start to make the difference, right from that initial touchpoint of the external website that you have for suppliers. What does it actually say? Is it up-to-date? Is it meaningful? Does it tell you, fundamentally, where to go for help and what you need to do to solve your problems?"[3]

Two main areas that suppliers specifically care about are:

- Experiences directly related to the use of **technology and systems**

- Experiences relating to aspects of performance management and the **working relationship**

Technology and systems

With regards to the technology and systems, there are four major aspects to consider as part of the end-to-end supplier experience, which can all create pain points

1. **Overall account management**

2. **Ease of finding information**

3. **Sending back required information or completing customer initiated tasks**

4. **Raising and resolving enquiries**

This end-to-end view, which encompasses all facets of the ongoing relationship, is crucially important but can be frequently overlooked.

Adam Brown provides an analogy as he explains, "Traditionally, Procurement is really just taking care of the first three dates in the relationship – we've got a contract in place, we've been approved, we've uploaded all of our certificates to the right place – but, then, there is a whole marriage to come.

Have I got a purchase order? Has the purchase order come in? Where do I send the invoice? How do I get paid? Who do I phone to chase up? There is all this side of it to consider, before just the operational day-to-day of how your supplier delivers goods or services."[4]

1. Account Management

Our survey revealed that suppliers must login to an average of 8.4 systems in order to serve their most important customers. Meanwhile, 38% of suppliers state that they have to login to 10 or more systems to serve this customer.

This establishes difficulties for suppliers in managing individuals' accounts associated with the various systems, while also creating multiple points of entry for data. It means it is hard for suppliers to take ownership of their data due to lack of visibility across systems, duplication and resulting inconsistencies, as shown in Figure 1.
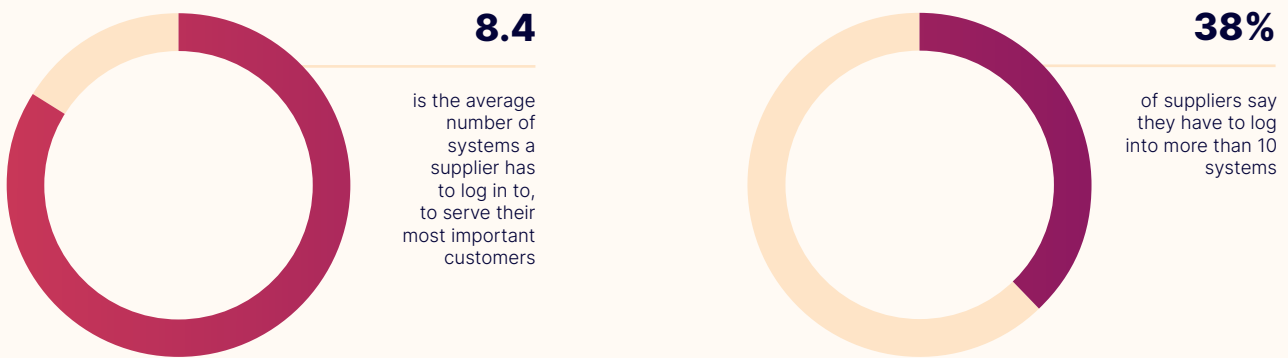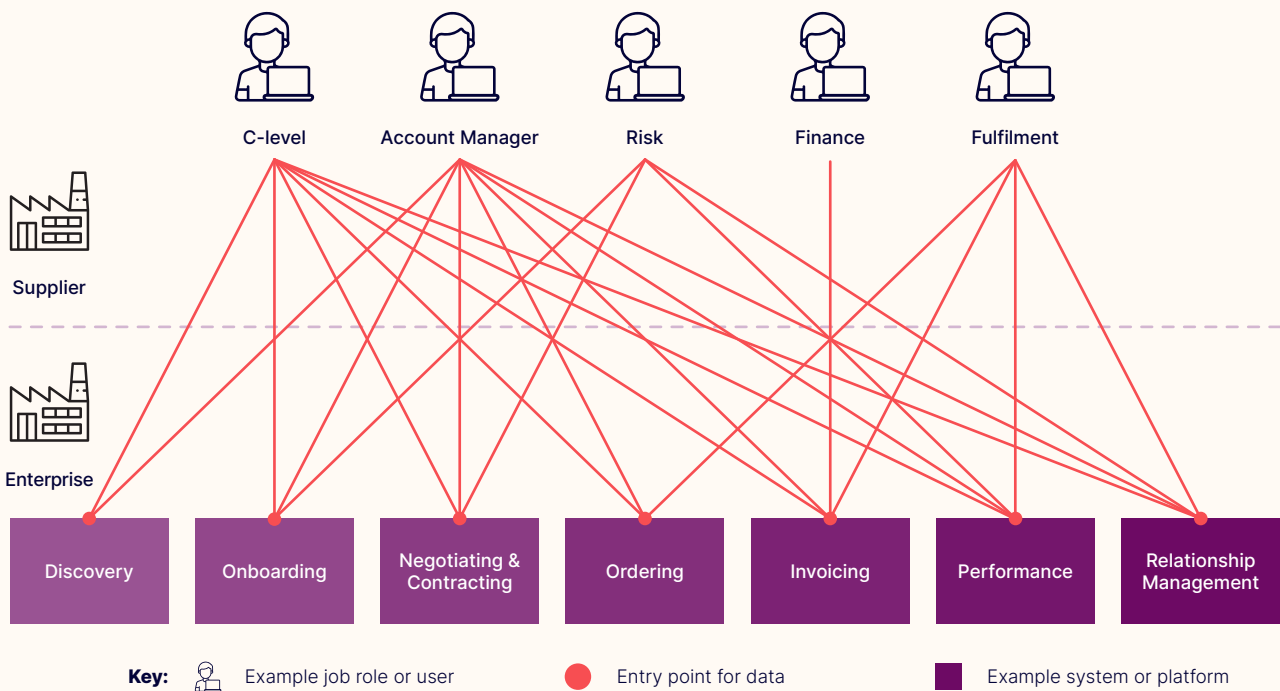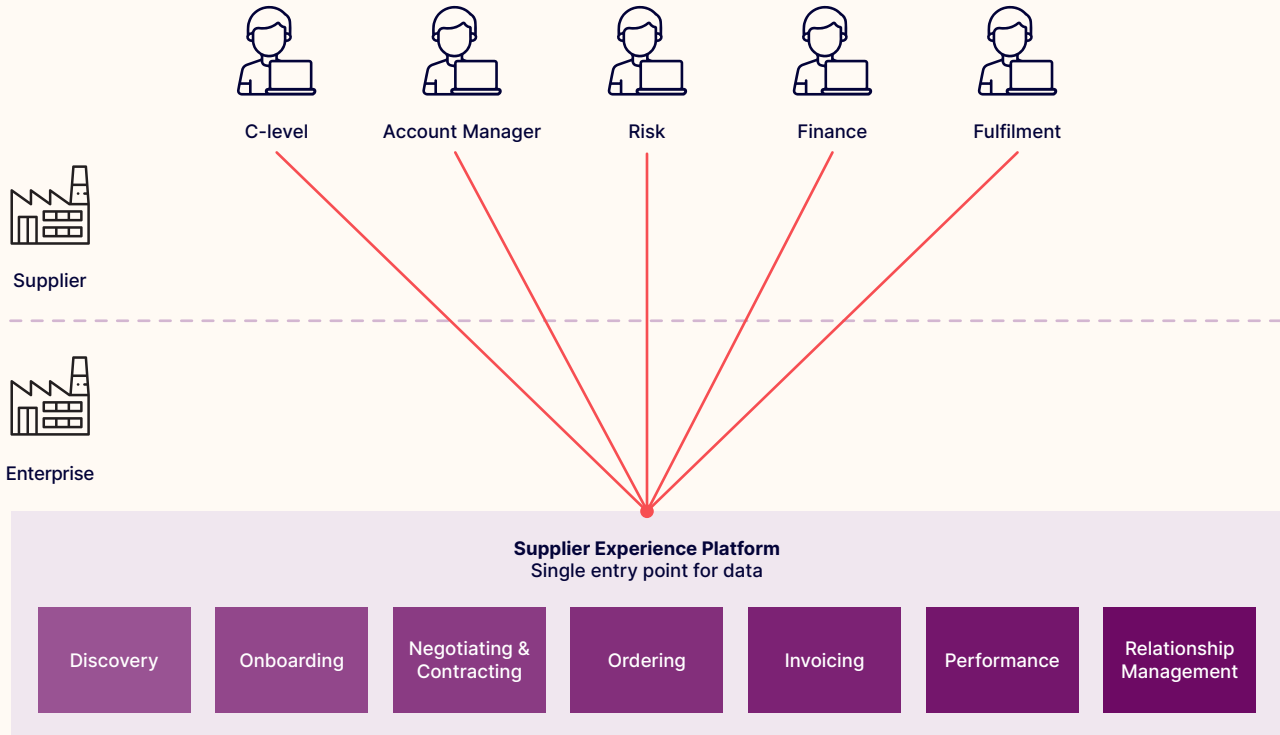
8.4

is the average number of systems a supplier has to log in to, to serve their most important customers

38%

of suppliers say they have to log into more than 10 systems

Figure 1: Without supplier experience, suppliers interacting with an enterprise face multiple systems to manage

C-level   Account Manager   Risk   Finance   Fulfilment

Supplier

Enterprise

| Discovery | Onboarding | Negotiating & Contracting | Ordering | Invoicing | Performance | Relationship Management |

Key: Example job role or user   Entry point for data   Example system or platform

By managing supplier experience, the complexity of administration of accounts and data can be reduced for suppliers

C-level   Account Manager   Risk   Finance   Fulfilment

Supplier

Enterprise

Supplier Experience Platform
Single entry point for data

Discovery	Onboarding	Negotiating & Contracting	Ordering	Invoicing	Performance	Relationship Management

2. Ease of finding information

As Dr Epstein explains, many organizations "lack a cohesive, integrated and up-to-date place for useful information,"[5] and, as a result, suppliers find it difficult to locate the information that is relevant to them. Meanwhile, 25% of suppliers said having consistent communications from all departments was one of the top 3 factors that most enables a good working relationship with an organization.

Supplier Experience Management good practices must therefore seek to eliminate sources of confusion for suppliers, ensuring that information is relevant, current and easy to access from a central point.

Information that suppliers might be looking for include items such as the latest supplier code of conduct; latest local regulatory requirements; contact information; procurement processes and how to access the relevant tools for these processes; details about diversity, economic inclusion, sustainability and other supplier-related programs; human rights policy; cybersecurity notices; supplier support initiatives; technical help or frequently asked questions; and latest company news or events.

As such, a supplier portal should aim to become a content hub that can serve relevant content based on indicators such as supplier type, supplier location, user role, user intent and other available data.

[5] 2022: the year of the supplier - Kearney (kearney.com)

Figure 2: Wire-
frames of two
supplier portal
examples.

Example 1: Suppliers must still have to figure out what applies to them. They still have multiple logins to remember and they still have to re-enter data multiple times because there's no single source of truth integrated across all systems.
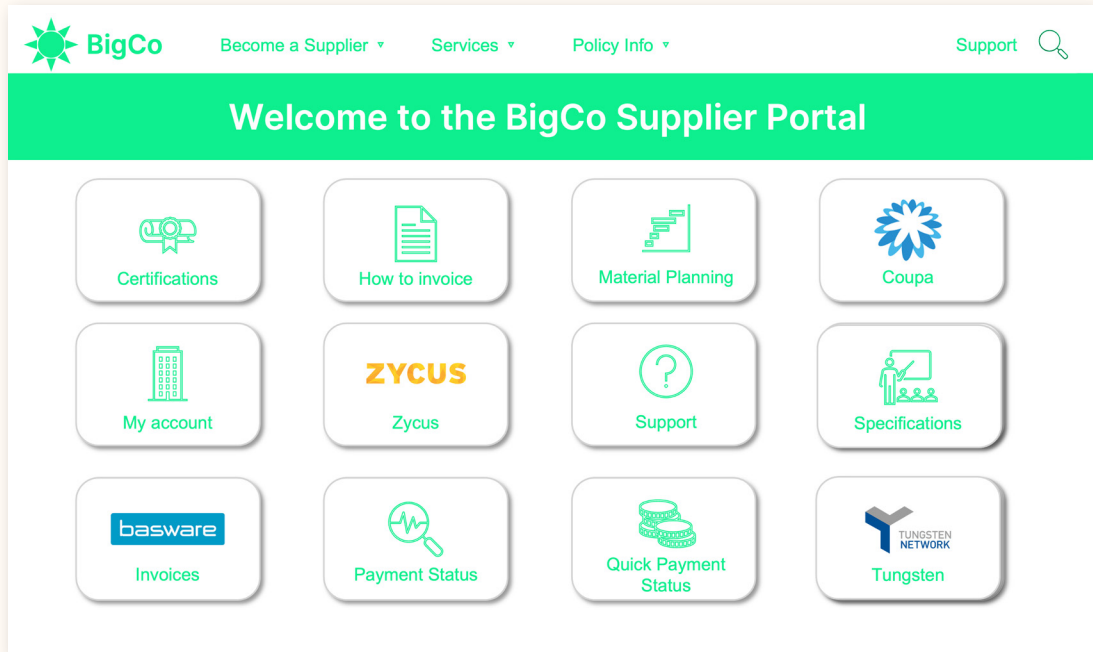
Example 2: This example is task-oriented and includes curation and guidance for the supplier, which removes the burden and friction. Attention needs to paid to the types of content that should be centralized and how it will be adjusted based on the user's role at the supplier, the supplier type, supplier location and other characteristics.
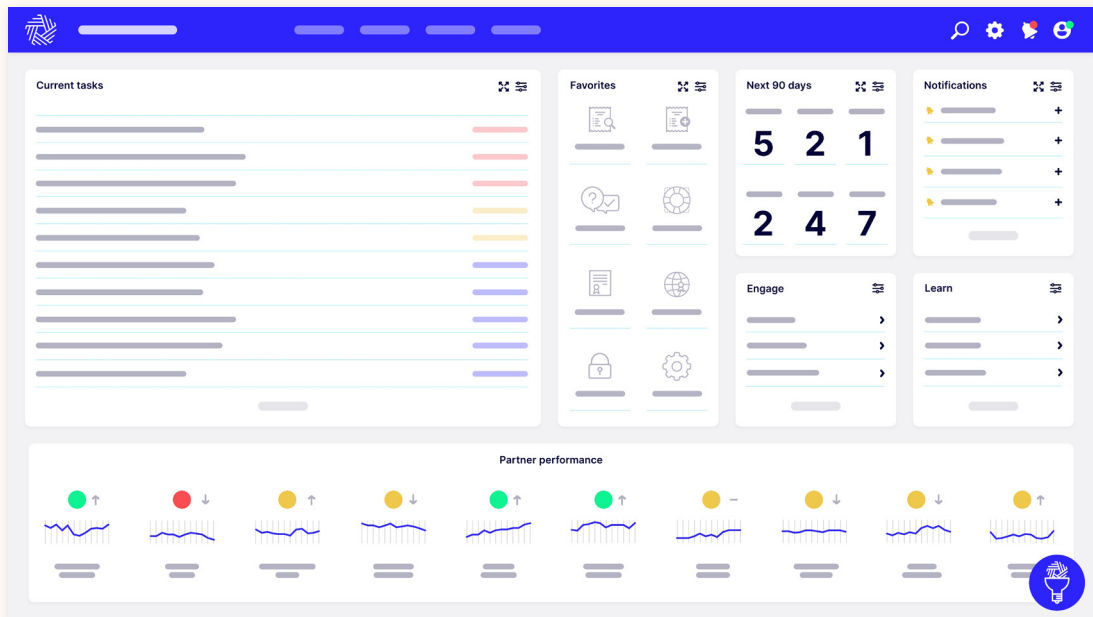
Fulfilling content requirements requires management in terms of who keeps which aspects up-to-date, a process for the publication of new information or updates, how often elements need to be verified, updated or removed and how information is made relevant to different geographies and/or supplier types.

Without management, including defined ownership and procedures, plus automation where relevant, information runs the risk of only being updated on an ad-hoc basis, leading to inconsistent or outdated content, as suggested by Dr Epstein.

3. Sending back information and completing tasks or initiatives

The pressure on suppliers to provide not just the purchased goods or services, but also *information* back to the customer, is growing substantially. It is frequently widening to include providing certificates or documents or responding to surveys relating to areas such as sustainability, diversity, child labor, conflict minerals, circular economy, working conditions, modern slavery, cybersecurity and many more.

As Carmen Erhardt, Director of Corporate Purchasing and Head of Global Processes, Operations and Digitalization at Henkel, explains, "More data than ever is now needed to be provided by suppliers, with further use cases emerging every day."[6]

The burden is being felt by suppliers, as 60% of suppliers in our survey state that they spend too much time on administrative tasks for their most important customers.

Without action, suppliers will continue to face an ever-growing administrative workload and consequently costs will be passed on to customers as a result of the greater resources needed to manage information and adhere to requirements placed on them.

60%

of suppliers say, "We spend too much time on administrative tasks for our most important customers."

"We have to remember that you heavily depend on the supplier for this information, so you have to be thinking, 'How can I engage them? How do we introduce elements of automation and self-service, to make it easier for them to provide us this data and make it more efficient?'"

Costas Xyloyiannis, CEO, HICX

[7] 2022: the year of the supplier - Kearney

[8] How To Improve Transparency & Reduce Supply Chain Risks When Working With Suppliers (hicx.com)

It therefore demands a level of restraint on the part of customers when requesting information and data from suppliers to ensure that only the relevant suppliers are included for each data task. As Dr Epstein points out, "Many large enterprises have more than 50,000 suppliers and some as many as 100,000—raising some uncomfortable questions for buying organizations. First, if every supplier fills out every survey, what happens with all of the information? Does the data actually serve a strategic purpose, or is this a gigantic check-the-box exercise? Second, what does the company do with this type of data?"[7]

Identifying the use to which the data will be put is a really important aspect, as knowing the answer to this question can help to define what the scope of a survey or information request should be.

Andrea Sordi, Academic Director, Global Supply Chain Institute at the University of Tennessee, agrees, as he highlights, "We live in a world where there's oceans and oceans of data. We are overwhelmed with information. I think the challenge is determining what kind of information or what kind of data you are looking at, and what's the purpose of it."[8]

The advice: make sure you ask the right suppliers for the right level of information at the right time.

[9]   How Supplier
      Data Drives
      Resilience,
      Visibility
      & Value
      (hicx.com)

[10] How Supplier
      Data Drives
      Resilience,
      Visibility
      & Value
      (hicx.com)

47%

of suppliers say, "We find it difficult to resolve queries with our most important customer."

4. Resolving enquiries

Facilitating two-way communications initiated by a supplier is equally as important as collecting data or providing outbound information. Just as consumers often select a range of different channels to contact organizations, the same is true for suppliers. However, all too often, these channels are managed in isolation and this can create communication difficulties. This was shown in the results of the Voice of the Supplier survey. Almost half (47%) of respondents said that they find it difficult to resolve queries with their most important customers.

Dealing with enquiries is, of course, difficult. Without a centralized approach, suppliers may choose a variety of different channels for enquiries that can range from the transactional to operational. Frequently used channels may include messaging applications, web enquiry forms, email or telephone, however these may all be handled in different ways and by different teams. The value of an integrated communication channel is frequently grossly underestimated.[9]

Taking an example, Jerry Grable, Director eBusiness, BAE Systems, recalls how the Accounts Payable team at BAE Systems previously had to deal with a large number of telephone enquiries every day from suppliers asking about invoice or payment status.

By applying the principles of Supplier Experience Management, this is no longer the case today. "Now that this has been centralized, suppliers have access to the information and they can maintain their own information. This self-service approach has led to more than a 65% reduction in the number of calls to A/P Shared Services. A five-year business case was met within six months and suppliers are able to obtain the information they need, twenty-four hours a day, all year round," he says.[10]

To identify these opportunities, it is worth undertaking an audit of enquiries to determine answers to questions such as:

- What channels are suppliers most frequently using for specific types of enquiry?

- Why have they chosen to use that channel?

- Is it the most efficient channel for this enquiry?

- How are enquiries routed to the correct internal contact for resolution?

- How long does this take for enquiries through various different channels?

- How long do enquiries take to resolve for different types of question, in different regions, or for different types of supplier?

- What improvements could be made to make this more efficient for both the organization and the supplier?

It is a neglected area. In our recent Supplier Experience Survey, which was answered by 100 senior procurement professionals from organizations with $1 billion turnover or more and which looks at the issues from the enterprise customer perspective, 67% acknowledged that time to resolve enquiries was an area that they needed to improve. However, as the report revealed, it was one of the top three priorities in only 1% of cases.[11]

Performance Management and Working Relationship
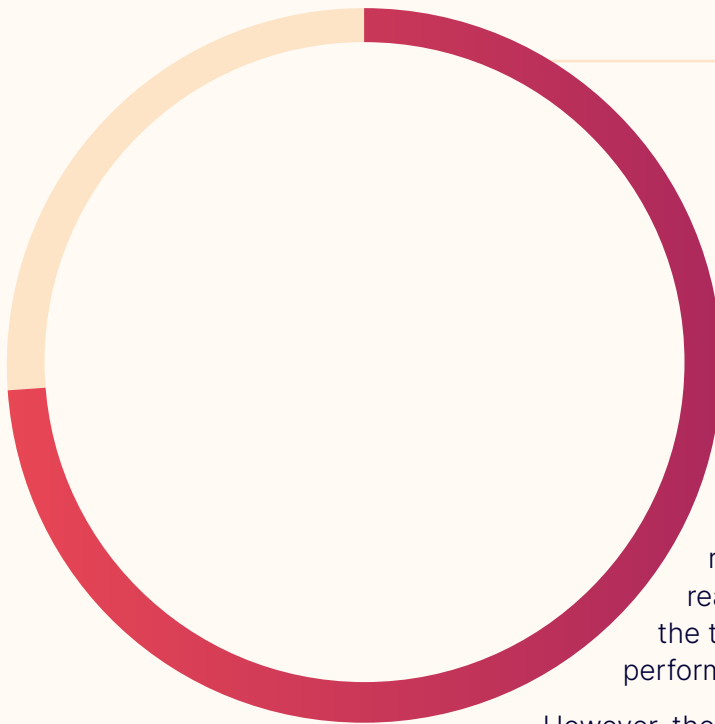
74%

of suppliers say "The review performance metrics used are more helpful to the customer than to us."

Of course, supplier performance metrics are key to measuring key aspects of the supplier relationship, including delivery performance, quality, price, risk and levels of compliance.

This information is also useful for suppliers to further improve their business. While 30% of suppliers in the survey said that improving service and support was one of the top three factors that most enables a good working relationship and 30% said that having reasonable expectations was one of the top three, 27% also said sharing performance data was in their top three.

However, there is a disconnect. While over a quarter would have performance data within their top three wish list, 74% said, "The review performance metrics used are more helpful to the customer than to us," revealing lost opportunities.

This underlines the importance of being able to take into account the supplier perspective in order to establish a mutual platform for collaboration and to set suppliers up for success. The result also shows the predominantly one-way nature of the relationship. While suppliers have to ensure that they meet certain performance criteria, there is, in most cases no reverse mechanism to measure how well the customer is supporting a supplier to ensure that objectives can be fairly met. This is frequently the biggest gap or blind spot within organizations who are otherwise professing commitment to supplier-centricity.

Chapter 2: Addressing the Suppliers' Perspective

From a practical perspective, 'supplier centricity' in the context of Supplier Experience Management means removing friction from every aspect of the relationship for all suppliers across the board – including also the smallest and least strategic – in the knowledge that this will also reduce your suppliers' costs to serve you.

As Anthony Payne, CMO, HICX, explains, in doing so, "you'll have greater control and visibility through massively improved data and you'll position yourself to be customer-of-choice for the largest possible number of your suppliers."[12]
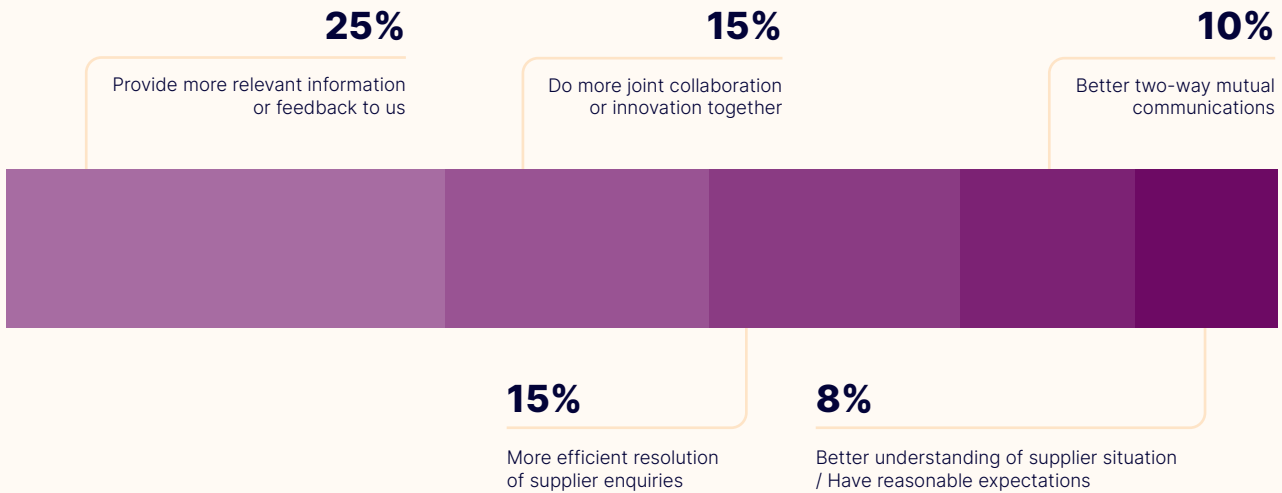
Focus on finding and removing friction

Examples of friction are clearly revealed in the results of the Voice of the Supplier Survey.

When suppliers are asked 'What would be the one thing that would most improve the relationship between yourselves and your most important customers?' providing more relevant information and feedback to suppliers comes in highest at 25%, more efficient resolution of enquiries was cited in 14% of cases, and better two-way communications at 10%.

Rounding out the top five are more joint collaboration or innovation (14%) and reasonable expectations, at 8% of respondents.

25%
Provide more relevant information or feedback to us

15%
Do more joint collaboration or innovation together

10%
Better two-way mutual communications

15%
More efficient resolution of supplier enquiries

8%
Better understanding of supplier situation / Have reasonable expectations

The survey shows that, although concerns are wide ranging, many of the top concerns for suppliers are specifically related to the communications aspects of the supplier experience. There are therefore clear steps that can be taken.

[13] Delivering Strategic Transformation Through Supplier Experience (hicx.com)

"This could be as simple as dynamically customizing your onboarding form to only ask the relevant questions for each supplier or providing invoice payment status visibility or even just adding a phone number for supplier enquiries to your correspondence," Anthony Payne advises.

Dynamic customization or tailoring means taking the data that a supplier provides and then using that information to adapt the experience based on that input. The information that is used for the adapting the experience can also be used to filter different suppliers into groups or micro-groups. This concept forms the basis of segmentation.

It is therefore different from the traditional Kraljic matrix that is used in Procurement, as it is a much more granular level of segmentation, although the Kraljic matrix segmentations may indeed form one of the data fields that are used as part of the definition of a group.

Using segmentation to drive the supplier experience

While the Kraljic matrix enables internal decisions to be taken about which strategies to use, its function is primarily to inform resource allocation. On the other hand, the second reason we segment, Anthony Payne explains, "is for what one might call 'experiential' reasons. In other words, how do we adjust the experience that the supplier receives based on their characteristics? This is a much newer phenomenon but it's one we know that some of the most forward-thinking organizations are addressing."[13]

Data types that influence supplier experience

Supplier Company Name	Location	Type	Kraljic matrix	Risk category	Carbon footprint
Reinger AG	Frankfurt, DE	Direct	Strategic	Low risk	Low carbon
Electrical Components Ltd	London, UK	Indirect	Leverage	Medium risk	High carbon
Friesen-Holmes PLC	New York, US	Direct & Indirect	Leverage	Low risk	High carbon
Gadgets SARL	Paris, FR	Direct	Strategic	Low risk	Medium Carbon
Top Widgets Inc	Los Angeles, US	Direct	Leverage	Medium risk	Medium Carbon
Carrara Ltda	Rio de Janeiro, BR	Indirect	Bottleneck	High risk	Low carbon

Customized Supplier Experience

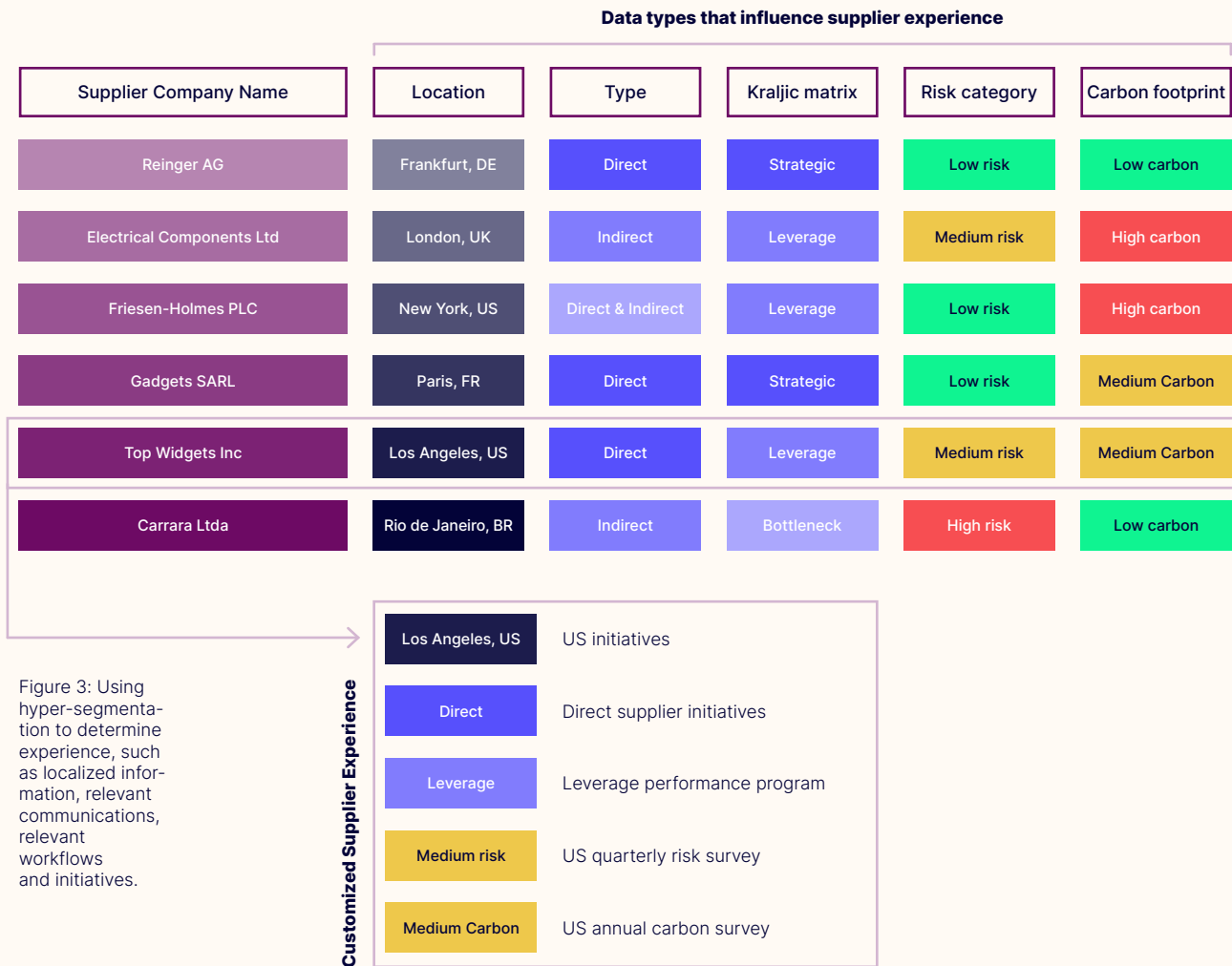|	
Los Angeles, US	US initiatives
Direct	Direct supplier initiatives
Leverage	Leverage performance program
Medium risk	US quarterly risk survey
Medium Carbon	US annual carbon survey

Figure 3: Using hyper-segmentation to determine experience, such as localized information, relevant communications, relevant workflows and initiatives.

It is an area that offers much opportunity. As consumers, we are all used to a world of increasingly personalized content and experiences, whether this is via recommendation engines or highly targeted adverts based on browsing history among many other techniques. It is founded on the vast amount of information that brands can access about us. The same principle holds true for suppliers.

Technology is available to enable a supplier to access an enterprise portal in their chosen language, to see their preferred currency, to see the compliance and risk information relevant only to them, or to access important transactional information at the click of a button. This is in spite of an organization perhaps having 18 different ERPs, two P2P suites and a dozen other best-of-breed applications which might need to be accessed in order to serve the supplier.

As Anthony Payne concludes, "If you combine this with intelligent self-service so that the supplier can express their own preferences – just like I can choose the language on the website of a multi-national brand – you can deliver what feels to the supplier like a one-to-one experience, just for them, and that removes friction."

How, when and where to apply dynamic customization

Practitioners in leading organizations are understanding the importance of 'putting yourself in the shoes of the supplier' and evaluating what it is like to engage with the organization based on various different personas and scenarios and asking 'targeting' questions such as:

- What if I were a core strategic supplier versus a tail-spend supplier? How does that impact the experience?

- What is it like accessing information in different languages?

- How easy is it for me to change bank account information or find out payment status?

Relating it to the customer-facing comparison, Anthony explains, "We all think we know what it's like on the other side of the table, but almost all of us will be surprised, or even a little shocked, to find out what it's actually like to use these systems in practice."

Carmen Erhardt, Director of Corporate Purchasing and Head of Global Processes, Operations and Digitalization at Henkel, agrees and points out that there are different roles to consider on the supplier side and there are different portals in use that are all required to service the end-to-end relationship with a supplier for its entire lifecycle. She adds, "What I think is interesting, in this context, is to start measuring what you're demanding from suppliers. For example, one metric would be to count the clicks – how many clicks does a supplier need to make to do business with you?" This is an important aspect of being a customer-of-choice, so, as Carmen highlights, there is an important business case behind this metric to bear in mind as well.

The importance of feedback

As well as undertaking an evaluation yourself, another good place to start is to ask suppliers directly for feedback. While we may not like what we hear, it is important if we truly want to know how to measure the experience, set benchmarks and improve.

Also, measuring how the supplier would rate the performance of the customer organization is a hugely valuable component, in a reversal of the usual supplier performance management concept. As Anthony Payne explains, "By holding themselves more accountable for the things that matter to suppliers, companies can identify those areas which will have a meaningful impact on the supplier and in turn start to drive some of the benefits, like access to supply during times of constraint, favorable pricing because the cost to serve is lowered, or greater and more willing participation in corporate initiatives."

Carmen Erhardt says that she would start by measuring the platforms and channels that are used to approach suppliers, in particular how they perform in conjunction with questions such as how long certain processes take, such as onboarding. "You can then set targets to drive down these averages," she adds.

She also advises taking stock of how many questions the supplier is being asked to respond to and trying to reduce this by removing duplicates, as she explains, "If you really go through it, end-to-end, from the supplier's perspective, you will think 'you asked me this already, why are you asking this again?'" It is a useful exercise as it reveals inconsistencies in processes which, once removed, creates efficiencies for both sides.

Chapter 3:
The Benefits
of Addressing
the Suppliers'
Perspective

68%

of suppliers agree that their
most important customer
is a 'customer-of-choice'

Most important customers are more likely to be 'customers-of-choice' but it's not guaranteed.

# What are the benefits of addressing the suppliers' perspective?

By incorporating the suppliers' perspective, there are a number of benefits for the enterprise, including:

- Lower prices and better service

- Greater levels of collaboration

- Higher supplier engagement

- Better quality of data

- Lower levels of risk

- Higher levels of compliance

In our survey, 68% of suppliers say that they consider their largest or most important customer to also be a 'customer-of-choice,' a status which the survey shows is most likely to yield these benefits.

Lower prices, better service and greater collaboration

For example, although 50% of respondents said that they would prioritize orders for their most important customer if they were low on stock or resource, the figure rises to 70% of those for whom the customer is specifically recognized as the customer-of-choice.

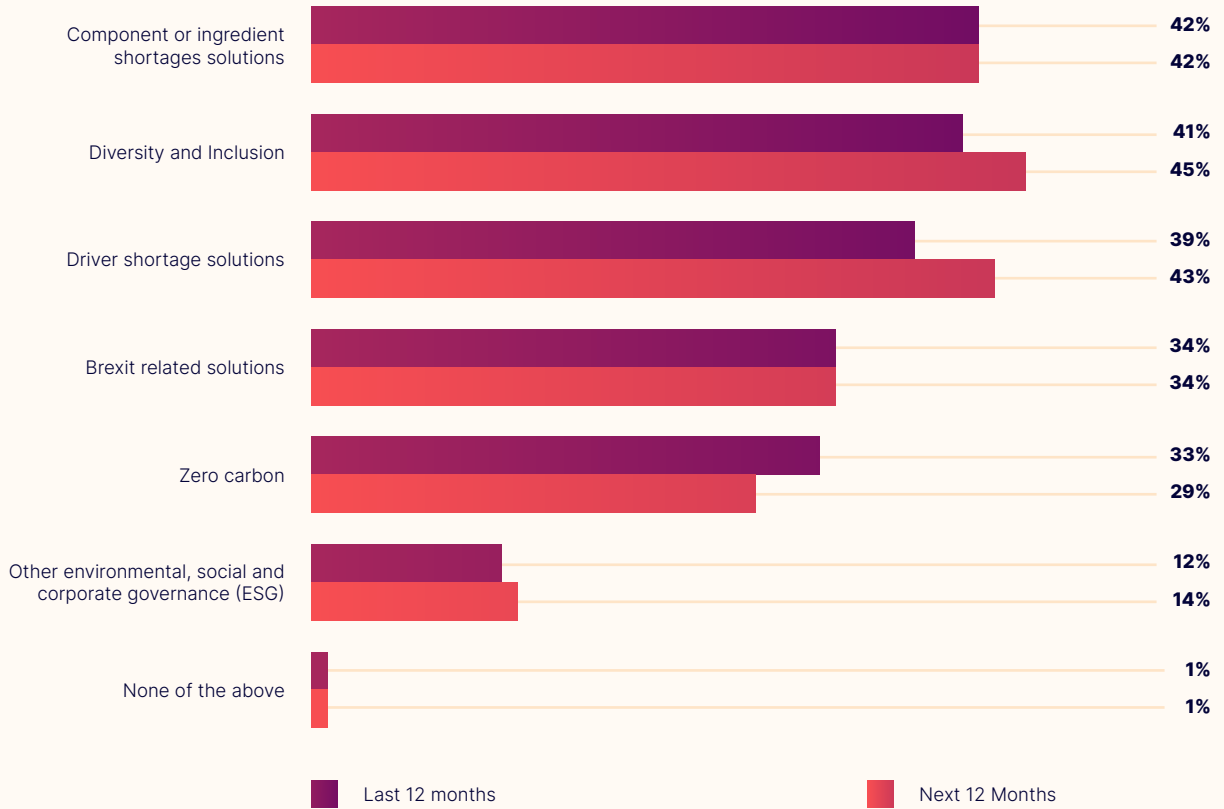|	
Most important customer	**50%**
Most important customer and customer-of-choice	**70%**

↑ 20%
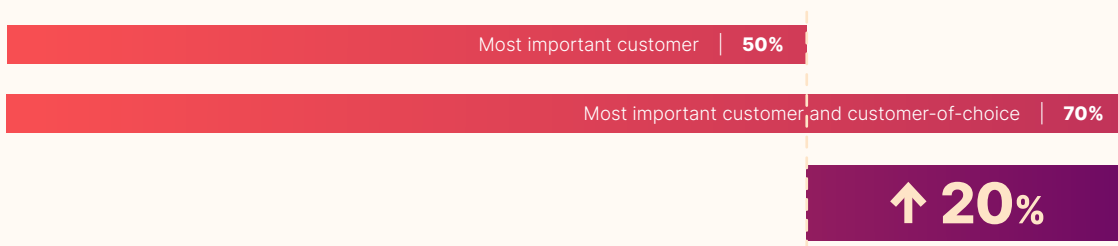
In an era of increased risk to global supply chains, this difference is significant, especially as threats are likely to increase.

When it comes to supply chain threats, for instance, 43% of suppliers expect to work collaboratively with their customers on driver shortages solutions and 42% on component or ingredient shortages over next 12 months, compared to 29% who expect to work collaboratively on zero carbon initiatives.

Have you worked or do you expect to work collaboratively with your customer on any of the following areas in the last or next 12 months?

Category	Last 12 months	Next 12 Months
Component or ingredient shortages solutions	42%	42%
Diversity and Inclusion	41%	45%
Driver shortage solutions	39%	43%
Brexit related solutions	34%	34%
Zero carbon	33%	29%
Other environmental, social and corporate governance (ESG)	12%	14%
None of the above	1%	1%

■ Last 12 months   ■ Next 12 Months

Some of these initiatives will require greater collaboration and perhaps joint innovation in some cases. However, the news is good here as well for those organizations who are seen as customer-of-choice. Again, 70% of respondents said that they were likely to work with their customer-of-choice on such innovation projects, compared to 52% of those who did not consider the key customer to be customer-of-choice.

Supplier engagement and data

Obtaining good data is an ongoing challenge. It's not uncommon for organizations to regularly contact their suppliers with requests such as surveys on diversity and carbon footprint, or to provide details about their own suppliers to name a few examples.

To maintain supplier engagement, it's crucial to actively develop metrics and integrate feedback to understand how suppliers best interact with your organization and to use that information to optimize processes or content hubs. The reward for this engagement is being able to access key supplier information that is of vital importance and to be prompting ongoing updates to the data. As Stephane Sacherer, Director, Global Procure to Pay, Mondelez explains, he sees it as being similar to a marketing campaign: "The supplier must repeatedly go to the tool. The objective is to have suppliers return, again and again. If this is not achieved, the data still becomes obsolete. Ways of encouraging this behavior include features such as invoice tracking and dashboards," he adds.

Stephane Sacherer reminds us that even small businesses need to keep their information up-to-date and, as such, Mondelez has "set objectives, such as targets for number of visits per year and number of suppliers logging in to the system. In order to drive this higher, ways are being identified for bringing more value to the portal, and to make it a one-stop shop," he states.

In turn, this information can be used to segment suppliers and further refine and tailor the experience so that reasons for returning become more compelling or information provided to them can be further enriched.

Risk and compliance

We saw in the previous chapter that almost one quarter of suppliers said receiving relevant information from their most important customers was one of the top three factors in maintaining a good relationship. When targeted information is shared in areas such as compliance, the value of this becomes clear, as it can help suppliers more generally in the market place.

As Jerry Grable explains, "Having good supplier data allows us to communicate more accurately with suppliers. Not only on BAE Systems requirements, but on new regulations that are coming out, or even when events occur – it gives the ability to help them navigate through those, such as COVID, or weather events, or cybersecurity requirements. It's the ability to communicate with them and help educate them, to help keep them compliant with everything that's going on," he adds.[14]

[15] Why do most transformations fail? A conversation with Harry Robinson, McKinsey

Integrating the suppliers' perspective to avoid failure of digitalization

All of these factors provide a focus for desired outcomes of digitalization with measurable, demonstrable output. This is important for securing transformational success. In a recent interview, McKinsey senior partner Harry Robinson states, "The academic research is really clear that when corporations launch transformations, roughly 70 percent fail."[15]

The most important task as far as supplier experience is concerned is to create a mandate and to have someone own the entire supplier experience, including assimilating feedback from suppliers and identifying pain points that need prioritizing for remedy. This then provides a focus and the project can be built upon and expanded over time.

According to Costas Xyloyiannis, "The real challenge is, there is no owner of the supplier experience. Nobody has an end-to-end understanding of what the suppliers go through. That means, for a start, that organizations do not see that they have a supplier experience problem. And, if there is no ownership, there is no way that the problem can be fixed," he says.

"Procurement needs to play the role of enabler, ensuring that it asserts its role in 'getting the data shaped up,' and using its insight and expertise to understand the supplier experience in its entirety."

Adam Brown, Procurement Strategy & Digital Transformation, Maersk

Conclusion: 8-step guide for addressing the suppliers' perspective

16   What Value
Does Supplier
Information
Management
Unlock?
(End-to-End
SIM Strategy)
(hicx.com)

"It is important to "look at suppliers as a partner rather than a resource and work with them in collaboration to set them up for success."[16]

Costas Xyloyiannis, CEO, HICX

In order to provide the foundation for success, it is vital that all aspects of the end-to-end supplier experience are taken into account for all suppliers by following this 8-step guide, which summarizes the key points revealed in this report:

1. **Assess the data foundation in your organization**

2. **Audit the current supplier experience from multiple perspectives**

3. **Identify data gaps**

4. **Evaluate the communications channels and routes for enquiries**

5. **Identify easy initiatives and quick wins for the organization and grow from there**

6. **Iterate based on feedback from stakeholders and always include suppliers in this process**

7. **Redraw the communications landscape to provide a roadmap to a future state**

8. **Measure if you are customer-of-choice on an ongoing basis and set targets for specific outcomes**

Our survey shows that the pursuit of becoming a customer-of-choice yields tangible benefits: 73% of suppliers say that they would go the extra mile for a customer of choice, compared to 49% who state the same for organizations that are simply the most important customer.

| Most important customer | 49% |
| Most important customer and customer-of-choice | 73% |

↑ 24%
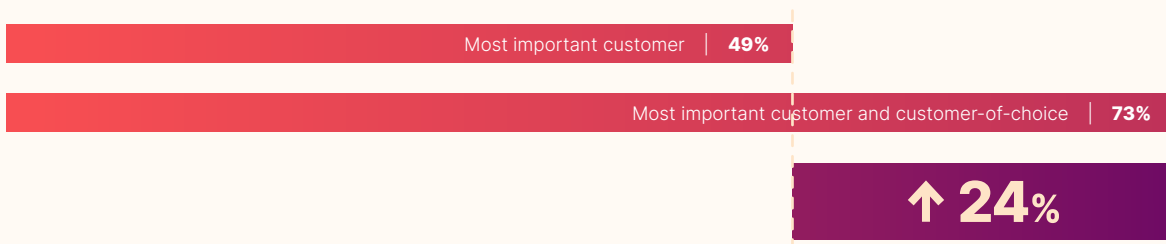
It is therefore worth ending on this question for consideration: "If there is another crisis, if suppliers have a limited amount of stock, who do you think they will be giving their supplies to?" This question needs to drive the thinking behind the future direction of how enterprises interact with all suppliers.

HICX

HICX helps Global 5000 companies to organize and manage their supplier data.

The HICX Supplier Experience Management platform enables businesses with thousands of suppliers to efficiently on-board and manage the end-to-end lifecycle of all suppliers, and to find, re-use and maintain supplier data and information across any spreadsheet, app or system. High quality supplier data is essential to digital transformation and the key to becoming customer of choice for all suppliers. Some of the world's largest companies, in a wide range of industries, trust HICX for the management of their supplier data; these include BAE Systems, Mondelez, Baker Hughes and EDF Energy.

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