

6 best practices for supplier management



Handled well, supplier management forms an integral part of your overall business strategy. For this reason, adopting supplier management best practices is essential to your success. Here's the 6 most important best practices you need to be following:

1. Identify the needs of your organization

Best practices depend on your organization's needs, and you'll need to identify and agree on these before you go any further.



2. Define responsibilities

Keeping roles well defined and distributed increases efficiency and reduces duplicated effort and wasted resources. Take the time to clearly establish roles and responsibilities for process administrators, process managers, and those establishing strategic priorities.

3. Centralize information

Combine a centralized data repository with stringent, high levels of security to ensure your personnel and relevant 3rd parties can access data and documentation directly.

4. Standardize your categories

Develop a single approach to all supplier relationships, contract management, and risk management. With automated metadata and data tagging processes that reflect this standardization, suppliers can be categorized to allow for faster searches, updates, and overall management.



5. Monitor the whole procurement cycle



Although the procurement cycle is distinct from supplier management, the overall aims of both are linked closely, and should be designed to maximize each other's value while minimizing risk.

6. Review and assess supplier relationship performance

Ongoing supplier relationship monitoring is key to ensuring your suppliers deliver optimum ROI. Work in collaboration with your procurement teams to ensure all suppliers meet agreed KPIs.



Ready to learn more?

To discover more about effective supplier management – and learn how to reduce costs by up to 65% - [click here](#).

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