

## Treat Suppliers as if they are Customers

The phrase “the customer is king” is well known, you don’t hear words like this when procurement people talk about suppliers. It is no coincidence that companies that really value their customers also treat their suppliers well. Influencing and persuasion skills are competencies that both procurement executives and their stakeholders need to develop to be successful in creating fully workable supplier relationships. For this, they need to follow the lead of their marketing and sales colleagues.

### Engaging with customers

It seems that companies put in much more effort to securing and retaining customers than they do with managing their suppliers. Both customers and suppliers are vital to your long-term business success. It may seem unlikely, but suppliers can also walk away. Have a look at how great companies engage with customers

### Under-promise and over-deliver

Sales people must listen well, understand the actual requirements and be responsive to their customers’ needs. Knowing that you can fulfil his needs, and more, means that you have the comfort of knowing that a high level of customer satisfaction is possible. So - can we listen to our suppliers, identify their actual, not assumed, problems and issues and respond to them appropriately?

### Make it easy to do business with you

The best examples of companies that do this are those that offer multiple ways for you to work with them, depending on your preference. These ways can include email, telephone, fax, mail, website transactions and mobile apps. Over and above all these options, the customer also wants to connect with a real person.

I hear lots of complaints about unresponsive and rude procurement managers. In many organizations with multiple supplier touch points, it is difficult for the supplier to get answers or solve his problem. Why not explain to the supplier exactly who they can talk to for support? Contacts in your organisation may come and go so establish links and open lines with your senior management. The worst error you can make is to use voicemail or let the phone go unanswered.

### Develop trust and be honest

Communicate honestly, directly and clearly with customers. Be prompt in your responses and, where possible, use the same style of communication. Do not lie or fudge the truth.

Building a solid supplier relationship is a journey, not an event. If you work consistently with a supplier on cost reduction or value-adding solutions, their responses will be fair and realistic. Being dishonest or dismissing their suggestions without due consideration, is not only counter-productive, it’s also bad manners.

### Recognise the importance of customers in your business

Every employee plays a role in how customers view your company. The expectation is that all employees should behave in a manner that is professional, polite and responsive.

I think we owe it to our suppliers to give them the same amount of respect. Contracts and service level agreements should be clear and fair to both sides with no interpretation needed. Performance measures should be agreed upfront and we must give honest feedback to ensure a continued sustainable relationship.

### Companies ranked best in customer service

A recent survey in the US which ranked about 150 brands by customer satisfaction from a survey of more than 1,500 consumers, the top 10 in the Hall of Fame included Samsung Electronics, FedEx and Amazon. It is no coincidence that these companies are also highly rated for their commitment and behaviour towards their suppliers. Here's what they say:

**Samsung Electronics:** Mutual development with our business partners is a key element to elevating Samsung Electronics into a top-notch global corporation. We believe the best strategy to achieve our vision of becoming a true global leader is to strengthen our business partners' competitiveness and pursue co-prosperity through win-win partnerships.

**FedEx:** Worldwide, FedEx suppliers play a critical role in supporting our operations. Meeting the demands of a global marketplace and an unparalleled global supply chain network requires the highest standards of efficiency and effectiveness. Our suppliers understand this mandate and rise to the occasion by providing the commodities, services, ideas, and solutions we need to deliver daily on our promises to customers while continuously finding ways to reduce our costs.

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***How would South African companies be rated if a survey like this is conducted in South Africa?***



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