# Supplier management SUPP

Aligning the organisation’s supplier performance objectives and activities with sourcing strategies and plans, balancing costs, efficiencies and service quality.

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| **Guidance Notes:** Activities may include, but are not limited to:* establishing working relationships based on collaboration, trust, and open communication
* encouraging co-innovation and service improvement with suppliers
* proactively engaging suppliers for mutual benefit to resolve operational incidents, problems, poor performance and other sources of conflict
* implementing supplier management practices to support cloud-based services
* implementing clear escalation paths for discussing and resolving issues
* managing performance and risks across multiple suppliers (internal and external) using a set of agreed metrics
* ensuring compliance to legislation
* commercial governance and supply chain management
* managing risks associated with security, continuity and integrity of supply
* implementing policies for selection of suppliers and bench-marking supplier performance.
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## Level 2

Assists in the collection and reporting of supplier performance data.
Assists with the routine day-to-day communication between the organisation and suppliers.

## Level 3

Acts as the routine contact point between the organisation and suppliers.
Supports resolution of supplier-related incidents, problems, or unsatisfactory performance.
Collects and reports on supplier performance data.

## Level 4

Collects supplier performance data and investigates problems.
Monitors and reports on supplier performance, customer satisfaction, adherence to security requirements and market intelligence. Validates that suppliers' performance is in accordance with contract terms.
Engages proactively and collaboratively with suppliers to resolve incidents, problems, or unsatisfactory performance.
Implements supplier management-related service improvement initiatives and programmes.

## Level 5

Manages suppliers to meet key performance indicators and agreed targets.
Manages the operational relationships between suppliers and ensures potential disputes or conflicts are raised and resolved.
Performs bench-marking and makes use of supplier performance data to ensure that performance is adequately monitored and regularly reviewed. Use suppliers' expertise to support and inform development roadmaps.
Manages implementation of supplier service improvement actions. Identifies constraints and opportunities when negotiating or renegotiating contracts.

## Level 6

Develops organisational policies, standards, and guidelines to ensure effective supplier management across the integrated supply chain.
Defines the approach for commercial communications and the management of relationships with suppliers. Establishes a positive and effective working environment with suppliers for mutual benefit.
Ensures that resources and tools are in place to conduct bench-marking. Reviews supplier analysis and assesses effectiveness across the supply chain.
Manages risks and assures the quality of the services delivered by suppliers.

## Level 7

Determines overall supplier management strategy, embracing effective management and operational relationships at all levels.
Leads collaborative supplier partnerships.
Aligns supplier performance objectives and relationship management activities with business and commercial objectives and sourcing strategies.
Establishes a framework for supplier governance and to monitor the service provided and deliver commercial value from contracts. Represents the organisation in commercially significant disputes involving suppliers.