



# The Growing Importance of Supplier Management for Perfect Harmony of Yin (Buyer) and Yang (Supplier)

Procurement Outsourcing (PO)

Market Report – June 2018: Complimentary Abstract / Table of Contents

# Our research offerings for global services

## ▶ Market Vista™

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

## ▶ Application Services

## ▶ BPS | Banking & Financial Services

## ▶ BPS | Healthcare & Life Sciences

## ▶ BPS | Insurance

## ▶ Catalyst™

## ▶ Cloud & Infrastructure

## ▶ Customer Experience Management Services

## ▶ Digital Services

## ▶ Engineering Services

## ▶ Finance & Accounting

## ▶ Human Resources

## ▶ ITS | Banking & Financial Services

## ▶ ITS | Healthcare & Life Sciences

## ▶ ITS | Insurance

## ▶ IT Services Forecaster™

## ▶ Locations Insider™

## ▶ PricePoint™

## ▶ Procurement

## ▶ Recruitment & Talent Acquisition

## ▶ Service Optimization Technologies

## Membership information

- This report is included in the following research program(s)
  - **Procurement Outsourcing (PO)**
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at [info@everestgrp.com](mailto:info@everestgrp.com), [unitedkingdom@everestgrp.com](mailto:unitedkingdom@everestgrp.com), or [india@everestgrp.com](mailto:india@everestgrp.com)

## More about membership

In addition to a suite of published research, a membership may include

- Price book
- Pinnacle Accelerators
- Data cuts
- Analyst access
- Virtual Roundtables
- Workshops

## Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

# Table of contents

Topic	Page no.
Introduction and overview .....	4
Section I: Leading issues of enterprises and suppliers .....	8
Section II: Overview of supplier management .....	13
• Supplier engagement .....	15
• Supplier relationship management .....	16
• Supplier information management .....	17
• Supplier risk and compliance .....	18
• Supplier performance management .....	19
• Technology .....	20
Section III: Implementation of the supplier management strategy .....	22
Section IV: Conclusion .....	25
Appendix .....	27

# Background and methodology of the research

---

## **Background of the research**

Buyer-supplier relationship has undergone many changes in the decades gone by. From the 1980s, when timely availability of products and services was the key buying criteria, buyer-supplier relationship matured to focus on both the spend and risk reduction in the 2000s. Now, buyer-supplier relationship is reaching another inflection point where the enterprises are finding little value in focusing only on spend and cost reduction, and are demanding suppliers to co-innovate and engage with them in strategic partnerships, giving rise to the concept of supplier management.

Supplier management entails complete overhaul of each and every step in the supplier-buyer relationship, including the use of technology. The advantages of developing a supplier management strategy encompass multiple dimensions, including an easier and much more productive relationship management with gains for both the parties.

**In this research study, we highlight the challenges faced by buyers and suppliers in their relationships today and how supplier management can help in solving that.**

# Overview and abbreviated summary of key messages

---

**Some of the findings in this report, among others, are:**

## Leading issues of enterprises and suppliers

- Buyer-supplier relationship continues to be mired in myriad issues
- Whether it is payments, quality, or innovation, buyers and suppliers, more often than not, have conflicting views
- Moreover, buyers' expectations from suppliers are also moving beyond only cost and risk management, opening new confrontational fronts

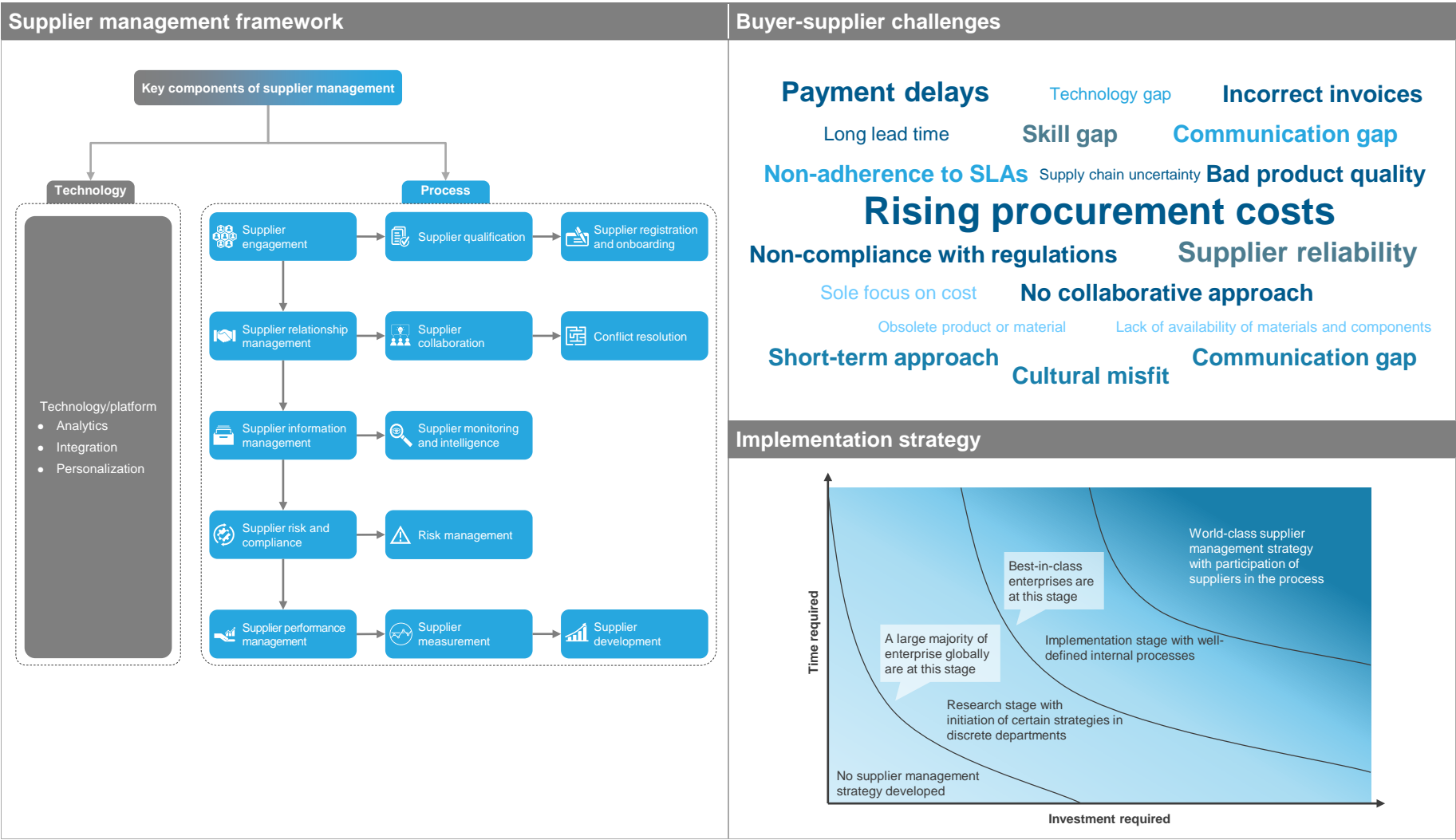
## Overview of supplier management

- The solution to the majority of these buyer hassles is a comprehensive “supplier management” strategy
- Supplier segmentation and developing a strategic partnership is one of the key steps toward successful supplier management
- Role of technology gaining traction in supplier management owing to increasing complexity of supplier relationships

## Implementation of supplier management strategy

- A successful supplier management strategy involves multiple stages and needs both capital and time investment from enterprises
- Successful implementation of the supplier management strategy can enable buyers in developing strategic partnerships with suppliers

This study offers three distinct chapters providing a deep dive into key aspects supplier management strategy; below are three charts to illustrate the depth of the report



Implementation strategy

Time required

Investment required

No supplier management strategy developed

A large majority of enterprise globally are at this stage

Research stage with initiation of certain strategies in discrete departments

Implementation stage with well-defined internal processes

Best-in-class enterprises are at this stage

World-class supplier management strategy with participation of suppliers in the process

# Research calendar – Procurement Outsourcing (PO)

 Published
  Planned
  Current release

## Flagship PO reports

## Release date

PO Service Provider Landscape with PEAK Matrix™ Assessment 2017.....	June 2017
BPS Delivery Automation (BPSDA) – Service Provider Landscape with PEAK Matrix™ Assessment 2017 .....	July 2017
Procurement Outsourcing (PO) Annual Report – 2017: Leap toward Digital Transformation.....	July 2017
SCM BPO Service Provider Landscape with Services PEAK Matrix™ Assessment 2018.....	December 2017
PO BPO Service Provider Landscape with Services PEAK Matrix™ Assessment 2018.....	March 2018
Supply Chain Management (SCM) BPO – Service Provider Profile Compendium 2018.....	May 2018
Supply Chain Management (SCM) Annual Report – Annual Report 2018.....	Q2 2018
Procurement Outsourcing (PO) Annual Report – Annual Report 2018.....	Q2 2018

## Thematic PO reports

Driving Business Outcomes in Aftersales Supply Chain.....	May 2016
Unlocking Next-Generation Value through Technology-Embedded Business Process Services.....	July 2016
PO – Viewpoint – Procurement Analytics 3.0 .....	February 2017
3PL or 4PL: An Increasingly Complex Decision .....	June 2017
The Future of Procurement in the Digital Age .....	March 2018
<b>The Growing Importance of Supplier Management for Perfect Harmony of Yin (Buyer) and Yang (Supplier) .....</b>	<b>June 2018</b>
Looking Beyond the Savings - Emerging Value Levers for CPOs .....	Q3 2018

Note: For a list of all PO reports published by us, please refer to our [website page](#)

# Additional PO research references

---

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest

- 1. Procurement Outsourcing (PO) BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018**  
([EGR-2018-22-R-2588](#)); 2018. This report examines the global PO service provider landscape and its impact on the PO market. It focuses on service provider positions and growth in the PO market, changing market dynamics & emerging service provider trends, and assessment of service provider delivery capabilities
- 2. The Future of Procurement in the Digital Age** ([EGR-2018-22-V-2416](#)); 2018. This paper is intended for enterprise operations executives who are looking to understand the changing procurement ecosystem, its potential implications, and the challenges they must overcome to truly transform the function
- 3. Supply Chain Management (SCM) BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018**  
([EGR-2017-10-R-2496](#)); 2017. This report examines the global SCM service provider landscape and its impact on the SCM market. It focuses on service provider positions and growth in the SCM market, changing market dynamics & emerging service provider trends, and assessment of service provider delivery capabilities

For more information on this and other research published by Everest Group, please contact us:

**Vikas Gujral**, Practice Director:

[vikas.gujral@everestgrp.com](mailto:vikas.gujral@everestgrp.com)

**Ankur Verma**, Senior Analyst:

[ankur.verma@everestgrp.com](mailto:ankur.verma@everestgrp.com)

Website: [www.everestgrp.com](http://www.everestgrp.com) | Phone: +1-214-451-3000 | Email: [info@everestgrp.com](mailto:info@everestgrp.com)





## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com).

### Dallas (Headquarters)

info@everestgrp.com  
+1-214-451-3000

### Bangalore

india@everestgrp.com  
+91 806-781-9999

### Delhi

india@everestgrp.com  
+91-124-496-1000

### London

unitedkingdom@everestgrp.com  
+44-207-129-1318

### New York

info@everestgrp.com  
+1-646-805-4000

### Toronto

canada@everestgrp.com  
+1-416-388-6765

## Stay connected

### Website



[www.everestgrp.com](http://www.everestgrp.com)

### Social Media



@EverestGroup



@Everest Group

### Blog

Sherpas In Blue Shirts

[www.sherpasinblueshirts.com](http://www.sherpasinblueshirts.com)