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Procurement Practice helps companies to develop strategic supplier relationships

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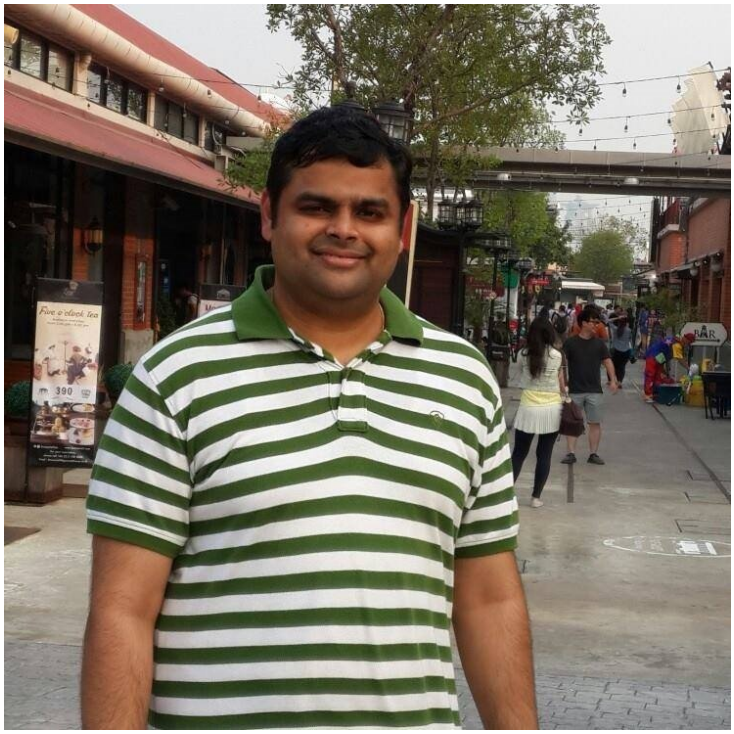

Sudeep Hota, Sr. Manager Procurement Operations, MondelÄ?z International- India

1. How the Procurement practice benefits the company in the long run?

Procurement Practice helps companies to develop strategic supplier relationships that yield significant benefits for both parties. These multifaceted business relationships are viewed along four primary dimensions: strategic value, economic value, performance, and risk management. SRM is a systematic approach that segments, analyzes, and aligns customer-supplier relationships to develop ongoing value.

2. How you successfully manage your supply chain, do you focus on a particular segment to churn a smooth supply?

We formally categorize supplier relationships into different levels of importance and relationships. For example, some suppliers may be categorized as candidates for acquisition because their proprietary capabilities are so significant. Suppliers that are not acquirable but have unique capabilities that can help a company build a stronger brand or higher value-add can be locked-in with advance orders, and technology partners with superior knowledge may require investment or more involvement in product development. Commodity suppliers and one-time purchase relationships require the least attention.