

Commercial Leadership – in a networked world

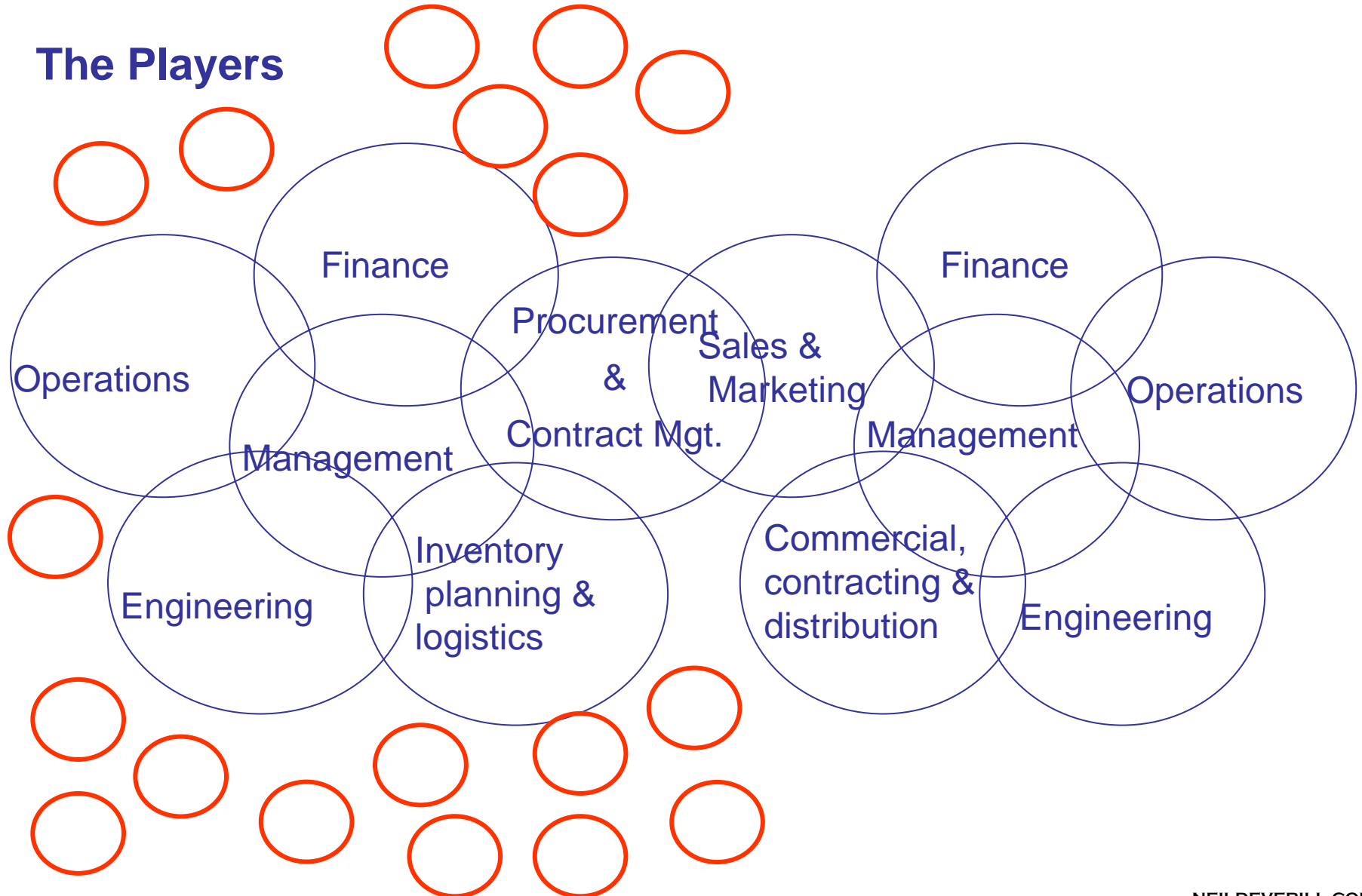
Neil Deverill September 23rd 2008

Agenda

- **The competitive edge of supplier markets**
- **The strategy for catching bears**
- **Always Internal before external**
- **The paradox of hunting bears (how you catch one and why will they play)**
- **Conclusion**
- **Checklist**

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The Players



The competitive edge.....

- **Supplier market assets *will* go to someone**
- **Supplier margins and price opportunities**
- **Supplier cost management**
- **Supplier know-how and IP**
- **Your cost base, your productivity and your overheads**
- **Supplier capacity and allocations**
- **Time**

The strategy (I)

- **Suppliers want good margins and an easy life**
- **Suppliers want certainty and hate surprises**
- **Suppliers want to mitigate investment risks**
- **Suppliers are always prepared to play, if...**
- **Suppliers need help- costs, strategies, procurement**
- **Suppliers are also competing**

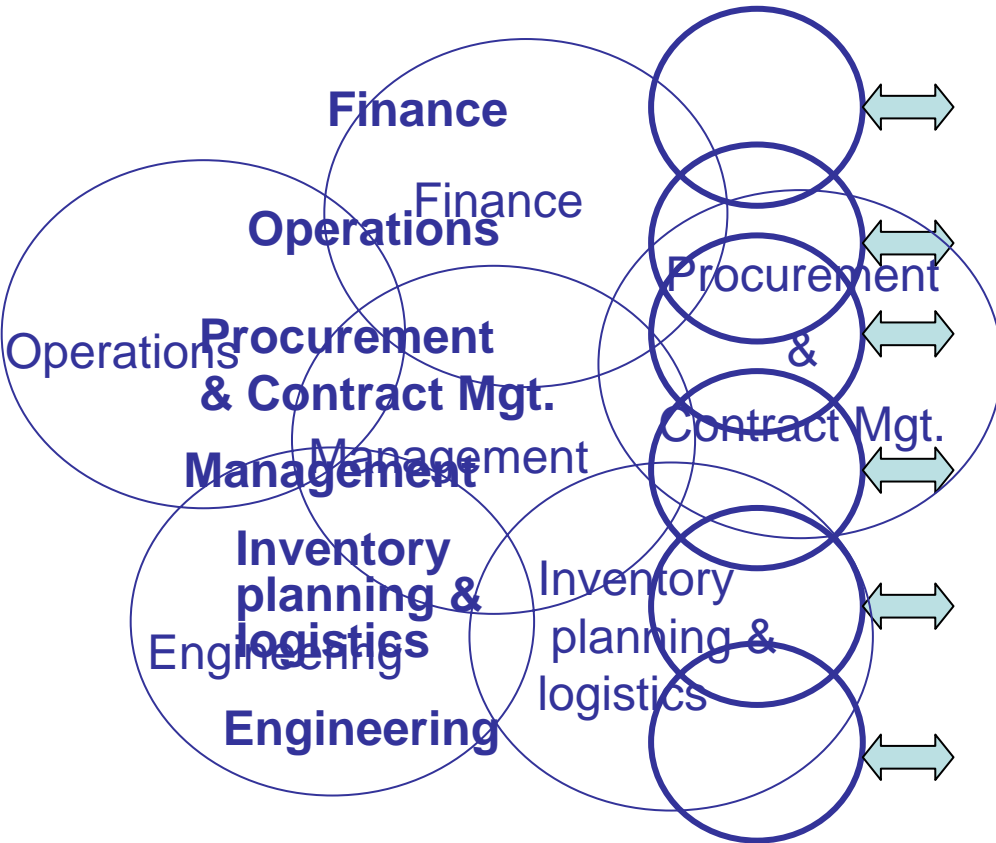
The strategy (II)

- **Clear business direction, culture and priorities**
- **Where a supplier plays in your business strategy**
- **Concentricity of goals**
- **Consistency and predictability**
- **One face, one story and no mavericks**
- **Communication, communication etc.**
- **Be absolutely sure of what you really want**

Internal before external

- **Your business *is* communicating to others**
- **Aligned internal priorities**
- **Agree roles and establish bone fides**
- **Stamp out dissent**
- **Develop the plan and get function and mgt buy in**
- **Merge functions in teams**
- **Be absolutely sure of what you really want**

Internal Alignment

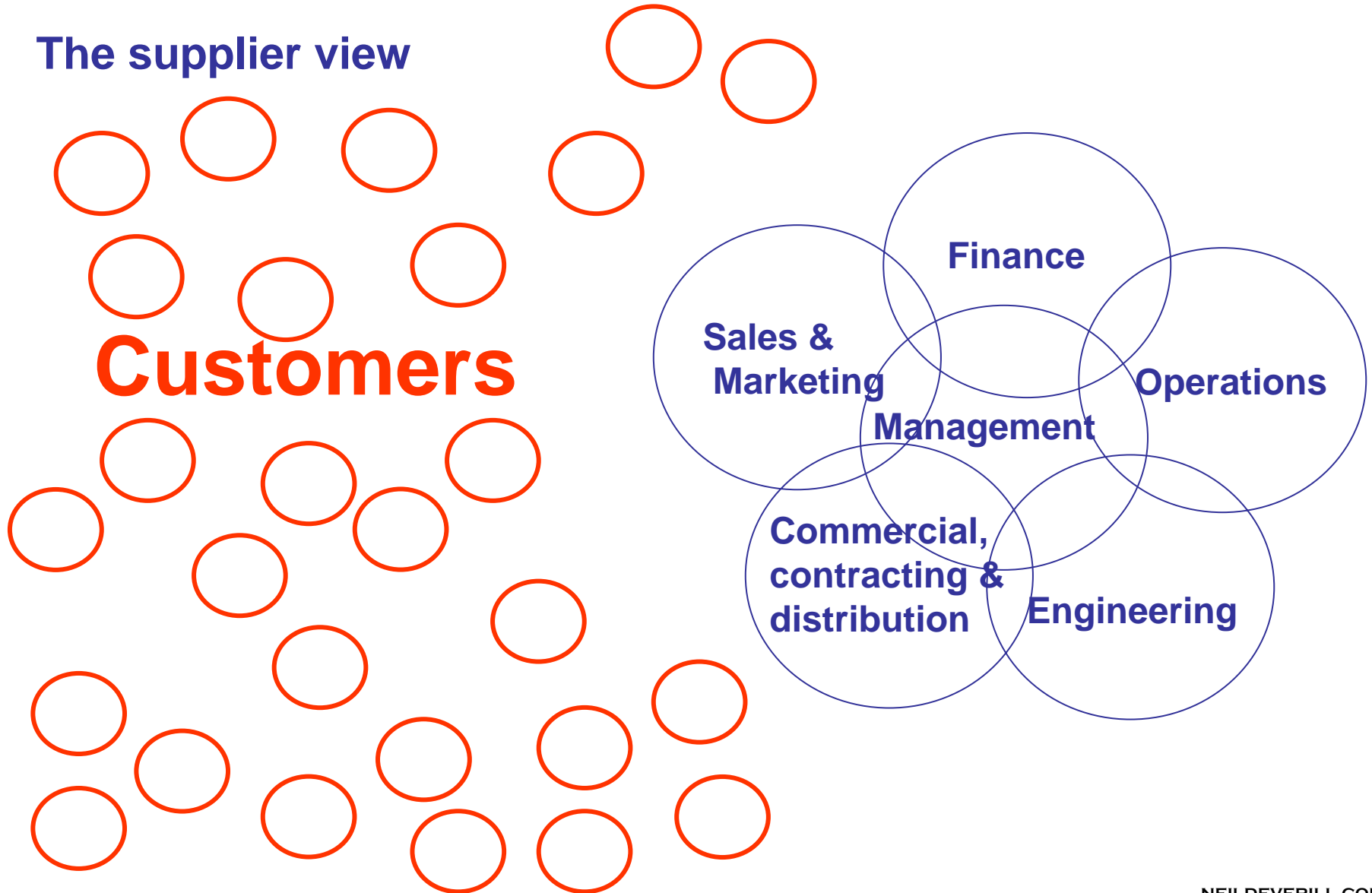


The paradox of hunting bears

- Often suppliers are looking for ‘the hunter’

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The supplier view



The paradox of hunting bears

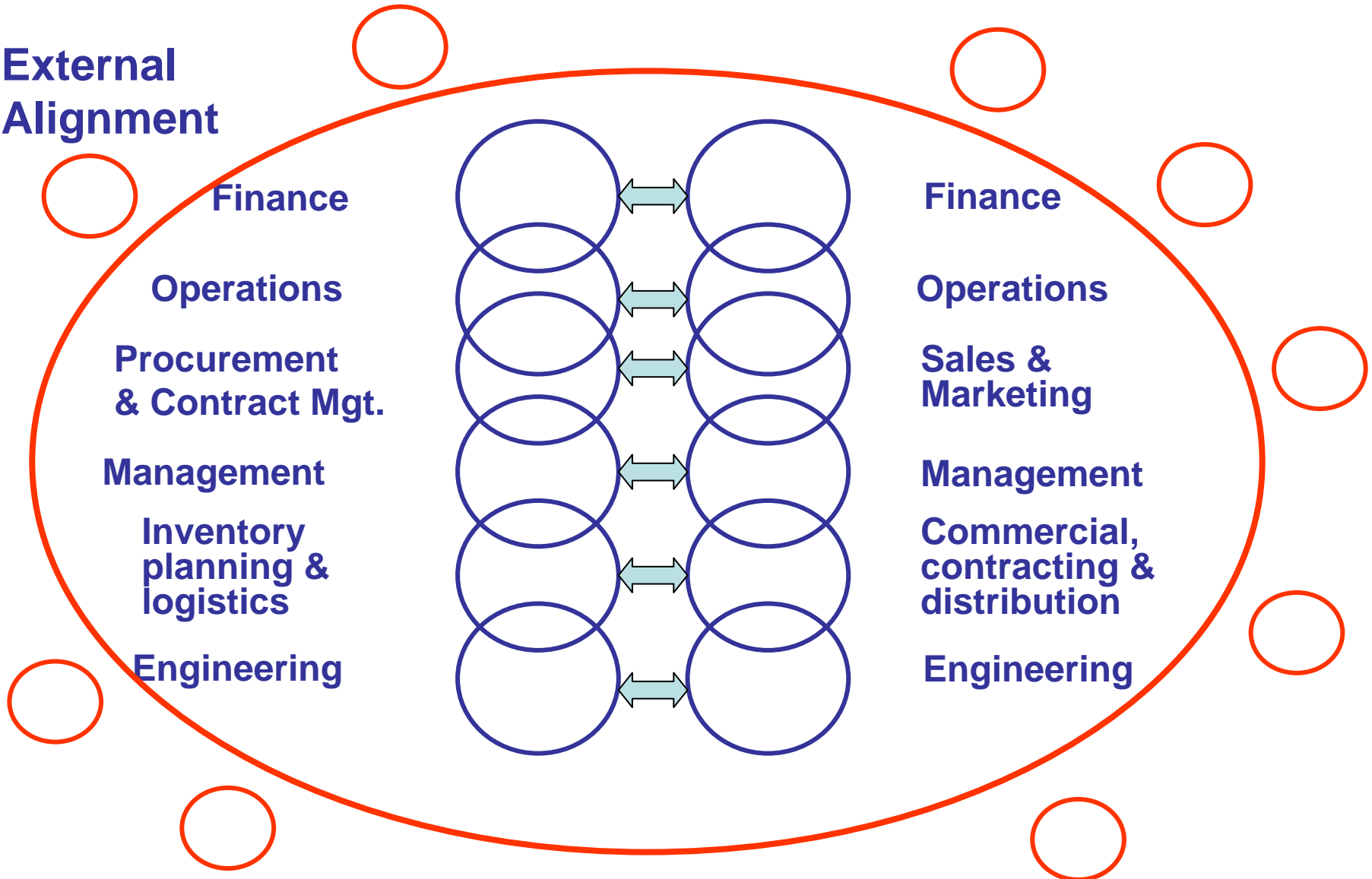
- Often suppliers are looking for ‘the hunter’
- Stepping forward
- Most operations and contract mgt. focus on what they know, what is and not what could be
- Someone must take the supplier marketing lead
- Suppliers often require assistance with similar problems
- Trust

The conclusion

- **The best suppliers are always in a sellers' market**
- **Supplier benefits provide significant competitive advantages for the agile**
- **Many markets are still wide open**
- **Someone must take the supplier marketing lead**
- **If you don't, your competitor probably will**
- **In today's economic climate you must act**

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External Alignment



Checklist

- **Establish what your org needs from suppliers to take a sustainable competitive advantage**
- **Get the credibility**
- **Sell the commercial/technical opportunity internally**
- **Develop your ‘going to market’ strategy**
- **Positively market your organisation to suppliers**
- **Engage fully with key suppliers – don’t hold back**
- **Be tough but be completely fair**

**Thank you for your
attention**