

# SUPPLIER RELATIONSHIP MANAGEMENT (SRM)

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## 2 SUPPLIER RELATIONSHIP MANAGEMENT (SRM)

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- Strategic management of supplier relationships
- Focus on long-term partnerships
- Important for business success

# 3 INTRODUCTION TO SRM

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- Structured approach to managing suppliers
- Focus on long-term value
- Improves efficiency and reliability

# 4 IMPORTANCE OF SUPPLIERS

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- Provide raw materials and services
- Impact product quality
- Ensure smooth operations

## 5 WHAT IS SRM?

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- **Supplier Relationship Management**, a systematic business strategy for evaluating, managing, and nurturing relationships with vendors to improve performance, reduce risks, and increase profitability. It focuses on fostering collaborative partnerships to achieve long-term value, rather than just transactional purchasing

# 6 OBJECTIVES OF SRM

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- Improve performance
- Reduce costs
- Build partnerships
- Encourage innovation

# 7 EVOLUTION OF SUPPLIER MANAGEMENT

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- From cost focus to value focus
- Shift to collaboration
- Strategic integration

## 8 KEY USAGE EXAMPLES OF SRM:

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- **Supplier Segmentation:** Mapping suppliers based on risk and profitability (e.g., using the Kraljic Matrix).
- **Performance Evaluation:** Setting key performance indicators (KPIs) to evaluate vendor quality and delivery speed
- **Collaboration:** Working with key suppliers on innovation and cost-saving initiatives.
- **Risk Management:** Developing strategies to mitigate supply chain disruptions.

# 9 KEY CONCEPTS

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- Collaboration
- Trust
- Transparency
- Commitment

# 10 TYPES OF RELATIONSHIPS

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- Transactional
- Collaborative
- Strategic

# II SUPPLIER SEGMENTATION

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- Classify suppliers by importance
- Critical vs Routine suppliers

## 12 KRALJIC MATRIX

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- Tool for supplier classification
- Based on risk and profit

# 13 KRALJIC CATEGORIES

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- Strategic
- Bottleneck
- Leverage
- Non-critical

# 14 SUPPLIER SELECTION

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- Identify suppliers
- Evaluate options
- Select best fit

# 15 SELECTION CRITERIA

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- Quality
- Cost
- Delivery
- Financial stability

# 16 SUPPLIER EVALUATION

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- Monitor performance
- Provide feedback
- Benchmarking

# 17 KPIS

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- On-time delivery
- Quality
- Cost
- Responsiveness

# 18 SUPPLIER DEVELOPMENT

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- Improve supplier capabilities
- Training and support

# 19 BENEFITS OF DEVELOPMENT

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- Better quality
- Reduced risks
- Strong relationships

# 20 COMMUNICATION

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- Clear channels
- Regular meetings
- Feedback sharing

## 21 TECHNOLOGY IN SRM

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- ERP systems
- Automation
- Real-time tracking

## 22 SRM TOOLS

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- Centralized data
- Better decisions
- Examples: SAP, Oracle

# 23 RISK MANAGEMENT

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- Identify risks
- Mitigation plans
- Diversification

# 24 SUPPLIER RISKS

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- Financial
- Operational
- Quality

# 25 ETHICAL ISSUES

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- Fair practices
- Transparency
- Compliance

# 26 SUSTAINABILITY

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- Eco-friendly suppliers
- Ethical labor
- Long-term focus

# 27 COLLABORATION

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- Joint innovation
- Information sharing
- Problem solving

# 28 NEGOTIATION

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- Price and terms
- Win-win approach

# 29 CONTRACT MANAGEMENT

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- Clear agreements
- Legal protection
- Performance clauses

# 30 LIFECYCLE

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- Selection
- Onboarding
- Monitoring
- Development
- Exit

# 3 | CHALLENGES

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- Lack of trust
- Poor communication
- Dependency

# 32 OVERCOMING CHALLENGES

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- Build trust
- Improve communication
- Diversify

# 33 GLOBAL SRM

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- Cultural differences
- Legal issues
- Logistics challenges

# 34 PROCUREMENT ROLE

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- Supplier selection
- Negotiation
- Monitoring

# 35 STRATEGIC VS OPERATIONAL

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- Long-term vs daily management

## 36 CASE EXAMPLE

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- Supplier collaboration leads to cost and quality improvements

## 37 BENEFITS OF SRM

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- Cost savings
- Quality improvement
- Efficiency

# 38 BUSINESS IMPACT

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- Competitive advantage
- Customer satisfaction
- Growth

# 39 FUTURE TRENDS

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- AI and analytics
- Digital supply chains
- Sustainability

# 40 BEST PRACTICES

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- Strong communication
- Continuous evaluation
- Long-term focus

# 4 | SUMMARY

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- SRM is strategic
- Focus on relationships
- Creates value

# 42 CONCLUSION

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- Essential for success
- Invest in suppliers
- Drives growth

# THANK YOU

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