

Managing the Start or Transition of a New Supplier Relationship

Checks and Balances Series

One of the most critical steps in building an effective supplier program occurs at the very onset of the relationship. Whether it's a new program in its first stages of development or a long-standing program moving to different suppliers, work with your suppliers to develop a checklist of important events and timelines to help ensure a great start to successful partnerships. Many suppliers refer to this crucial document as a "Time and Events Calendar" or a "New Customer Rollout Timeline." Whatever they decide to call it, be sure you work through its development thoughtfully and carefully along with your suppliers to ensure a smooth and mutually beneficial program startup or transition.

The calendar or timeline is generally a spreadsheet with several key components, including: **actions** to be taken, the **responsibilities** of each party and **due dates** for each objective along the timeline. Ultimately, these objectives occur on the supplier's side of the partnership with their own time and personnel. However, it is worthwhile for operators to be familiar with key aspects of a given rollout, especially ones that can impact your own operations in the short and long term.

Some of the key components of the rollout are:

1. **Timelines** - I have seen the transition timelines that span anywhere between 30 to 60 days. Discuss with your supplier what is most important to you and come to an agreement on the actual date of startup. Your supplier will let you know what they are comfortable with. This is the time when all necessary paperwork is set up and products and proper inventory levels will need to be ordered. Unless there is an extraordinary, time-sensitive pressure on the restaurateur's end, it can be quite beneficial to allow your new supplier enough time to get things properly set up to take on your business as effectively and efficiently as possible. Providing your supplier with necessary leeway here really increases the chances of your program and relationship getting off on the right foot.
2. **Product Specifications** - Ask your supplier representative to go through your current order guide or product listing to identify key specifications on critical and non-critical items. Set up product testings to make sure that their products (if different label and spec - supplier branded products fall in this category) will match up, or let them know if they are required to bring those specific manufacturer's products into stock. Also, discuss and approve potential alternatives if agreed upon products are out of stock or otherwise unavailable.
3. **Sales Tax Information** - Just a note here to make sure that your supplier representative presents Sales Tax Certificates for each location. This aspect can help ensure that your operation is not being taxed on what would be considered exempt items in your specific state. The supplier can help you understand what those items are and help you keep track of them after the program is up and running.

4. **Understanding Their Order Process** - Order times, online training and any software packages they provide fall into this category. Many suppliers now have their ordering platforms available online, which can be very convenient and easy to use for your operations staff.
5. **Manufacturer Deals** - Ask your representative for a spreadsheet detailing all of the manufacturer deals that are being taken on from the previous supplier or ones that are being incorporated into your deal. If possible, have your representative detail product specification, manufacturer name, deviated price or allowance per case and expiration date. The supplier can provide upfront proof that all deals are loaded in the system and that document then becomes a great mechanism for checks and balances to ensure that those deals continue to rollover through future terms.
6. **Account Representation** - This is a great time to ensure that the supplier has the right person in place to take care of your account. If you have a great representative in place, then you can usually feel confident about having a great supplier. Does this person fit your needs? Are you comfortable with him or her? Does he or she follow up on services and resolve issues effectively? It always helps to also have a key contact in upper management who has the authority and the experience to help you grow to new locations. This person can also help alleviate supply and service situations quickly in other regions of the country where your concept may be growing.
7. **Rollout Meetings and Inventory Transition from Current Distributor** - Typically, these can occur 1 to 2 weeks prior to the actual start date. By this point, order guides are usually in place and all products are either on order or already in stock at your supplier. Your current suppliers will provide a list of any proprietary inventory they have on hand that will need to be transferred to the new supplier. It is worthwhile for restaurateurs to review this list to ensure that inventory items and levels match what you agreed upon with that supplier. It is also important to review that pricing is correct and any perishable products are not close to expiration or have already expired.

Helping to manage the startup or transition of a new supplier relationship can be quite beneficial to your operation. Whether it's a new program or a long-standing program moving to different suppliers, working with your suppliers to develop a checklist of important events and timelines helps ensure a successful rollout and great partnership.

Thank you for following my "Checks and Balances" series. I hope you find my tips to be helpful. I'm always available for questions and would love to chat with you about your business!

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