

# Supplier Collaboration

Closer relationships between buyers and suppliers could create significant value and help supply chains become more resilient.

## Types of Supplier Collaboration

- 1 Collaborative Innovation**  
Supplier & buying firm combine capabilities to boost the invention process, sharing innovation risk and related costs.
- 2 Integrated Business Processes**  
Identifying touch points in end-to-end processes with the suppliers to eliminate redundancy & unneeded costs.
- 3 Innovative Forward sourcing**  
Bypassing monopoly position of suppliers through a collaborative approach to find sourcing solution

## Benefits of Improving Supplier Collaboration

Improving supplier collaboration fosters stronger connections between businesses and their suppliers, leading to enhanced operational efficiency and performance.

Improved Financial Planning

Objective data for benchmarks

Cost reduction collaboration

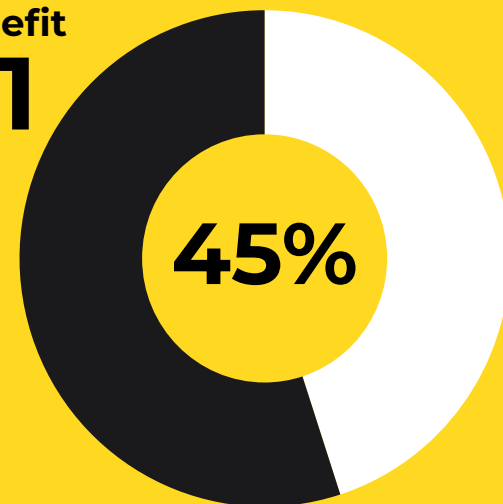
Improved Supplier Performance

Track risk & compliance data

Identify saving opportunities

## Industry Benchmarks

Benefit #1



Cost Management

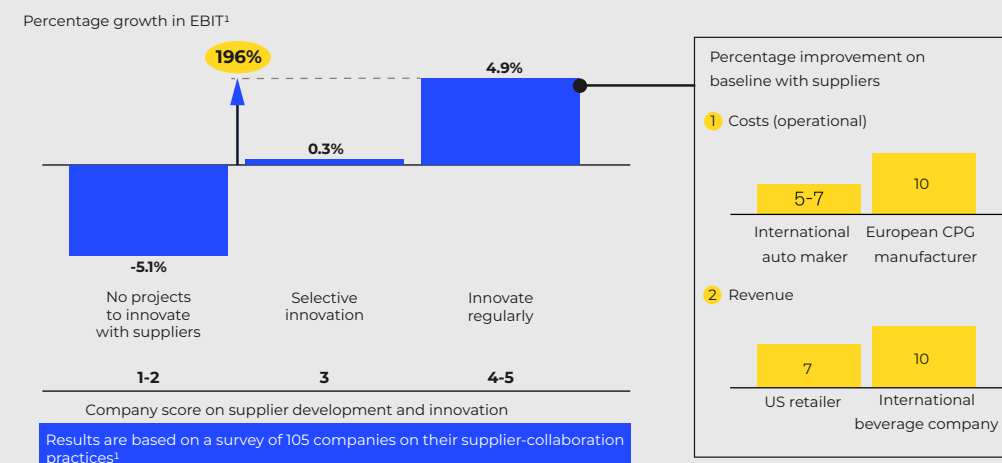
### Other Benefits

- 41% Quality Improvements
- 39% Sustainability Engagement
- 37% Priority Access to Capacity
- 37% Faster Speed to Market
- 35% Service Level Improvements
- 32% Innovation Ahead of Others
- 29% Risk Mitigation

Source: Gartner Procurement Value Study, 2020

## Companies with advanced supplier-collaboration capabilities tend to outperform their peers.

Leaders in supplier development and innovation tend to beat industry trends by ~2x in growth and other metrics



Results are based on a survey of 105 companies on their supplier-collaboration practices.  
Earnings before interest and taxes; high-growth companies also showed strong starting EBIT (i.e. growth was not due to weak starting positions).  
Source: McKinsey Procurement Practice

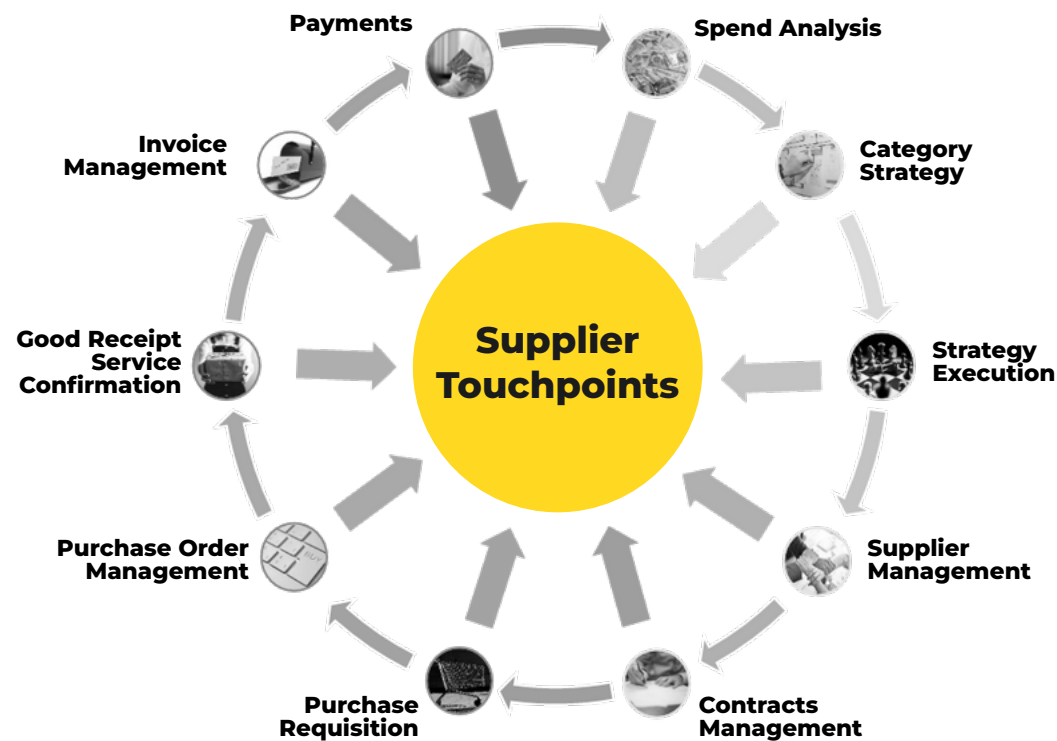
McKinsey & Company

Companies with advanced supplier collaboration capabilities do around 4.9% better than their peers without one

McKinsey & Company

## Supplier Engagement Lifecycle

Touchpoints within the supplier relationship lifecycle in supply chain & procurement



## 5 major dimensions for successful Supplier Collaboration

Supplier Collaboration Index (SCI) is an interview-based benchmarking tool by McKinsey that assesses supplier-collaboration programs over five major dimensions

### Strategic alignment

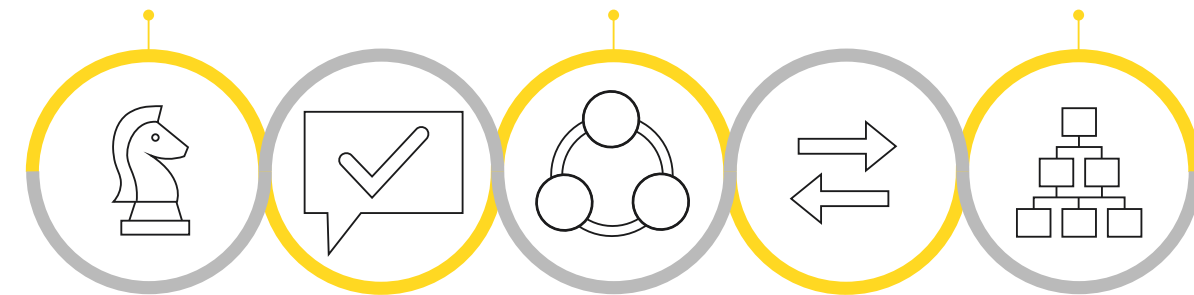
- Strategic goals & objective
- Collaboration initiatives

### Cross-functional engagement

- Quality & outcomes of engagement
- Navigation across organisation

### Organizational governance

- Incentive structure for sustainable collaboration
- Mutual feedback for collaboration
- Measure performance & track progress



### Communication & trust

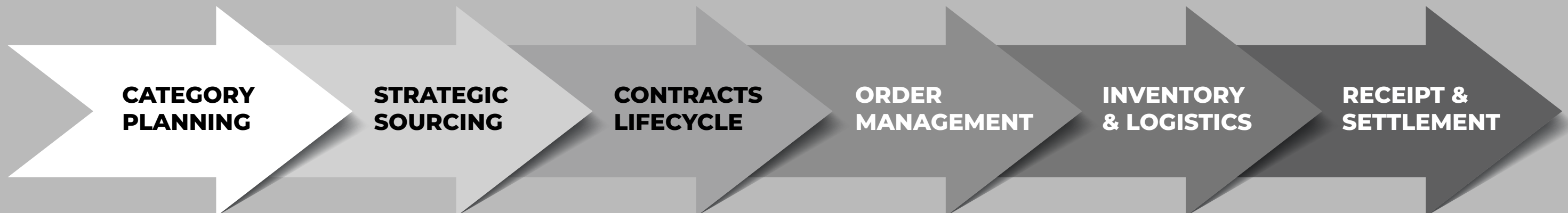
- Fair negotiations
- Transparent practice
- Tools & supporting mechanisms

### Value creation & sharing

- Fair value sharing between supplier & manufacturer
- Rewards for positive performance on collaboration initiatives

## Areas of collaboration opportunities

The Supply Chain and Procurement domain presents a landscape rich with diverse collaboration opportunities for engagement with suppliers. This arena offers the potential for joint innovation, streamlined processes, and strategic partnerships.



# Polestar Maturity Assessment

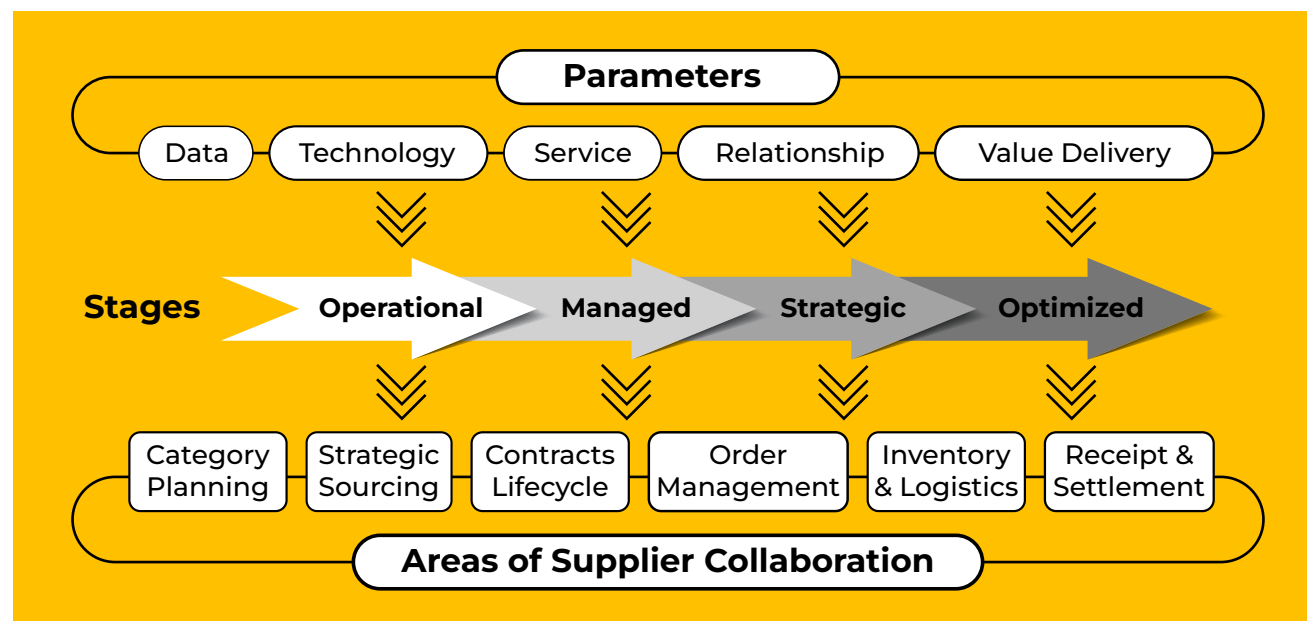
## Assessment Tool

Our SaaS tool uses questionnaires to evaluate how mature an organization's Supplier Collaboration abilities are. It doesn't just assess the current state but also offers guidance, helping organizations create a plan to improve maturity and enhance supplier engagement.

- **Over 150 questions for thorough assessment, Intuitive UI/UX based on client feedback.**
- **Customized Weightages assigned to each question, based on research**
- **300+ carefully curated advices from Supplier Management and STP SMEs**

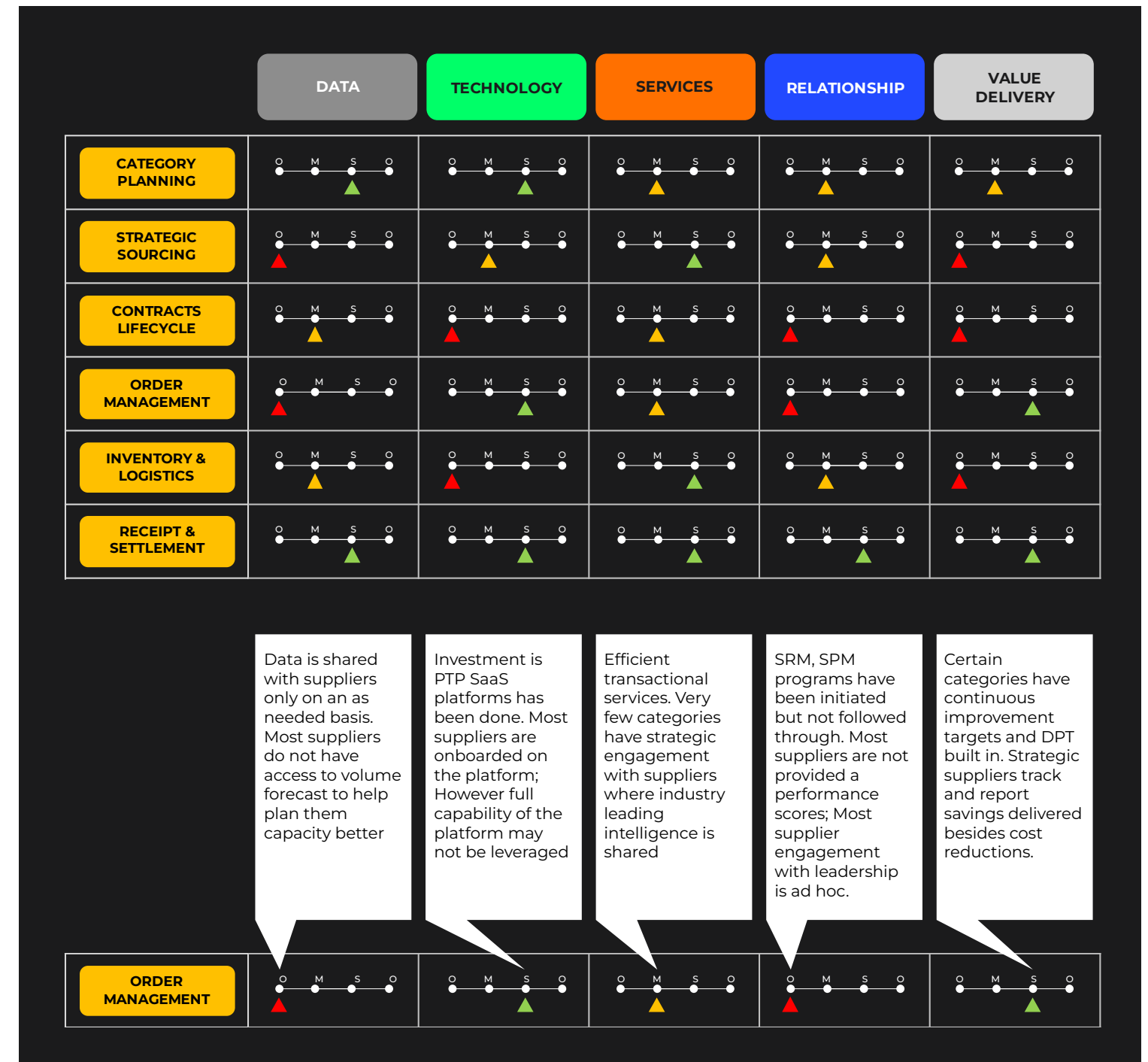
## Supplier Collaboration Framework

The maturity assessment evaluates the maturity level within the four stages based on **five parameters** within the scope of opportunities for supplier collaboration.



## Interpretation of Framework

Interpretation of results from the Maturity Assessment exercise is the backbone of the decision framework



# Boost your Supplier Collaboration

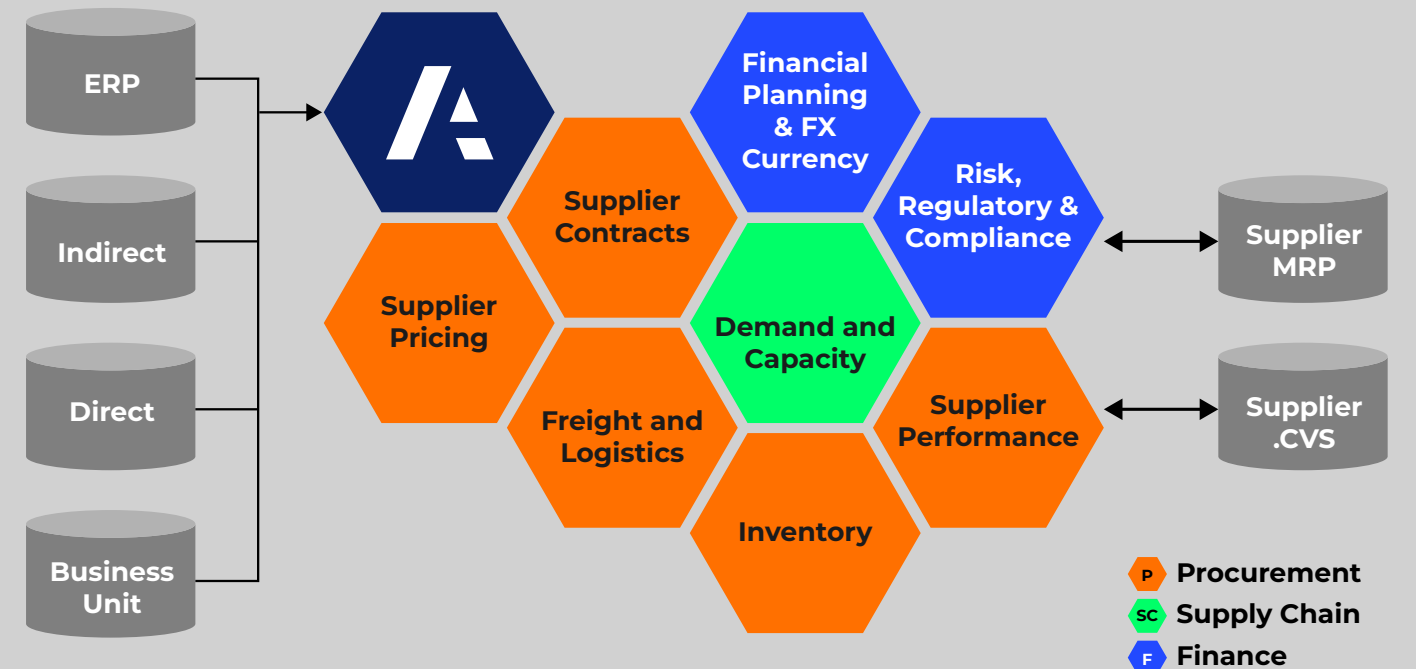


## Connected Planning for Sourcing & Procurement



## Supplier collaboration drives cost savings and value add

Improve procurement credibility and efficiency by enabling global cloud-based collaboration



KEY CONTACT



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### About Polestar

Polestar Solutions is a trusted partner in the analytics space providing valuable support to businesses looking to optimize their supplier collaboration processes through data analytics. By leveraging our expertise as an AI and Data Analytics powerhouse, Polestar Solutions helps unlock the full potential of their organization's data.



APAC Partner  
Recognitions  
FY21  
Anaplan Partner

### About Anaplan

Anaplan - the connected planning platform for financial, S&OP, supply chain, and workforce planning, enables enterprises with agile planning and forecasting capabilities. As an Anaplan Bronze partner, Polestar provides tailored services including roadmap design and capability identification. Our Anaplan team features skilled model builders, solution architects, domain consultants, and data analysts, ensuring comprehensive support.