



Strategic Sourcing and Supplier Relationship Management (SRM)



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Technical depth: Practitioner · **Practical mode:** Role-play

Introduction

Many organisations source carefully and then manage their most important suppliers no differently from the rest. Contracts are signed, performance is reviewed only when something fails, dependency risk builds unseen and the innovation suppliers could offer is never requested. This Core Concept course connects strategic sourcing decisions with the disciplined relationship management that must follow them. Participants segment their supply base, compare sourcing options on total cost, set governance and scorecards, and rehearse the reviews, negotiations and escalations that shape a relationship, leaving with a Strategic Supplier Relationship Plan for a critical supplier.

Course Objectives

- Profile the supply base and assess SRM maturity using spend and relationship data
- Position suppliers with the Kraljic Matrix and Supplier Preferencing Model and set a sourcing and relationship approach for each segment
- Evaluate sourcing options on total cost of ownership and weighted selection criteria
- Establish governance, performance scorecards and review routines for strategic suppliers
- Lead supplier reviews, negotiations and escalations that protect both value and the relationship
- Produce a Strategic Supplier Relationship Plan for approval by leadership

Target Audience

- Procurement and sourcing managers responsible for critical areas of spend
- Supplier relationship and vendor managers accountable for strategic suppliers
- Contract and commercial managers overseeing the performance of major agreements
- Supply chain and operations managers who depend on key suppliers for continuity
- Category managers moving from tendering into long-term supplier management
- Quality and supplier development managers responsible for supplier capability

Course Outline

Day 1: Sourcing and Supplier Relationships in Context

- Strategic Sourcing Value Levers and Spend Cube Analysis
- Supply Base Profiling with Pareto Spend Analysis
- SRM Maturity Assessment Across Governance, People and Data
- Relationship Spectrum: Transactional, Collaborative and Strategic Alliance
- Internal Requirement Capture Using a RACI Matrix

Day 2: Sourcing and Relationship Frameworks

- Kraljic Portfolio Matrix for Supply Positioning
- Supplier Preferencing Model and Customer Attractiveness
- Total Cost of Ownership Model for Sourcing Decisions
- ISO 44001 Collaborative Business Relationship Life Cycle
- Vested Outcome-Based Relationship Model

Day 3: Sourcing Decisions and Relationship Governance

- Make-or-Buy and Single Versus Multiple Sourcing Decision Matrix
- Weighted Supplier Selection Scorecard with ISO 20400 Sustainability Criteria
- SRM Governance Charter: Executive Sponsor, Relationship Owner and Review Cadence
- Balanced Supplier Performance Scorecard and KPI Definitions
- Quarterly Business Review Agenda and Action Log Design

Day 4: Relationship Risk, Development and Value Creation

- Supplier Dependency and Risk Assessment Aligned to ISO 31000
- ISO 9001 Clause 8.4 Controls for Externally Provided Processes
- Supplier Development Programme and Corrective Action Plan
- Joint Value Creation and Supplier-Led Innovation Pipeline
- Relationship Breakdown Diagnosis and Exit Strategy Planning

Day 5: Role-Play and the Strategic Supplier Relationship Plan

- Supplier Negotiation Role-Play Using BATNA and ZOPA Analysis
 - Business Review Role-Play with an Underperforming Supplier
 - Escalation Role-Play: Delivery Failure and Recovery Commitments
 - Strategic Supplier Relationship Plan Drafting
 - Plan Presentation to a Mock Steering Committee
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Skills You Will Gain

- Supply Base Segmentation
- Total Cost of Ownership Analysis
- Supplier Performance Management
- Relationship Governance Design
- Commercial Negotiation
- Supplier Development
- Supplier Risk Assessment
- Collaborative Value Creation

Why Attend This Course

- Leave with a Strategic Supplier Relationship Plan for a named supplier, already presented to a mock steering committee
- Handle a difficult supplier review or escalation with a rehearsed structure rather than improvisation
- Move key suppliers from price discussions towards jointly measured value and innovation
- Exchange approaches with managers from manufacturing, services, energy and public sector supply chains

Conclusion

Supplier value is secured after the contract is signed, through the relationship that follows it. This course moves from profiling the supply base and positioning suppliers, through total cost and selection decisions, to governance, performance scorecards, supplier development and relationship risk. The final day rehearses the negotiations, reviews and escalations that test a relationship and turns the material into a Strategic Supplier Relationship Plan, giving participants a structured way to manage their most important suppliers as long-term partners.
