

CURRENT STATE: SUPPLIER RELATIONSHIP MANAGEMENT

APQC and [Supply Chain Management Review](#) asked supply chain professionals to answer five questions about Continuous Improvement in September 2018.

Supplier relationship management (SRM) is the final phase of a buying organization's procurement process. SRM aims at managing third party organizations that supply goods and/or services ("suppliers") in order to ensure their compliance with previously negotiated contractual terms, service levels and performance objectives.

FAMILIARITY WITH SUPPLIER RELATIONSHIP MANAGEMENT

It may come as no surprise that

88% of participants
are at **least moderately familiar**
with supplier relationship management

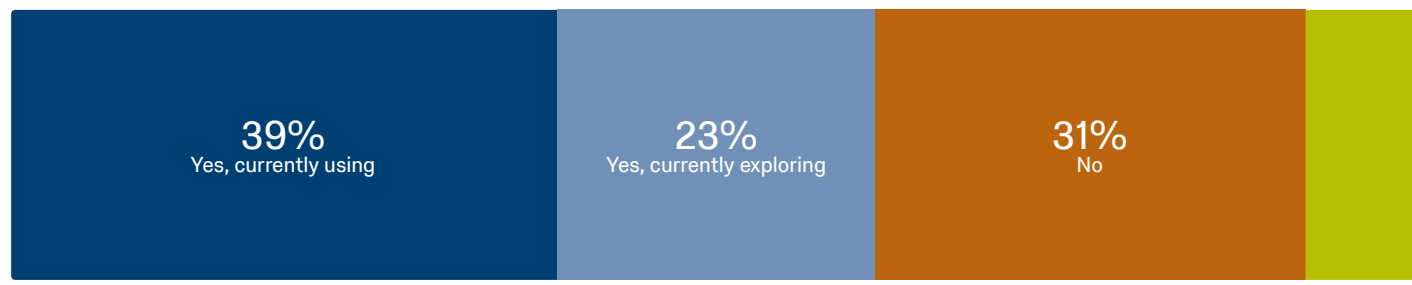
CURRENT STATUS OF SUPPLIER RELATIONSHIP MANAGEMENT

39%

of participants indicated that
their organization **is using SRM**
within their supply base, but...

31%

said they **are not using SRM**
within their supply base.



■ Yes, currently using (39%) ■ Yes, currently exploring (23%) ■ No (31%) ■ Don't know (8%)



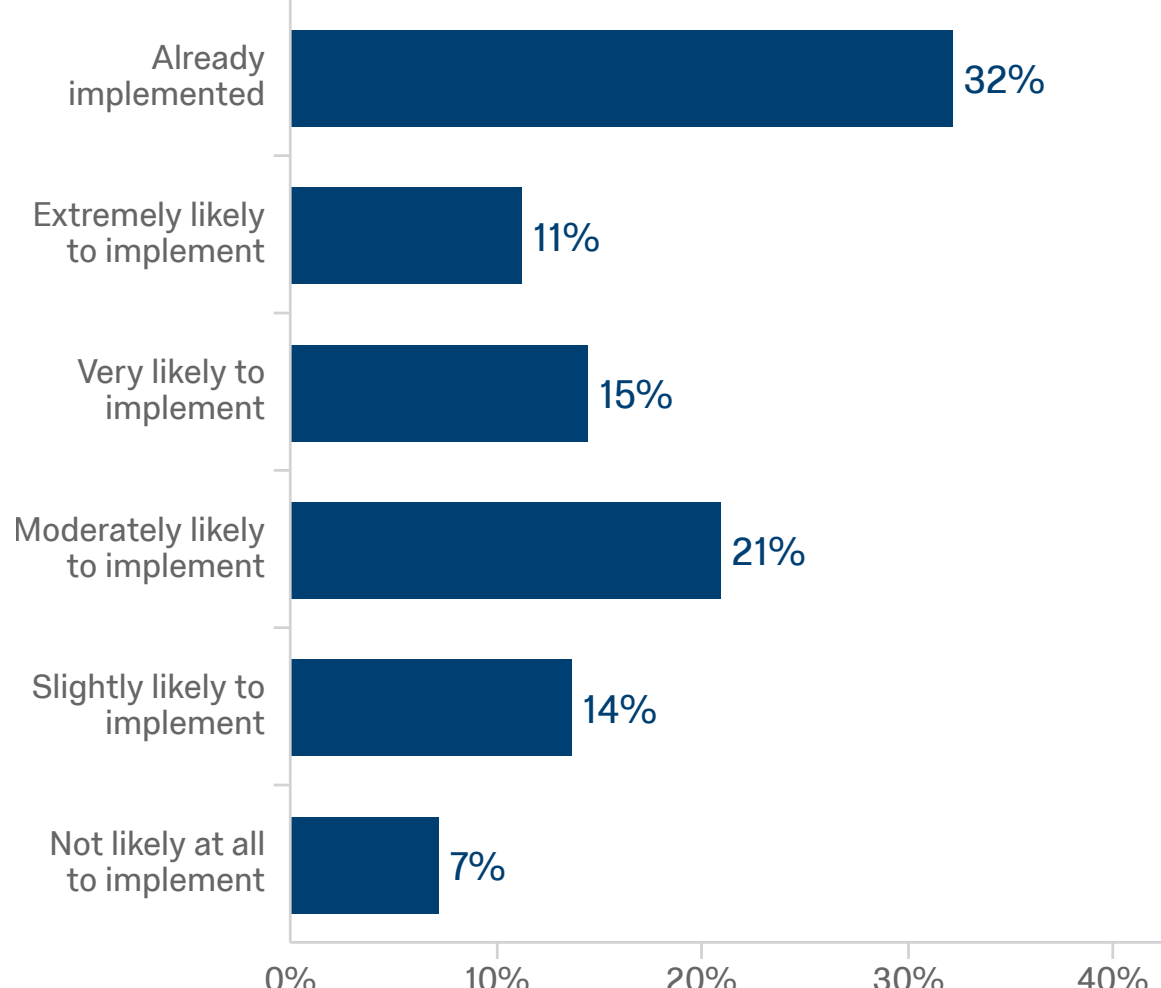
LOOKING AHEAD

80%

About 80% have **already implemented or are at least moderately likely to implement SRM** within their supply base in the next 2 years.

7%

Only 7% Said they **are not likely at all to implement SRM** within their supply base in the next 2 years



BENEFITS OF SUPPLIER RELATIONSHIP MANAGEMENT

1
80%

see supplier relationship management as a way to **improve supplier reliability and reduce risk.**

2
72%

see supplier relationship management as a way to **monitor contract compliance and service levels.**

3
63%

STREAMLINE / SIMPLIFY PROCESSES

4
62%

REDUCE COSTS

5
53%

IMPROVE CUSTOMER SERVICE

HURDLES TO SUPPLIER RELATIONSHIP MANAGEMENT



The biggest hurdles to widespread adoption of SRM are **employee resistance to change, lack of clearly defined processes, and lack of resources.**

