
SUPPLIER SELECTION & MANAGEMENT REPORT

ISSUE 04-05

www.ioma.com

MAY 2004

Managing Suppliers in A Seller's Market: 12 Executive Perspectives

We're about to emerge out of one of the strongest buyer markets in history. As the economy begins to "heat up", there's growing evidence that in many commodities supplies are tightening, while in other areas suppliers are focusing on profitability above anything else. That's why, as the pendulum begins to swing toward the supplier market side, *SSMR* has requested several purchasing leaders, including *SSMR* Editorial Advisory Board members to share their thoughts on what's transpiring and how to become better customers and retain that critical supplier.

The view from the other side of the table: How suppliers see it

Daphne Carmeli, president and CEO, Metreo, Inc. (Palo Alto, CA. daphne@metreo.com), who provides e-business software that enables suppliers to evaluate customer sales requests and recommend profitable responses, has the confidence-and ear-of the supplier community. She shares with *SSMR* the qualities that are most desired in a customer by the supplier community:

- **Understands the supplier's value proposition.** "A supplier chooses to emphasize different aspects of product, service, and operations, so that a unique value proposition is offered to the market," Carmeli explains. "Customers who understand these strengths and value are desirable because the supplier's products are relevant."
- **Treats pricing fairly.** "The supplier-customer relationship manifests as a financial relationship," she offers. "Customers who are fair about pricing are desirable because they allow the supplier to achieve fair returns and stay in business."
- **Exhibits consistency and loyalty.** "When the relationship is win-win, it is natural to develop a long-term relationship," Carmeli expresses. "Consistent and loyal customers allow suppliers to focus on innovating its products, and ultimately bring increased value to customers."