

# Case Study

# Suppeco Collaborative SRM

**BAE SYSTEMS**

May 2021



**suppeco**

Relationships reimaged

# A New Paradigm in Collaborative Ecosystems

Applied Intelligence is a division of BAE Systems dedicated to the protection and security of large corporations and financial services organizations'. For 20 years its focus has been on economic crime, fraud and on the growing threats of cyber-attack.

Here, Simon King, Head of Supplier Management and Operations for Applied Intelligence, and Sheldon Mydat, CEO of Suppeco, discuss the perfect timing of their relationship - and how it has enabled AI's entire Supplier Relationship Management approach.

## STATISTICS

### BAE Systems Applied Intelligence

- 40 year heritage
- 20 years' experience in financial services regulatory compliance and counter-fraud
- 3500 employees
- 17 countries

### Suppeco Platform for Applied Intelligence

- Engaged on SRM capability in 2019
- Cloud-based Suppeco tool available since early 2020
- Initially 4 live pilots conducted
- 20 suppliers currently 'live' on Suppeco ecosystem

## **Applied Intelligence Collaborative SRM Initiative**

Opening the conversation Simon says: "Suppeco landed on our radar at a time when we were embarking on a new programme to drive greater value from procurement and supply chain."

"The organisation wished to move away from arms-length relationships and build its SRM capability to encourage more transparency and openness."

"I'd set up some basic Supplier Management policy documentation and I'd started to analyse which of our most significant suppliers it would be justified to include in our SRM approach."

"Although legacy collateral for KPI performance management existed it was all Excel based. I wanted to get away from managing relationships through spreadsheets and the huge investment of time required to create slide decks for periodic governance."

"So when Sheldon showed us what he and the team at Suppeco had been developing we agreed to trial."



**Applied Intelligence understands the importance of collaborative relationships that naturally support innovation and growth.**

**They are driving value throughout the whole of their supplier ecosystem.**

**SUPPECO**



## From Category Management to Supplier Relationship Management

Taking up the story Sheldon says: "Like most large organisations working with multiple suppliers and various levels of complexity, Applied Intelligence was traditionally focused on driving category spend within their procurement function."

"But this goes nowhere to leveraging the strategic value within supplier relationships."

"Focusing purely on cost efficiency and contract performance has historically put the emphasis on the numbers and the contracts. This tactical approach leverages a crucial but finite opportunity to drive value."

"In contrast, within the relationship space, lives an infinite array of opportunity to collaborate, to create value, promote transparency, innovation, agility, and importantly to promote growth across the ecosystem and supply chain."

"The pandemic has certainly been the wake-up call; and having been immersed in SRM and supply chain management throughout my career, the direction of travel of supply chain technology is now clearly moving towards providing for a more resilient relationship engagement."

"This is the foundation of Suppeco, so I was delighted that Simon and his team agreed to trial, and then of course subsequently to license Suppeco again at the beginning of 2021."

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**Suppeco demonstrates our commitment to collaborative and transparent relationships with our most important suppliers.**

**Simon King**



### Why Collaborative SRM with Suppeco?

#### Structuring intangibles

"Suppeco has been a critical enabler to get our SRM programme over the line," says Simon.

"It requires no customisation, has no limit on the number of users, and enables supplier management information to be structured around our four engagement pillars of Relationship, Commercial, Projects and Service."

"This is really what makes the Suppeco environment so effective – it brings structure and visibility to aspects of supplier relationships that have previously been intangible."



## Visibility & supplier engagement

“What I really like about it though, and what makes Suppeco so successful for us, is that our suppliers have extensive access to the platform too,” Simon says.

“Suppeco’s rich dashboards give direct visibility of how actively our most important relationships are being managed, and what our challenges and successes are within each one. This is especially useful from a holistic and aerial perspective.”

“And the fact that our suppliers are able to see how we operate and that we’re open to criticism drives an immediate step-change in supplier behaviour.”

“They can see that we aren’t just managing their performance on Suppeco, we’re also monitoring our own. This has really helped in securing supplier engagement and buy-in.”



**Suppeco brings structure and visibility to aspects of our supplier relationships that were previously intangible.**

**Simon King**



## Up-to-date, real-time reviews

“Previously our meetings with suppliers would be formal events taking place monthly or quarterly, backed up by a PowerPoint deck,” Simon explains.

“All the information would be historic, compiled by one party or the other, so we’d be effectively meeting to talk about what’s already happened.”

“Now we’re running our performance reviews directly from the Suppeco platform, and remotely sharing up-to-date screens, and real-time live data.”

“I guess the pandemic was a good catalyst for this way of working, but now it’s become Business As Usual.”

## Supplier assessment

Explaining a further benefit of having the most recent information to hand Simon says: “By the very nature of the BAE Group it is likely for different parts of the business to consider using the same suppliers.”

“With Suppeco we have up-to-date representative screenshots and supplier performance insights to share.”

“This accelerates decision making and helps us leverage our trusted suppliers, while driving further value through our relationships.”

## Changing behaviour

“One of the biggest challenges of introducing Suppeco has been changing behaviours around the way our teams work with SRM.”

“Interestingly, most of the training conducted was around the principles of collaborative SRM rather than how to use the tool.”

“Focus on category management within procurement can lead to suppliers becoming a secondary consideration. It was important to help people understand that modern SRM in fact complements a category management approach.”

“For 15 – 20 years most supply chain information has been based on Excel and PowerPoint. It’s almost as if the scope of Supplier Management activity was limited to and dictated by the tools that were available to report on it.”

“Suppeco helped us to think about suppliers in a different way; by providing the tool to focus on the relationship. For example, in a legacy environment SLAs are measured and reported in hindsight, but nothing very much happens, except someone shouts about the red ones!”

“Suppeco enables issues to be flagged, observed and addressed straight away, generating insights at the touch of a button. So not only are we replacing legacy applications we are also transforming the old patterns of behaviour.”

### **Ease of implementation**

Reflecting on the implementation process, Simon comments: “Getting Suppeco up and running was literally a case of setting up our access!”

“Apart from the SRM training Sheldon and I ran, there was no requirement for an implementation team. Suppeco runs in the cloud in a secure hosted environment, so once it had been through our rigorous information security checks there was nothing else to do.”

“People get on to it in a heartbeat – so really in terms of training, implementation and delivery we just got it and started using it!”



**Suppeco accelerates decision making and helps us leverage our trusted suppliers.**

**Simon King**







## Ease of use

"I am not the most IT savvy person," admits Simon, "but I'm currently the administrator of the tool, and the most complicated thing I do is add new users to the platform."

"Once the relationship owners are set up, they can go ahead and populate their own supply chain communities by inviting their suppliers and stakeholders onto the ecosystem. It's a cascade effect."

"Although we've identified the key suppliers that we particularly want to engage with via Suppeco, there are team members choosing to use the tool for less complex supplier relationships that require a lighter touch."

"This says a lot about Suppeco's ease of use and versatility, as well as how well it's working with larger more complex suppliers."

## Impact and Benefits of Collaborative SRM with Suppeco

### Customer of choice

"Our transparency and openness have gone a long way in demonstrating our desire to become our suppliers' customer of choice!"

"Some evidence of this transpired during the pandemic when we needed to relocate staff. We saved hundreds of thousands of pounds with one of our most important suppliers who had been part of our Supplier Relationship Management (SRM) programme."

"They went the extra mile because they appreciate the fair and equitable way in which we engage together."

**Suppliers engage with ease and respond favourably, recognising our intent and willingness to change.**



**Simon King**



## **Driving value through reciprocity and continuous improvement**

“Suppeco provides an effective meeting place to collaborate on process improvements within supplier relationships and in our wider operation.”

“It enables difficult conversations that drive positive change. We’re already seeing this reciprocal approach drive increased value.”

“For example, historically we know that certain suppliers’ would submit performance reviews showing 100% green status, regardless - our performance included, But now, with the benefit of all party access to the tool, suppliers feel more assured, advising us - and showing us, where there may be something we aren't necessarily doing so well.”

“The fact that our suppliers have a voice and access to supporting information helps them feel comfortable to raise constructive feedback that we can jointly improve upon.”

## **Motivational & proactive**

“Another example of the impact of the complete picture that Suppeco helps us to understand is when there are problems.”

“KPIs’ flag alerts; however, jointly underpinning those with narrative, we're now able to see the approach being taken to resolve issues and to track and score those processes too.”

“This enables us to acknowledge progress made behind the scenes and sends a very different and more motivating message to our teams and partners than just reacting to a red flag.”

## Creating value

“Ultimately business is about driving value, increasing profit and reducing cost. Suppeco is helping us see how all those things are infinitely more achievable by unlocking our supplier relationships and exploring what we can do together to deliver the business outcomes that we're all looking for.”

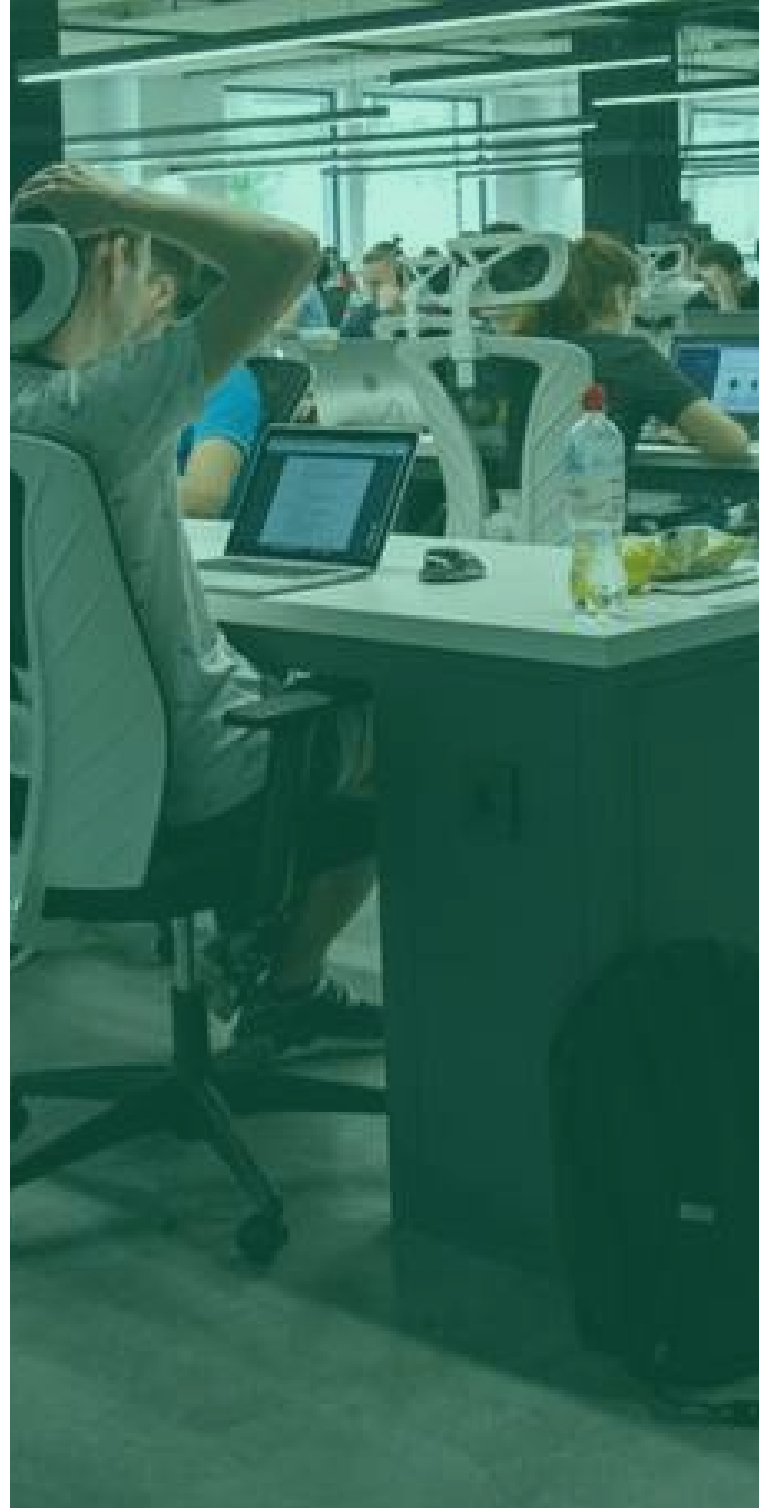
“It's no longer just about tweaking margins.”

## New Possibilities arising from Suppeco Collaborative SRM

### Influencing our suppliers

“One of our suppliers has recently invested in new machinery within their enterprise to support our needs in the future.”

“Our collaborative SRM programme is enabling us to build the kind of trust, belief and goodwill amongst our key suppliers which is empowering them to up-level and up-skill their own operations to ensure our continued relationship and joint success.”



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**We saved hundreds of thousands of pounds with one of our most important suppliers.**

**Suppeco is helping us become suppliers' customer of choice.**

**Simon King**



## More granular reporting

"I'm looking forward to further reporting capability that will allow us to identify more opportunities within our most important relationships."

"The integration of Power BI will give us access to more aggregated information and the ability to drill further into every aspect of our relationship management."

"Also, Suppeco's Heatmap capability will enable enhanced 360-degree feedback to be captured and analysed so that together we can focus on where to make improvements."

## Proactive creative engagement

"By electing to become an Innovate Adopter of the Suppeco platform we have benefited from the chance to have greater insight into the development roadmap than would normally be expected."

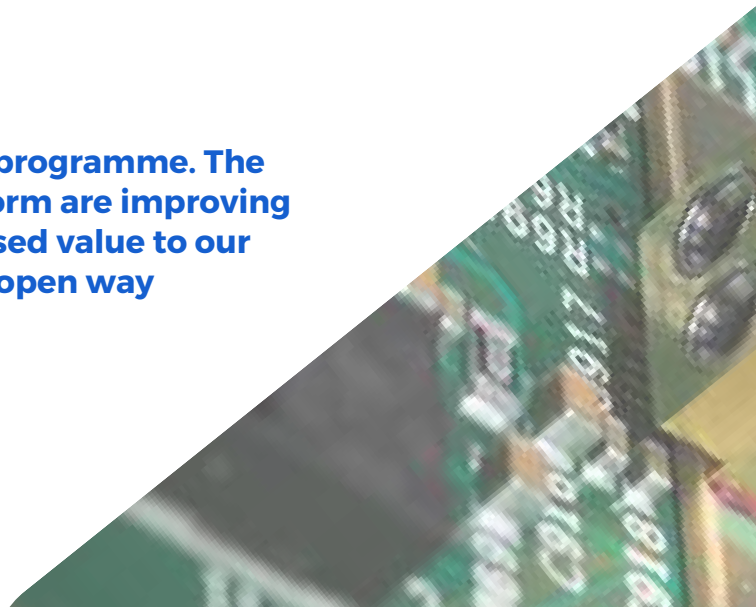
"Meanwhile Suppeco has benefited from our early insights concerning the use of the tool in a complex environment. "

"This closer way of working has helped accelerate improvements for both parties."



**Suppeco has been key to enabling our SRM programme. The relationships we manage through the platform are improving supplier performance and delivering increased value to our organisation through the collaborative and open way of working that it encourages.**

**Simon King, BAE Systems**





**Thank you**

**Reach out and explore**

**Get in touch**

**[www.suppeco.com](http://www.suppeco.com)**