WarehouseTWO®

Inventory-sharing solution for distributors

Got a New Major Supplier? What to do Next

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You have just signed up with a new, major supplier. Representing a new, significant product line can be an instant gain for your company. Congratulations!

What do you do NEXT?

To improve the likelihood of a successful assimilation of a major new supplier or product line into your company's operational infrastructure, policies and culture, create and execute a "new supplier deployment" process.

New Supplier Deployment Guide

	DIS	REP	Date Completed	ASAP	Week 1 M T W T F	Week 2 M T W T F	Week 3 M T W T F	Week 4 M T W T F
Executive Representative								
1 Announce new supplier agreement to department/discipline managers.	✔	✔		▨				
2 Schedule deployment launch meeting.	✔	✔		▨				
3 Distribute copies of new supplier agreement and new supplier's policies to department/discipline managers.	✔	✔		▨				
4 Deployment launch meeting/teleconference: > include department/discipline managers > include deployment team members > review/refine deployment steps and timeline	✔	✔			▨			
5 Weekly Review Meeting/Teleconference.	✔	✔			▨			
6 Weekly Review Meeting/Teleconference.	✔	✔				▨		
7 Weekly Review Meeting/Teleconference.	✔	✔					▨	
8 Weekly Review Meeting/Teleconference.	✔	✔						▨

What? A printed document that is filled in manually, and then passed around and filed??? What are we thinking? No worries. The purpose of this article is to present business process concepts and an example of a process form. How you implement the ideas offered herein, and whether you do so using a printed document or paperless form is up to you. We chose to present a printable form for instant deployment by those who are comfortable with managing such "classic" technology.

Topics in this article:

I.   Why and When to Initiate a "New Supplier Deployment" Process

II.   Who Should Participate?

III. Process Steps and Timeline

IV. "Gotchas" to a New Supplier Deployment Process, and How to Mitigate Them

V.   Who Creates Forms for Your Company?

Addendum: Sample New Supplier Deployment Guide

Addendum: Sample New Supplier Deployment Guide (Instructions)

I. Why and When to Initiate a "New Supplier Deployment" Process

Execute a "new supplier deployment" process to cleanly assimilate a new supplier into your company's operational infrastructure, policies and culture. Doing so will increase revenue and decrease customer and supplier dissatisfaction.

Consider executing a "new supplier deployment" process under any of these circumstances:

✓ Your company has just signed on to buy/resell a major supplier's product line(s).
✓ Your company has just signed on to represent, as a commissioned agent, a major new manufacturer's product line(s).
✓ An existing major supplier of yours has introduced a new product line that your company can sell.
✓ An existing major supplier has acquired another manufacturer, resulting in a new product line that your company can sell.

What is a "major supplier"? You decide.

II. Who Should Participate?

What are the significant operational disciplines in your company? Those disciplines should define which employees should participate in a new supplier deployment process. While it easy to simply include department/discipline managers, consider including frontline employees in the process. Not only can it be a good training experience for up-and-coming employees, but it can also give them a chance to shine in front of future peers.

Suggested departments/disciplines to be included in the process:
1. Executive (typically the person who negotiated the new supplier agreement)
2. Accounting
3. Customer Service / Inside Sales
4. Information Technology
5. Marketing
6. Purchasing / Inventory Control
7. Sales
8. Warehousing / Material Control

III. Process Steps and Timeline

A "new supplier deployment" process can consist of these basic steps:

Step #1 Company executive announces new supplier agreement to department/ discipline managers, distributes copies of the new agreement to them, and schedules a deployment launch meeting early the following week.

Step #2 Department/discipline managers assign themselves or a staff member to the deployment team.

Step #3 Deployment team members meet to agree on the list of tasks required for this particular deployment project, working from a "new supplier deployment guide" template. *A sample of such a guide template is attached as an attachment to this article.*

Step #4   Deployment team members complete tasks, in sequence, per the agreed-to timeline.

Weekly meetings (typically on Friday morning) of deployment team members ensures that the process stays on schedule and forces accountability of team members. A little pressure in front of one's peers is a good character-building experience. ;-)

The faster you complete these steps and assimilate a new supplier into your company's operational infrastructure, policies and culture, the sooner you will enjoy hassle-free revenue and satisfied customers. A process timeline of no more than five weeks is recommended. In this scenario, an initial internal announcement is made in week #1, and all tasks are completed by the end of week #5. Modify this timeline to meet your company's needs.

IV. "Gotchas" to a "New Supplier Deployment" Process, and How to Mitigate Them

It is not a perfect world. Life is unfair. Here are some possible challenges associated with executing a formal "new supplier deployment" process, and how to deal with them.

1. **No one has time to do all of this, in such a short time.** But everyone will have time to deal with the fallout from NOT doing these critical tasks, up front? By setting everything up correctly at the onset of a new supplier relationship, you and your co-workers will avoid re-work and reduce displeasure from customers and suppliers later on. Involve your managers. Pay frontline employees overtime.

2. **Many of these tasks do not apply to our company.** That is fine. Create your own list of tasks that are better aligned with how you run your company.

3. **We do not have an IT Manager. Or a Marketing Manager. Or other department managers listed in this article.** That is fine too. Surely someone in your company has responsibility for the operational disciplines listed in the guide template. It is OK if the same employee is responsible for more than one list of tasks.

V. Who Creates Forms for Your Company?

Even if your company is completely "paperless", the ability to create custom business forms (for internal or external use) can help your business processes run more smoothly. Our favorite applications to create printable or electronic business forms are MS Word, MS Excel and MS Visio. (We're still learning how to use Apple's "Pages" on our fancy-schmancy MacBook Air.)

To create a form that is printable by anyone without the PC application with which the form was created, create a copy of the form as a PDF document. (Most applications allow you to save the document this way.) PDF documents can be printed using Adobe's free "Acrobat Reader" application. Forms made in Excel or Word can be filled in electronically, and can perform basic calculations and field copying. If you distribute electronic versions of forms, be sure to password-protect them from being edited. (With Excel, you can prevent the document from being edited, but still allow selected fields to be filled in and saved.) ***Who at your company knows how to create business forms?***

About the Author

After a successful career in sales and operations management in the wholesale-distribution industry, Mark Tomalonis is now principal of WarehouseTWO, LLC. He amuses himself by writing articles, such as this one, to help wholesaler-distributors execute their operations better. Mark's articles and tips are published in WarehouseTWO's monthly e-newsletters. Click here to subscribe.

About WarehouseTWO

WarehouseTWO, LLC is an independent "inventory-sharing" service created exclusively for durable goods manufacturers and their authorized distributors, and for any group of durable goods "peer" wholesaler-distributors, such as members of a buying/marketing group or cooperative. To learn how inventory-sharing with WarehouseTWO can help your business, visit the WarehouseTWO web site, or email info@warehousetwo.com.

New Supplier Deployment Guide

Executive Representative

		DIS	REP	Date Completed	ASAP	Week 1					Week 2					Week 3					Week 4				
						M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
1	Announce new supplier agreement to department/discipline managers.	✔	✔		▓																				
2	Schedule deployment launch meeting.	✔	✔		▓																				
3	Distribute copies of new supplier agreement and new supplier's policies to department/discipline managers.	✔	✔		▓																				
4	Deployment launch meeting/teleconference: > include department/discipline managers > include deployment team members > review/refine deployment steps and timeline	✔	✔				▓	▓	▓																
5	Weekly Review Meeting/Teleconference.	✔	✔							▓															
6	Weekly Review Meeting/Teleconference.	✔	✔												▓										
7	Weekly Review Meeting/Teleconference.	✔	✔																	▓					
8	Weekly Review Meeting/Teleconference.	✔	✔																						▓

New Supplier Deployment Guide

Accounting

		DIS	REP	Date Completed	ASAP	Week 1 M	T	W	T	F	Week 2 M	T	W	T	F	Week 3 M	T	W	T	F	Week 4 M	T	W	T	F
1	Assign staff member to deployment team.	✔	✔		▓																				
2	Assign new supplier to accounting contact.	✔			▓																				
3	Deployment launch meeting/teleconference.	✔	✔			▓	▓	▓																	
4	Establish contact with new supplier's accounting manager.	✔	✔						▓	▓															
5	Set up A/P account for new supplier.	✔								▓	▓	▓	▓	▓	▓										
6	Set up supplier in "rep order" tracking system.		✔							▓	▓	▓	▓	▓	▓										
7	Assimilate new supplier's information and policies into department policies, processes and standards documents.	✔	✔							▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓					
8	Weekly review meeting/teleconference.	✔	✔						▓																
9	Weekly review meeting/teleconference.	✔	✔											▓											
10	Weekly review meeting/teleconference.	✔	✔																▓						
11	Weekly review meeting/teleconference.	✔	✔																						▓

New Supplier Deployment Guide

Customer Service / Inside Sales

#	Task	DIS	REP	Date Completed	ASAP	Week 1					Week 2					Week 3					Week 4				
						M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
1	Assign staff member to deployment team.	✔	✔		■																				
2	Deployment launch meeting/teleconference.	✔	✔			■	■	■																	
3	Establish contact with new supplier's customer service manager.	✔	✔						■	■															
4	Assimilate new supplier's information and policies into department policies, processes and standards documents.	✔	✔						■	■	■	■	■	■	■	■	■	■	■	■					
5	Weekly review meeting/teleconference.	✔	✔							■															
6	Add new literature and technical documentation to staff desk catalogs / personal libraries.	✔	✔								■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
7	At WarehouseTWO, identify existing participants in the new supplier's inventory-sharing community(ies) and enter them as customers in one's ERP system.	✔									■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
8	Weekly review meeting/teleconference.	✔	✔									■													
9	Enter into ERP system customized items if appropriate for existing customers.	✔														■	■	■	■	■					
10	Weekly review meeting/teleconference.	✔	✔																	■					
11	Weekly review meeting/teleconference.	✔	✔																						■

New Supplier Deployment Guide

Information Technology

#	Task	DIS	REP	Date Completed	ASAP	Week 1 M	T	W	T	F	Week 2 M	T	W	T	F	Week 3 M	T	W	T	F	Week 4 M	T	W	T	F	#
1	Assign staff member to deployment team.	✔	✔		▓																					1
2	Deployment launch meeting/teleconference.	✔	✔			▓	▓	▓																		2
3	Establish contact with new supplier's IT manager.	✔	✔						▓	▓																3
4	Assimilate new supplier's information and policies into department policies, processes and standards documents.	✔	✔							▓	▓	▓	▓	▓	▓	▓	▓	▓	▓							4
5	Weekly review meeting/teleconference.	✔	✔												▓											5
6	Weekly review meeting/teleconference.	✔	✔															▓								6
7	Enter purchasing discount schema into ERP system.	✔	✔													▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	7
8	Identify and set up access to new supplier's internet-based distributor tools.	✔	✔													▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	8
9	Enter sales-specific database schema into ERP system (e.g., product groups, sales pricing groups).	✔	✔													▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	9
10	Weekly review meeting/teleconference.	✔	✔																	▓						10
11	Enter default sales pricing rules into ERP system.	✔																			▓	▓	▓	▓	▓	11
12	Modify existing inventory data upload scripts to include inventory from this supplier in future inventory data uploads to WarehouseTWO account.	✔																			▓	▓	▓	▓	▓	12
13	Import new supplier's selected standard part numbers into ERP system.	✔																			▓	▓	▓	▓	▓	13
14	Enter into ERP system cross reference notes/functionality, pointing selected existing part numbers to equivalents available from new supplier.	✔																			▓	▓	▓	▓	▓	14
15	Add new supplier to existing company reports.																				▓	▓	▓	▓	▓	15
16	Weekly review meeting/teleconference.	✔	✔																						▓	16

New Supplier Deployment Guide

Marketing

#	Task	DIS	REP	Date Completed	ASAP	W1 M	W1 T	W1 W	W1 T	W1 F	W2 M	W2 T	W2 W	W2 T	W2 F	W3 M	W3 T	W3 W	W3 T	W3 F	W4 M	W4 T	W4 W	W4 T	W4 F
1	Assign staff member to deployment team.	✔	✔		▓																				
2	Deployment launch meeting/teleconference.	✔	✔			▓	▓																		
3	Establish contact with new supplier's marketing executive.	✔	✔						▓	▓															
4	Issue detailed company-wide announcement.	✔	✔						▓	▓															
5	Assimilate new supplier's information and policies into department policies, processes and standards documents.	✔	✔						▓	▓	▓	▓	▓	▓	▓										
6	Weekly review meeting/teleconference.	✔	✔												▓										
7	Identify available literature.	✔	✔								▓	▓	▓	▓											
8	Determine and implement literature stocking plan.	✔	✔								▓	▓	▓												
9	Update company web site.	✔	✔								▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓				
10	Determine sales-specific ERP database schema for new supplier (e.g., product groups, sales pricing groups.	✔									▓	▓	▓	▓	▓										
11	Determine which of the new supplier's standard part numbers should be entered into ERP system.	✔									▓	▓	▓	▓	▓										
12	Determine which of the new supplier's standard part numbers should be included at the company web site.	✔	✔								▓	▓	▓	▓	▓										
13	Determine default customer pricing rules.	✔	✔								▓	▓	▓	▓	▓										
14	Weekly review meeting/teleconference.	✔	✔												▓										
15	Identify new supplier's selected part numbers to be offered as replacements for existing part numbers in ERP system.	✔														▓	▓	▓	▓	▓					
16	Distribute literature and technical documentation to customer service and sales.	✔	✔													▓	▓	▓	▓	▓	▓	▓	▓	▓	▓
17	Review/update master catalog/binder.	✔	✔													▓	▓	▓	▓	▓					
18	Review/update line card.	✔	✔													▓	▓	▓	▓	▓					
19	Identify existing customers who warrant non-default pricing; implement in ERP system.	✔	✔													▓	▓	▓	▓	▓					
20	Upload new supplier's selected part numbers onto the company web site.	✔	✔													▓	▓	▓	▓	▓					
21	Weekly review meeting/teleconference.	✔	✔																	▓					
22	Train customer service and sales on new supplier's products and policies.	✔	✔																		▓	▓	▓	▓	▓
23	Create and send out customer announcement.	✔	✔																		▓	▓	▓	▓	▓
24	Follow up on sales leads, accounts turned over by new supplier.	✔	✔																		▓	▓	▓	▓	▓
25	Determine whether sales sample kits are to be created. If so, create and distribute.	✔	✔																		▓	▓	▓	▓	▓
26	Weekly review meeting/teleconference.	✔	✔																						▓

New Supplier Deployment Guide

Purchasing / Inventory Control

		DIS	REP	Date Completed	ASAP	Week 1					Week 2					Week 3					Week 4				
						M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
1	Assign staff member to deployment team.	✔			▓																				
2	Assign new supplier to staff member; update company's "who buys what" document.	✔			▓																				
3	Deployment launch meeting/teleconference.	✔				▓	▓																		
4	Establish contact with new supplier's customer service manager.	✔							▓																
5	Assimilate new supplier's information and policies into department policies, processes and standards documents.	✔								▓	▓	▓	▓	▓	▓	▓	▓	▓	▓						
6	Weekly review meeting/teleconference.	✔								▓															
7	Determine default purchase pricing rules and create in ERP system.	✔									▓	▓	▓	▓	▓										
8	Enter new supplier record and associated details into ERP system.	✔									▓	▓	▓	▓	▓										
9	At WarehouseTWO, activate the inventory-sharing community(ies) corresponding to new supplier's corresponding product line(s).	✔									▓	▓	▓	▓	▓										
10	At WarehouseTWO, identify existing participants in the new supplier's inventory-sharing community(ies) and enter them as suppliers in one's ERP system.	✔									▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓
11	Weekly review meeting/teleconference.	✔										▓													
12	Negotiate with new supplier a "guaranteed return of initial stock purchase" agreement.	✔														▓	▓								
13	Weekly review meeting/teleconference.	✔																		▓					
14	Determine initial stock plan, if required, and place initial stock purchase order.	✔																				▓	▓	▓	
15	Determine whether any of the new supplier's items should substitute for currently stocked items. Transition inventory plans from the old item to the new supplier's item, where appropriate.	✔																				▓	▓	▓	▓
16	Weekly review meeting/teleconference.	✔																							▓

New Supplier Deployment Guide

		DIS	REP	Date Completed	ASAP	Week 1					Week 2					Week 3					Week 4				
						M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
Sales																									
1	Assign staff member to deployment team.	✔	✔		▓																				
2	Deployment launch meeting/teleconference.	✔	✔			▓	▓	▓																	
3	Establish contact with new supplier's sales management and regional sales representative(s).	✔	✔						▓	▓															
4	Distribute appropriate sales policies of new supplier to sales staff.	✔	✔						▓	▓	▓	▓	▓	▓											
5	Acquire from new supplier, and review, "rep order" sales history.		✔						▓	▓	▓	▓	▓	▓											
6	Assimilate new supplier's information and policies into department policies, processes and standards documents.	✔	✔						▓	▓	▓	▓	▓	▓	▓	▓	▓	▓							
7	Weekly review meeting/teleconference.	✔	✔							▓															
8	Weekly review meeting/teleconference.	✔	✔												▓										
9	Assign existing customers to sales people or sales territories.	✔	✔													▓	▓	▓	▓	▓	▓	▓	▓	▓	
10	Establish sales forecast and sales goals; enter into CRM system.	✔	✔													▓	▓	▓	▓	▓	▓	▓	▓	▓	
11	Weekly review meeting/teleconference.	✔	✔																	▓					
12	Follow up on sales leads, accounts turned over by new supplier.	✔	✔																		▓	▓	▓	▓	
13	Weekly review meeting/teleconference.	✔	✔																						▓

New Supplier Deployment Guide

#	Warehousing / Material Handling	DIS	REP	Date Completed	ASAP	Wk1 M	T	W	T	F	Wk2 M	T	W	T	F	Wk3 M	T	W	T	F	Wk4 M	T	W	T	F
1	Assign staff member to deployment team.	✔			▓																				
2	Deployment launch meeting/teleconference.	✔				▓	▓	▓																	
3	Establish contact with new supplier's shipping manager.	✔							▓	▓															
4	Assimilate new supplier's information and policies into department policies, processes and standards documents.	✔								▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓					
5	Weekly review meeting/teleconference.	✔													▓										
6	Weekly review meeting/teleconference.	✔														▓									
7	Identify and implement any special warehousing needs for new supplier's items to be stocked.	✔															▓	▓	▓	▓	▓	▓	▓	▓	
8	Weekly review meeting/teleconference.	✔																			▓				
9	Train warehouse staff(s) on any special handling or warehousing requirements for new supplier's items.	✔																				▓	▓	▓	
10	Weekly review meeting/teleconference.	✔																							▓

Addendum: New Supplier Deployment Guide Instructions

When taking on a new major supplier or new major product line, initiate a formal process by which the supplier's policies and products are assimilated into your company's processes, infrastructure and culture. An effective way to do this is by forming a team representing the major operational disciplines in your company, and having that team execute a set of tasks. To ensure that all possible tasks are considered, create and keep current a "new supplier deployment guide" document. Such a document can be created easily in MS Excel or MS Word.

Parts of an effective new supplier deployment guide, and their purpose:

❶ Each operational discipline has its own list of possible tasks. Not all tasks may be necessary for all new supplier deployments. Each time the guide is used, append a master guide template to include additional tasks for subsequent new supplier deployments.

❷ This form can be used when taking on a new buy/resell product line or when taking on a new product line for which your company will act as a "representative", resulting in sales commissions paid by the manufacturer. These columns identify which step is to be considered for either type of business relationship.

❸ As each task is completed, record the completion date in this column, on a centralized deployment guide. Dates can be added during weekly update meetings, or via on-line sharing of a common document.

❹ These tasks should be completed within a day or two of having a signed agreement with the new supplier.

❺ These tasks should be completed within four weeks of starting the new supplier deployment process. Timing and sequence of each task can be changed to accommodate your company's unique business environment. each time the guide is used, append a master guide template to accommodate improved sequencing of steps.

New Supplier Deployment Guide

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Customer Service / Inside Sales

		DIS ❷	REP	Date Completed ❸	ASAP ❹	Week 1	Week 2	Week 3 ❺	Week 4
1	Assign staff member to deployment team.	✔	✔						
2	Deployment launch meeting/teleconference.	✔	✔						
3	Establish contact with new supplier's customer service manager.	✔	✔						
4	Assimilate new supplier's information and policies into department policies, processes and standards documents.	✔	✔						
5	Weekly review meeting/teleconference.	✔	✔						
6	Add new literature and technical documentation to staff desk catalogs / personal libraries.	✔	✔						
7	At WarehouseTWO, identify existing participants in the new supplier's inventory-sharing community(ies) and enter them as customers in one's ERP system.	✔							
8	Weekly review meeting/teleconference.	✔	✔						
9	Enter into ERP system customized items if appropriate for existing customers.	✔							
10	Weekly review meeting/teleconference.	✔	✔						
11	Weekly review meeting/teleconference.	✔	✔						