

# 12

## tips to select the right Supply Chain Technology Partner

Your business is growing, changing or declining. It is time to evaluate your current and future business needs against your current supply chain technology partners' capabilities. More likely than not, these capabilities have changed since your original engagement, and it may be time to look for a new technology partner that can meet your changing needs. Selecting a new technology partner can be a nerve-racking decision, so here are 12 tips to improve your odds of selecting the right technology partner.

### 1. DEFINE YOUR BUSINESS

Before starting your search, the first step is to document your business and its processes. You should detail and explain the challenges you face and the objectives you need to accomplish. During this process, you will gain a better view of your business and what it needs to achieve success.

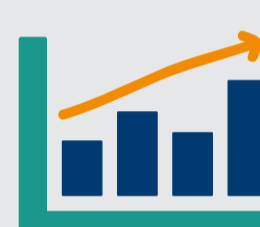


### 2. OUTLINE THE CRITERIA FOR SELECTION

Now that you have identified your needs, list the criteria for your ideal supply chain technology partner. It is also helpful to prioritize your list to identify must-have requirements, as well as those requirements that would be nice to have. This will help you focus your research.

### 3. CONSIDER SCALABILITY

If you plan to grow your business, the scalability of your partners is an important consideration. As your business grows, so will the demands on your partners. It is vital to share your future plans with prospective partners and they are able to commit that they have the resources to grow with you.



### 4. GAUGE BUSINESS UNDERSTANDING

Any supply chain partner must understand your business and its processes. While many businesses are similar there is no substitute for actual experience with your unique business processes, terminology and ecosystem. Prior industry experience is an indicator that your prospective partner is aware of the subtle differences and uniqueness of your business.



### 5. VERIFY EXPERIENCE ACROSS SUPPLY CHAIN

Many technology firms will claim to be industry experts, but most do not have experience across the entire supply chain. This can be a crucial consideration since a firm that focuses on a specific part of the supply chain is going to focus all its solutions on that one area of expertise, leaving other crucial areas unaddressed.



### 6. MATCH SERVICES WITH NEEDS

With the speed of technology, engaging multiple partners for similar service offerings can be frustrating and expensive. Every additional partner means another account, another invoice and another moving link to manage. When your partner can provide several needed services, it simplifies communication and project management.



### 7. DETERMINE CUSTOM SOLUTION OFFERINGS

Each company is unique, even if they offer similar products or use comparable pricing and distribution strategies. Custom supply chain solutions are rapidly becoming one of the most meaningful points of differentiation in a crowded marketplace, so make sure potential providers are willing to think outside the box.



### 8. COMPARE DELIVERY MODELS

Make sure to ask prospective partners if they function as a "staff-augmentation" firm or focus on managing projects that have a defined scope and ending point. Typically, a firm with a focus on staff augmentation will have a lower hourly rate, but its resources are often dependent on you to provide management and direction.

A project-based firm will usually be more comfortable driving or leading a project, but will usually command a premium rate.

Compare these delivery models to determine which option aligns with your business needs.



### 9. ASSESS HUMAN RESOURCES

Many technology firms speak vaguely and generically about their "resources," without being clear about what types of resources they have. It's essential that you know whether those resources are full-time employees or independent contractors. Firms who have full-time employees are typically going to be more stable, meaning that your project is more likely to finish with the same team members that you started with. Firms that staff their projects with independent contractors can sometimes be more competitive on price, but often have difficulty maintaining consistent staffing over the long run.



### 10. CONFIRM EXPERIENCE & CERTIFICATIONS

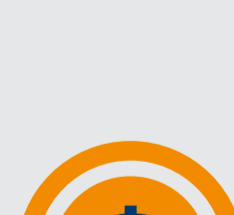
The primary purpose of technology partners is to leverage their expertise. For this reason, it is important to make sure that your partners employ people that have proven experience in the areas you require. Ask for certifications and customer references to vet the partner's capabilities.

There is nothing worse than paying for services only to find out that the people performing these service are learning on the job.



### 11. CHECK FOR FINANCIAL STABILITY

To some extent, your operation depends on your partners delivering what is required for your business. That means the financial stability of a partner is critical to the success of the partnership. If your partner finds themselves in financial difficulty, they may not be able to meet their partnership obligations, causing disruptions to your business.



### 12. INVESTIGATE COMPANY CULTURE

The best partnerships occur when both parties share similar values, world views and business practices. Get to know your potential partner before making that final selection. Ask to meet members of the management team, account manager and one or two of the folks that will support your account. A couple 30-minute meetings will often tell you whether this is a partner that you can work with or not.



### CONCLUSION

Your supply chain is the backbone of your business, and your technology partners can make or break it. Taking the time to conduct a thorough analysis to determine your current and future business needs will enable you to go into the search and vetting phase with clear goals and expectations. This will help you narrow down the list of potential partners and streamline the vetting process. When vetting potential partners, make sure they have the industry experience, personnel and company stability, services, and delivery model that will best help you reach your business goals. With the right supply chain technology partner, your business will be poised for success now and into the future.