

Better Buying Partnership Index™



EXECUTIVE SUMMARY | 2022

For the first time, Better Buying™ reports findings from the Better Buying Partnership Index™ (BBPI). Created on the basis of supplier input in 2018 and piloted in 2020, this tool offers a new perspective on buyer-supplier relationships by examining those relationships through the lens of partnership quality. Using just 12 subjective measures, the BBPI opens up new opportunities to learn about the impacts of purchasing practices by enabling suppliers in a range of industries and supply chain tiers to participate.

KEY TAKEAWAYS

1. The 2022 BBPI findings make it clear how much pressure suppliers are under, with many buyers never, rarely, or sometimes providing enough time, adequate visibility, stable business, and fair financials.
2. Many buyers are missing opportunities to improve their businesses by not seeking their suppliers' ideas for product and process innovation, leading to a build up of unnecessary costs and inefficiencies.
3. Suppliers seem to currently have a low bar for what they consider an acceptable business relationship, as indicated by the many suppliers reporting their buyers are "preferred partners."
4. Buyer supply chains are further threatened by potential supply disruption, higher costs, and increased reputational risks.



BETTER BUYING™ FINDING:

Compared to Softgoods, Hardgoods had a higher percentage of True Partner ratings on every measure except for two.



- The label of “True Partner” was only granted when a supplier reported their buyer had satisfied a particular measure all of the time.
- Compared to Softgoods buyers, Hardgoods buyers more frequently had fair financial practices, good communication practices, and reduced duplicative audit requirements for workplace conditions and environmental performance.
- Compared with Hardgoods buyers, Softgoods buyers more frequently had duplicative audit requirements, inefficient operational processes, and did not do their part to improve working conditions in the facilities in its supply chain.
- Suppliers identified several supply chain risks for buyers to pay attention to: access to raw materials, including material shortages and an overdependence on a limited number of raw material suppliers; missed opportunities due to poor forecasting and incomplete capacity utilization; the volatile shipping environment and increasing logistics complexity; unstable ordering practices; and mounting pricing pressure at multiple tiers of the supply chain.

Conclusions	Recommendations
<p>The BBPI findings paint a clear picture of the pressure suppliers are under with so many buyers never, rarely, or sometimes providing enough time, adequate visibility, stable business, and fair financials.</p>	<p>Buyers must start the journey toward true partnership with their suppliers. Without efficient, fair, and collaborative partnerships, sustainability goals such as advances in workers’ wages and reductions in carbon emissions will continue to be sidelined.</p>
<p>Many buyers are missing opportunities for mutual benefit and improved resiliency by not seeking their suppliers’ ideas for product and process innovation as often as they could be. In turn, this suggests there are unnecessary costs and inefficiencies built into buyer-supplierrelationships.</p>	<p>Removing these built up costs and inefficiencies will require new ways of working with suppliers. Practical changes such as regularly listening to and discussing suppliers’ ideas are needed, as is a shift in how buyers view their suppliers - from expendable to important sources of innovation for long-term business success.</p>
<p>Suppliers seem to currently have a low bar for what they consider an acceptable business relationship, as indicated by the many suppliers indicating their buyers are “preferred partners.”</p>	<p>For buyers, understanding performance on the full scope of partnership questions in the BBPI is critical, as the prevailing notion of a preferred partner might obscure other areas of the partnership that need improvement.</p>
<p>The BBPI fills an important gap by providing a clear definition of what it means to be a true partner and showing which aspects of partnership need to be strengthened.</p>	<p>Buyers in multiple industries and at any point along their responsible purchasing practices journey can use the BBPI to gain a tangible understanding of how to strengthen their partnerships with suppliers at all tiers of their supply chains.</p>