

# SUPPLIER MANAGEMENT



## PURPOSE

Obtain value for money from suppliers and to provide seamless quality of IT service to the business by ensuring that all contracts and agreements with suppliers support the needs of the business and that all suppliers meet their contractual commitments.

*The supplier management process ensures that suppliers and the services they provide are managed to support IT service targets and business expectations.*



## TRIGGERS

- New or changed
- corporate governance guidelines
- business and IT strategies, policies or plans
- business needs or new or changed services
- requirements within agreements, such as SLRs, SLAs, OLAs or contracts
- Review and revision of designs and strategies
- Periodic activities such as reviewing, revising or reporting, including review and revision of supplier management policies, reports and plans
- Requests from other areas for assistance with supplier issues
- Requirements for new contracts, contract renewal or contract termination
- Re-categorization of suppliers and/or contracts.



## INPUTS

- Business information: From the organization's business strategy, plans and financial plans, and information on its current and future requirements
- Supplier and contracts strategy
- Supplier plans and strategies
- Supplier contracts, agreements and targets
- Supplier and contract performance information
- IT information: From the IT strategy and plans and current budgets
- Performance issues
- Financial information
- Service information From the SLM process
- CMS

### Supplier Management

- Define requirements
- Evaluate / Establish / Manage suppliers & contracts
- Renew or terminate contracts
- Categorize suppliers
- Maintain SCMIS

### SCMIS

- Underpinning Contracts (UC)
- Supplier reports
- Supplier information



## OUTPUTS

- SCMIS,
- Supplier and contract performance information and reports,
- Supplier and contract review meeting minutes,
- Supplier SIPs,
- Supplier survey reports



## KEY TERMS

**Supplier:** A Third party responsible for supplying goods or Services that are required to deliver IT services.

**Underpinning Contract (or UC)** is an external contract underpinning the SLA. It is a contract between the IT Service Provider and a third party.

**SCMIS** – Supplier and Contract Management Information System