

Leveraging collaborative relationships across the supply chain

The supply chain ecosystem is a complex mix of data, skills, assets, demand, supply and risks, which cannot be managed in isolation. Empirical evidence* has shown a direct link between performance and competitive advantage for the

end-to-end supply chain and the level of collaboration employed. Does your company leverage the full potential of collaborative relationships?

Advantages for the Supply Chain

There are various models for the evolution of business relationships, which generally starts with an initial forming stage; followed by combative, cooperative and partnering stages; and onto the zenith of full collaboration in which all

parties are working together to achieve the same goal. Developing collaborative relationships across your supply chain will help your business realise the following benefits:

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Continuity of supply – Working together toward the same objective will translate into an interconnected supply chain in which all parties are participating with transparent insight to ensure continuous supply.

Agility – By mutually recognising potential

exchange of ideas ensures better results – enhancing service, managing issues, developing change and motivating people.

Identifying and sharing insight to potential risks enables all parties to collaborate to mitigate and/or manage the risks,

Reduced/shared risk -

and/or manage the risks, ideally reducing the impact for all parties.

Mutual trust – Trust ensures information is transparently shared, which allows opportunities and issues to be visible, exploited and avoided or resolved as appropriate.

Innovation – Successful innovation comes from understanding customer needs and developing solutions; combining expertise has greater potential to generate ideas and solutions.

Share Control of Share Each

Agility – By mutually recognising potential opportunities and threats, participants will more readily identify the need for change and a coordinated response, guaranteeing agility through the use of information.

Cost reduction – Collaboration is proven to enable visibility into cost reduction across functions and businesses, which may otherwise be hidden or suboptimal when viewed from elsewhere in the supply chain.

A Reduced errors/defects

- Investigating and resolving the cause of errors and defects can be more robust by looking across functions/businesses.

Share best practices and expertise -

Each party will be able to share its experience, knowledge and skills, which can be more powerful when combined.

Strategic development – Collaboration combines insights and expertise and, when facilitated correctly, can identify new, unique opportunities that will ideally be interdependent.

* Measurement of supply chain collaboration and supply chain performance for manufacturing companies: Singhry, Rahman and Admawani, International Journal of Economics and Management, Vol. 9, 2015.

A&M INSIGHTS

SUPPLY CHAIN COLLABORATION

A&M's Solutions in Supply Chain Collaboration

Alvarez & Marsal's (A&M) fact-based and collaborative approach to solving complex end-to-end supply chain problems helps us dramatically reduce costs, improve performance and transform organizations.

Our strategies have helped businesses meet their supply chain collaboration goals in the following critical success areas:

- Support: Senior management sponsorship, with stamina to continue the support.
- 2. **Resources:** Suitable, motivated resources, who are able to pursue the plans with the appropriate approach to drive activity to achieve the objectives and adapt/develop plans.
- 3. Effective technology: Cloud-based tools to gain scale and speed of deployment and avoid scalability issues
- 4. Clarity: An aligned approach with defined objectives and mutual expectations.
- **5. Direction:** Provide strong leadership and both empower individuals and groups.
- **6. Benefits:** Tangible, mutual benefits in the short and longer term.
- 7. Plans: Realistic plans that deliver continuous visible change and generate an appetite for progress.
- **8. Future development:** Technology to aid disruption, share data, allow creative interpretations, reimagine corporate taxonomies and experiment with new ideas.



To find out how our experts can support your business, please get in touch.



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