

“HOW CAN I
CONTROL MY
SUPPLIER?”



WHITE

PAPER





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Controlling internal delivery is one thing, but controlling a supplier is completely different. Customers can no longer operate as managers of operational staff, and that's a big change. And rather than running day-to-day work, which is up to the supplier, it's about the results and perception of delivery. If the customer previously ran the services themselves, operational issues have taken more time. By collaborating with an external specialist, the focus shifts to strategic and tactical questions, so the need for control alters radically.

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How do you take control of a delivery?

It's important that you prepare a plan of focuses and expectations together, that you find a good format for the supply partnership, that you're proactive, work on updates and setting standards. In addition, you need to find parameters that are relevant, with for example, finances always being important. What are we paying for, and is the supplier delivering the savings promised? Be prepared to develop and adjust the delivery as you uncover and evaluate results. Make demands of your supplier to be flexible in terms of thinking, and the level of service and volumes.

How do you design the right parameters?

When an agreement between supplier and customer is signed, the criteria (KPIs) should be agreed. It's important to try to capture objective criteria, such as savings and efficiency, as well as subjective ones, i.e. perceptions. Good criteria often emerge from a healthy interaction between customer and supplier. The customer knows its business best, but suppliers often have more experience and can bring their expertise to bear. The customer must be able to convey its level of ambition, the need for savings, financial conditions, priorities and what they think is important. The supplier's contribution is to transform these ambitions into concrete criteria, which you discuss and adopt collectively.

What are good checkpoints?

The supplier and customer identify good checkpoints together by discussing expectations and results. They then test and measure over a six-month period, following up to verify that results really are as expected. It's important to agree about methodologies and data sources, so if we're using KPIs per square meter, we have to base this on the right data, and keep informed when changes occur.

How many KPIs should you have?

Obviously, that's up to the individual, but we recommend that you keep it below ten. Too many KPIs would take up too much time and you probably can't measure all of them. An example of a good KPI is number of faults per thousand square meters. It's important to look at trends and stick with the KPIs you've chosen so any analysis is fair. To get a good overview, KPIs can also be combined with statistics, such as how many visitors the supplier has received in a predetermined period. In this way, customers can track variations in volume.



To summarize—what’s important for the customer to bear in mind?

First and foremost: read through your agreement and ensure that it’s consistent with what you order. It’s important to maintain a dialogue with the supplier and emphasize that you agree and have the same goals for the delivery. Use the agreement you have and link your discussions to it, and ensure that you talk regularly and often. When starting up a new partnership, supplier meetings should be weekly, to eventually go monthly. Make sure you keep your supplier informed of forthcoming changes, keep them updated. When you’re measuring a delivery, it’s easy to put a lot of focus on the KPIs intended to create savings, rationalization and development, but don’t forget the subjective values. Take the time to find out from your people how they perceive the situation, what they’re satisfied or dissatisfied with. This offers you good feedback on the delivery itself, but also if it’s focusing on the right things.



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