

CASE STUDY

Optimising partnerships with Supplier Relationship Management



NHS - North West London Procurement Services

From Transactional to Transformational: Implementing a Strategic Approach to Supplier Relationship Management



Overview

In the ever-evolving procurement and supplier engagement landscape, North West London Procurement Services (NWLPS) has emerged as a frontrunner, pioneering a comprehensive Supplier Relationship Management (SRM) framework.

This strategic initiative, meticulously aligned with the organisation's 2022 - 2025 “Stronger Together” strategy, aimed to strengthen partnerships, maximise value, and stimulate innovation with key suppliers. This case study explores the in-depth design, execution, and impact of NWLPS's SRM framework, outlining the key components and phases that propelled its success.

Why SRM?

In the past, NWLPS viewed suppliers through a narrow procurement lens, focusing solely with a transactional focus to relationships and contracts on transactions and contracts. However, NWLPS recognised that strategic suppliers play an increasingly crucial role in enabling service user satisfaction and care delivery. It became clear that these partnerships needed to evolve beyond mere procurement into deeper, outcome-driven relationships capable of unlocking shared goals, driving innovation, and mitigating ecosystem risks.

Without effective SRM capabilities, exchanges were happening in isolation, with no comprehensive view of strategic supplier performance, continuity planning, or the ability to accelerate key growth initiatives. Formalising an SRM approach addresses these gaps by establishing a structured process for nurturing supplier relationships in alignment with the overall business strategy.

Objectives

At the heart of NWLPS SRM framework lies a set of well-defined objectives that aim to transform supplier relationships into strategic partnerships that drive business growth and operational excellence. This approach to SRM extends beyond transactional engagements to enable NWLPS to maximise the value derived from supplier relationships.

- **Strengthening partnerships:** Fostering mutually beneficial collaborations to maximise value.
- **Enhancing innovation:** Pursuing strategic collaboration with suppliers to develop cutting-edge solutions.
- **Optimising cost efficiency:** Leveraging economies of scale and streamlining processes to reduce expenditures.
- **Improving operational efficiency:** Fostering transparent communication to eliminate inefficiencies.



The Anatomy of NWLPS's SRM Framework

The SRM framework developed by NWLPS encompasses four key components:



- **Supplier Segmentation:** Effective segmentation facilitates decision-making and prioritisation of resources for improved scalability and flexibility.
- **Relationship Management:** Cultivating mutually beneficial partnerships through proactive engagement and communication.
- **Supplier Performance Management:** Monitor and develop their suppliers to ensure good service at the optimum total cost of ownership.
- **Supplier Risk Management:** Implement processes to monitor, evaluate, and mitigate supplier risks.



SRM Skills Academy

61% of Chief Procurement Officers highlight "Increasing level of supplier collaboration" as their top priority for 2023, (Deloitte, 2023).

A crucial pillar of the SRM framework is developing the skills and mindset across NWLPS to manage strategic supplier relationships effectively. To enable this, a dedicated SRM Academy has been designed to focus on strengthening SRM within the Category Divisions.

World Commerce & Contracting (WorldCC) SRM Certification

The development of a skilled team to steward long-term supplier partnerships is key to extracting and expanding the value delivered through the SRM approach.

NWLPS opted to enrol staff on the WorldCC SRM Certification programs; the only industry-recognised accredited programs to provide a comprehensive, relevant, and flexible learning experience. The Certifications enabled NWLPS staff to build competencies to:

- Structure and lead collaborative supplier engagements
- Employ value-based supplier segmentation
- Set clear performance expectations
- Govern for risk and continuity
- Identify and execute innovation opportunities
- Demonstrate critical problem solving and conflict resolution
- Understand data analytics to inform SRM
- Utilise digital tools and AI enablement
- Consider sustainable procurement best practices
- Improve contract and performance optimization

“ The WorldCC SRM Certification ensures consistency in our supplier practices and provides our team with more knowledge to effectively manage supplier relationships. It serves as a tool for enhancing our procurement outcomes which in turn helps our patients at the NHS and local communities. ”

Lee Jackson, Managing Director – North West London Procurement Services

“ The onsite training was comprehensive and insightful and we will be able to apply that in our roles in the future. ”

Procurement Contracts Manager

“ The training provided me with a good level of enhanced knowledge of SRM to be put in practice soon. ”

Procurement Contracts Manager

“ The WorldCC SRM certification enables the adoption of a different perspective when dealing with suppliers. Rather than the traditional confrontational approach by adopting the concepts of SRM more meaningful discussions can be had with key suppliers enabling the organisation to realise greater benefit in partnership arrangements. ”

Head of Category – Cardiovascular

Achievements

Since embarking on its SRM journey, NWLPS has achieved significant milestones, laying a solid foundation for strong, value-driven supplier relationships, from within its Manage & Enable division, led by Lynda Hopkins, Procurement Excellence Director. From identifying key strategic partners to establishing robust performance metrics and fostering innovation, the NWLPS team has made consistent progress in transforming its supplier ecosystem.

Achievement	Challenges	Outcomes
Supplier Segmentation	Identifying critical suppliers from a large pool of partners; developing a robust scoring mechanism to evaluate supplier importance.	Understood their spending and risk, started Level 1 tiering. Thirty suppliers segmented, 5 approached as part of the pilot, and 4 have engaged to date.
Effective Launch & Adoption	Gaining leadership buy-in and alignment; ensuring successful onboarding of pilot suppliers.	Structured launch communications secured leadership alignment. Onboarded four pilot suppliers and held alignment workshops.
Driving Impact & Continuity	Integrating SRM practices into routine supplier management. Proactively identifying and addressing supply chain risks.	Transitioned two suppliers into business-as-usual governance. Actioned supply chain risk mitigation and business continuity plans.
Building Capabilities	Equipping staff with SRM expertise and streamlining access to SRM tools and resources.	Designed SRM academy with a skills development program, utilising the WorldCC SRM Certification. Established central digital toolkit repository.
Unlocking Innovation	Identifying and pursuing innovative opportunities with suppliers; leveraging data to enhance SRM capabilities.	Utilising web-based analytics to achieve sustainable financial benefits through data-driven insights.

Why invest in SRM

Investing in Supplier Relationship Management (SRM) offers organisations several compelling and research-backed benefits, highlighting its significance in fostering improved supplier relationships, effective risk management, enhanced innovation, and optimised supply chain performance.



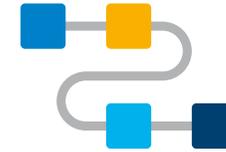
Increase Supplier Collaboration

61% of Chief Procurement Officers (CPOs) highlight "Increasing level of supplier collaboration" as their top priority for 2023, investing in SRM becomes crucial for fostering closer relationships that drive innovation, efficiency, and mutual growth.



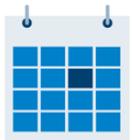
Improve Risk Management

68% of organisations surveyed consider "Supply shortages and/or rising cost of inputs for their business" as a trend likely to drive transformation, SRM allows organisations to enhance risk management and supply chain resilience.



Localised Supply Chains

60% of surveyed organisations view "Supply chains becoming more localised" as a transformative trend, investing in SRM supports the management of localised supplier relationships and partnerships effectively.



Supply Disruption Prediction Challenges

Only 25% of firms can predict supply disruptions "to a large extent," SRM provides the tools and capabilities to improve supply chain visibility and forecasting accuracy.



Compliance and Non-Compliance Impact

With 40% of CPOs citing the impact of "contract compliance failures" and 25% citing "broader supplier non-compliance", SRM investment can ensure supplier-related compliance and minimise associated risks.



Critical Talent Loss and Internal Risks

With the loss of critical talent identified as a top internal issue by 47% of CPOs, investing in SRM can help address this challenge through training, knowledge transfer, and maintaining strong supplier relationships.

Sources:
Deloitte (2023) Global Chief Procurement Officer (CPO) Survey: Orchestrators of Value. Available at: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/consulting/us-2023-global-chief-procurement-officer-survey.pdf>.
Accenture & Procurement Leaders (2022) Harnessing the power of supplier collaboration and innovation. Available at: <https://marketplace.procurementleaders.com/partners/accenture/resources/report-harnessing-supplier-collaboration-innovation>.

WorldCC SRM Certification

The certification aims to support the development of SRM as a professional capability, promoting consistency of practice and equipping both individuals and teams with the knowledge to successfully manage their supplier relationships and drive business value.

The SRM Certification program offers three levels of certification:

Practitioner - A 20-hour self-paced online program covering foundational SRM concepts and skills. Includes optional master classes.

Advanced Practitioner - 30-hour program building on the Practitioner level. Includes self-paced online modules, mandatory master classes, and a final business case or reflective log.

Expert - Requires achieving Advanced Practitioner level, then applying learnings to improve supplier relationships in a real-world project, assessed by an expert panel.

Master classes

In addition to the seven self-paced, online modules, there are regular one hour master classes, each addressing topical issues and relevant case studies impacting the world of SRM.

The Practitioner and Advanced Practitioner curriculum consist of seven self-paced online modules:

Introducing SRM: Covers the goals of SRM, the role of the SRM manager, and building supplier networks.

The Importance of a Holistic Approach: Discusses using the WorldCC CGR framework, SRM across the contracting lifecycle, and the role of governance.

The SRM Lifecycle: Aligning SRM with contracting lifecycle, communications, and stakeholder management.

Working with Suppliers: Value creation, innovation, benchmarking, voice of supplier, risk and opportunity.

Managing SRM: Sourcing options, governance, success factors, exit strategies.

Skills for Success: Driving business change, the importance of EQ, self-awareness, adaptability, problem solving. (Advanced level only).

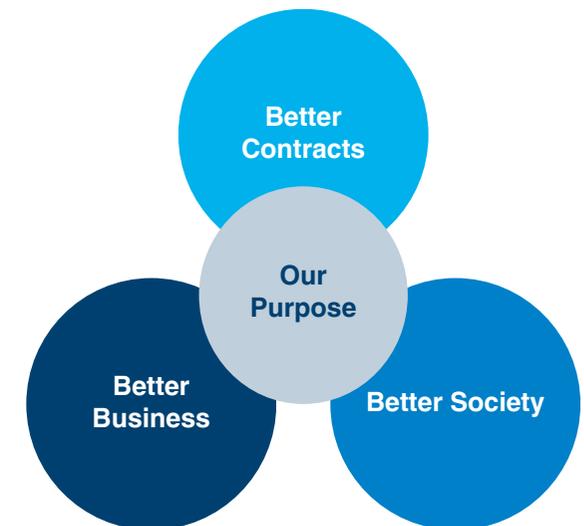
AI in SRM AI use cases in SRM, enhancing relationships and sustainability with AI; and its constraints, controls and risks.

About WorldCC

World Commerce & Contracting is a not-for-profit association dedicated to helping its members achieve high performing, trusted trading relationships.

With 75,000 members from over 20,000 companies across 180 countries worldwide, the association welcomes everyone with an interest in better contracting: business leaders, practitioners, experts and newcomers.

It is independent, provocative and disciplined, existing for its members, the contracting community and society at large.



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