

Supplier engagement in the digital age

Kieran Forsey believes that cloud-based digital platforms can help build better relationships between own-brand suppliers and their retail customers.

Own label suppliers will know that making continual improvements to product lines is key to securing and retaining business, while avoiding any costly food safety errors. However, this growing pressure to innovate can be stifled by the fact that few have the luxury of being able to have any existing production line downtime to trial new products.

Short-term retail contracts mean that any technology or new product development investment would need to offer a good return in a very short period of time. Manufacturers and processors must also consider the operational and commercial impact of any line downtime, including possible fines for late delivery and even lost contracts.

No supplier can afford to ignore the changing expectations of end consumers, although it is near-impossible to drive positive change without there being a strong and efficient working relationships with retail customers. Why? Because without access to sales and returns data or customer service feedback from the retailers, manufacturers have to simply reformulate their recipes, or redesign packaging, based either on guesswork alone or at best on a narrow view of what customers want, running the risk that a product fails to deliver on taste, ingredients and/or price.

Retail data also enables suppliers to actively identify and capitalise on the latest consumer trends in a way that sets them apart as innovators rather than followers. This information allows them to hit the ground running, embedding good practice in their production processes and transforming speed-to-market success.

Grocery retailers, in particular, know that quality, good-value and increasingly specialist (such as vegan, free-from and premium) private brand ranges create a point of difference that underpins performance and overall customer experience.

The right partners

Of course, this is only possible if they have the right partners – and are prepared to nurture and empower them to upskill and achieve more. Unlike the days when buying teams might manage international supplier networks via emails and spreadsheets, digital platforms promote better engagement by working together as one team.

A supplier who feels supported, and who buys into the retailer's values, is more likely to go the extra mile for its customer, investing in employee training, developing products and working towards industry certifications. Yet even though sharing retail intelligence is essential for gaining a competitive edge, the importance of engaging private brand

suppliers is often overlooked.

When elevated above the passive default position, both large and small-scale producers become a trusted source of information for retailers answering consumer enquiries. This is particularly crucial if a food safety issue occurs, and a response is required urgently. To avoid a crisis situation – including a product recall – buyers invariably choose suppliers who actively demonstrate packaging labelling compliance and have rigorous processes in place to avoid contamination in the first place.

While for many food producers short-term retail contracts are a fact of life today, that should not mean that it isn't possible to work effectively within their parameters. Retailers that have invested in the right digital tools to foster engagement can help suppliers to be more agile and better informed, which means they are able to invest in the areas of product development that will deliver the best commercial returns. Without these genuine insights, they could well jump on the latest fad, which proves to be a flash in the pan, or fail to deliver at the right price point.

With the right training and incentives, digital systems can lay the foundations for a culture of continuous improvement, in line with rapidly-changing consumer demands. ■

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