

Kevin Minor: 0:03

Greetings Pulse Takers and welcome to the NASPO Pulse, the podcast where we are monitoring issues in state procurement. I'm your host, Kevin Miner, and today Josh and I are chatting with two bright stars and new NASPO staff. Emily Cranfill and Holly Scott are both procurement content managers here at NASPO and they have quite a background that I'll let them explain to you here in a minute, and they are on a mission, folks, to change the way that we talk about supplier management. We're going to discuss the term supplier management and what all that actually encompasses. We're going to examine the knowledge base that NASPO is providing to the procurement office on this subject, and we're also going to see how Emily and Holly are working to expand on the terms like supplier diversity, contract management, performance management and what that looks like for your state.

Kevin Minor: 1:00

It's a jam-packed episode, folks, make sure, if you haven't already, subscribe to us on Apple Podcasts, Spotify, Google or wherever you get them. Sweet listenings. Make sure, check us out on the blog pulsenaspo.org and catch up on some procurement articles written by your very own NASPO staff. You know what to do. Let's take that pulse. Emily and Holly, thank you so much for joining us today. How are you guys?

Holly Scott: 1:25

Doing well. Thank you, Kevin. Thank you very much.

Kevin Minor: 1:28

Yeah, thank you guys so much for taking the time to be here with us. Emily Cranfill and Holly Scott are both procurement content managers here at NASPO. Before we dive into supplier management, tell us just a little bit about yourself. What's your procurement background up till now?

Emily Cranfill: 1:47

Sure, so I'm Emily. I hail from the Hoosier State, where I worked as a procurement specialist for the Indiana Department of Administration for five years before joining NASCO earlier this year. While I was with Indiana, I managed the MRO portfolio as well as leading solicitations for the state's Department of Education. I earned my CPPB in 2020. Not the best time to do that, but we got it done and was recognized by the governor for COVID pandemic service in 2021.

Kevin Minor: 2:15

Holly, what about you?

Holly Scott: 2:17

So I joined NASPA this past April after spending almost six years with Flagler County, Florida. For the last two and a half years, I worked as the county's purchasing manager, where I oversaw everything from formal solicitations to contracting to surplus you name it. We even had an on-site warehouse that stocked medical supplies and PPE for staff. Before becoming manager, I worked as a procurement analyst, then senior analyst, which really allowed me to understand procurement on all different levels within a department. I, too, obtained my CPPB in 2020 and am currently in graduate school for my MPA through the University of Central Florida.

Josh Descoteaux: 2:55

Well, it's great to have you both as procurement content managers. So today, as mentioned, we're talking about supplier management. Some people use terms like vendor management, supplier relations, interchangeably. There's a lot of different kinds of words for the same thing, so my question is are they the same thing? Are there differences? What are your opinions?

Emily Cranfill: 3:17

Yeah, that's really the root of it all, isn't it? So you guys saw this and our viewers or our listeners will have to imagine

this, but if you imagine a Venn diagram with three circles so one being contract management, one being vendor performance management and one being supplier relations the center of that Venn diagram, where they overlap, is really what I think about supplier management. So it's about creating a system that allows the state and specifically their contracted suppliers, to build rapport, communicate more effectively about their respective needs and abilities and, ultimately, to provide the best value services and products.

Josh Descoteaux: 3:56

And that's key. I'd say that the key is for that definition as a contracted supplier.

Emily Cranfill: 4:02

That's right. And one question you question. We talk a lot within NASPO and within the procurement profession about different terms. So you'll see supplier, you'll see vendor, you'll see, sometimes, contractor. And the reason why we're choosing to use the term supplier within supplier management is that, especially over the last few years, we, as procurement professionals, have asked the companies with which we contract to do more than just provide us with commodities and services. Right, using the term supplier is representative of the additional ask that we've been given.

Josh Descoteaux: 4:37

Kylie. What's your perspective on that?

Holly Scott: 4:40

Yeah, no, I completely agree. We are kind of like Emily said, living in a world where we're asking our suppliers to do more than just provide us one specific commodity or service, and I'm a big proponent of being as clear as possible in the way we speak.

Emily Cranfill: 5:06

right, that goes into every area of life.

Emily Cranfill: 5:09

But one of the things that I find to be super important within the procurement world and Holly and I talk about this a lot when we're talking state to state or NASPO to state especially we need to make sure that we're using the same language.

Emily Cranfill: 5:20

We need to make sure we're being clear about what our words mean. So you know, it's always recommended, when you're comparing practices between states to talk about. You know, when you say this word, what do you mean by that? So when you say supplier diversity or when you say vendor performance, what does that look like for your state? The more that we understand where everyone else is coming from, the better we can understand what we're trying to accomplish. In our case, as NASPO, we're very fortunate to really be setting the pace here. So for us to sit here in this conversation and say this is what we mean by supplier management, and hopefully we can create definitions for those terms that are usable by different states, we want these to make sense for as many states as possible without interfering with the unique parts of what each state is and does with the unique parts of what each state is and does.

Holly Scott: 6:08

Yeah Well, the other interesting thing about that is that the discussion that we have amongst ourselves and the members and everything really allows us to ask questions and define things, because although one thing may mean something to me, it could mean something entirely different to somebody else, and they really help us define the terms and the ways that are being used across the board throughout the profession. So clarity is really really key, especially since there are so many similarities throughout not just the state, but the local levels as well throughout,

not just the state, but the local levels as well.

Kevin Minor: 6:47

So, Emily, you brought up the Venn diagram, and I know the. By definition, the Venn diagram means that all three circles are equal importance. Um, but you're talking about these definitions and people, people understanding things that you say differently or taking different meaning. Is there one phrase that is more important than the other or that we should be watching out for? Are they all kind of equal?

Emily Cranfill: 7:10

That's a really great question, Kevin. I think you know, when we look at those three circles the contract management, the vendor performance management and the supplier relations they all do have equal value. And the reason why we're so focused on the supplier management kind of crux point is because each of those management styles have benefit on their own right. They stand alone. So, depending on the needs of the state, the needs of the procurement office, you might want to focus more on one than on the other. But with supplier management we're really looking at the ways that those things overlap and I think we might get into this a little deeper later in our conversation. But we're specifically interested in you know what are states already doing that is supplier management? You know what are? What kinds of tools do you have already that you're using that help you to manage better contracts, that help you to track vendor performance, that help you to engage with your supplier community?

Holly Scott: 8:12

both contracted and non-contracted. Yeah, that end user input is extremely beneficial because it allows us to then, in turn, put out these definitions or literature that supports what's being done across all those different levels.

Emily Cranfill: 8:23

Yeah, and I think Holly brought up something really interesting earlier, which is that so much of what we do as NASPO is informed by what is happening in the procurement world.

Emily Cranfill: 8:32

You know, this is a really dynamic space, so we use words differently today than we did five years ago, and language really changes when we ask people to start using it differently. So the more that we continue to use a term and to define that term and then to ask people to use it, the more that we continue to use a term and to define that term and then to ask people to use it, the better people will understand what it really means. I kind of mentioned this earlier, but the thing I love about the conversation we're having and what NASPA is doing is that supplier management is not us asking people to change their policies. We're just asking people to use the term. We're asking people to recognize what they're doing in their office is supplier management. You know, here's what that looks like. Here's how you're having the right conversations, here's how you're setting the right cadence in your communications, and that's supplier management.

Holly Scott: 9:18

Yeah too, and I think it all goes back to that clarity, because, because a lot of our processes are so similar and we're all kind of doing the same thing our own ways on, with our own styles, that, you know, really being able to, to define these terms is extremely, extremely beneficial, so we can all kind of come together with streamlined processes.

Josh Descoteaux: 9:49

So, now that we've established the definitions of supplier management, why is supplier management important? And I'll ask this too what's the downside if there's no program or effort in place? Shouldn't the contract take care of all of these details? Emily, I'll start with you.

Emily Cranfill: 10:03

Sure, take care of all of these details, Emily. I'll start with you, sure. So to me, supplier management represents the difference between putting out fires and being proactive in the procurement office. The market for the commodities and services we're purchasing as procurement professionals, it's constantly changing, especially today, and it's really impossible to be an expert on all of it. So you might be an expert, you might be a subject matter expert on one portfolio. You know absolutely nothing about three others, right? So developing professional relationships with the people and the companies working in those spaces, that's critically important. When you're working with folks you can trust to treat you fairly, who know your business needs and abilities and who want to work collaboratively with you, and you'll notice all of those things I just mentioned could be said of the state member or the supplier. That type of relationship is invaluable.

Holly Scott: 10:52

So I actually agree with Emily on all of this.

Holly Scott: 10:56

I think that those relationships and providing effective communication and just general intention to understand the needs of all the parties involved can really eliminate a lot of the risks that are created by failed partnerships or things that do not provide mutual benefit to everybody.

Holly Scott: 11:20

Additionally, I think it's important to be cognizant of current issues and roadblocks that can factor into everything as well. I hate to mention the pandemic, but I feel like I have to, almost in a sense, because we're really living in a time now yeah, we're really living in a time now where we all need to rely on one another to be successful, which is also an extremely important element. I think of supplier management, which is also an extremely important element. I think of supplier management, it's no longer just the janitorial contractor, the security guard or the widgets or the medical supplies. We're all working in unison with one another and we need each other today to solve larger problems and by understanding the different factors that are contributing to these processes so far as the contract, we can build these consistent relationships that are really built on mutual benefit and respect.

Emily Cranfill: 12:11

Yeah, I think, when it comes to the contract, we've all seen our fair share of less than stellar contracts. It would be the best case scenario for the contract to take care of all the details, like you said, Josh. But we've all seen contracts. You know you've inherited a contract that wasn't great. Or you know I've written contracts before. I knew better. You might end up with a contract that's too weak and then the state gets very little of what they want or need. Or, on the other side of that coin, you could get a contract that's too heavy handed and the supplier is expected to meet impossible standards.

Emily Cranfill: 12:43

With supplier management practices we have more thoughtful, successful contract terms that also allow you, through the contract cycle, to learn from your contract and your suppliers and then to grow with what you learn. So I did. I think we do want to talk a little bit about maybe some of our specific experiences. That kind of prove why supplier management works. Holly and I are both super passionate about supplier management. There's a really good reason for that.

Emily Cranfill: 13:08

So for me you know I mentioned some of the work I did for PPE, for the state of Indiana and, through my MRO contracts, some of the relationships that had been developed prior to the pandemic really allowed for incredible success at our PPE. You know, getting the PPE and also distributing the PPE. I had a gentleman from one of my MRO suppliers who was an account manager and he and I actually went into the office to get PPE items, repackage them and ship them to our state hospitals. So without that partnership, without that relationship, we would not have

been able to get the things that were needed to the people who were really needing it.

Emily Cranfill: 13:53

That's great yeah.

Holly Scott: 13:54

I experienced a lot of that during the pandemic as well. For me, it goes back to that personal level of relationship building, because going out of your way to help a supplier out or going out of your way to get your department what they need is. It's really beneficial when you have good relationships with your suppliers because if you develop this win-win situation between the two of you, both parties are really a lot more willing to work together and develop terms that each one can accept and be good with. And really, at the end of the day, that's what we want. We want a win-win relationship for both the agency and the supplier, so we can both be on the same page with everything and not be know, not be entering into situations that we really can't fulfill.

Emily Cranfill: 15:00

Right, and I think too, holly, you can kind of speak to this in your experience. But sometimes, you know, the state especially can be way too heavy handed. We can kind of think of ourselves as procurement is king. You know the state is king, and that's just not true. It probably wasn't ever true, but it's certainly not true in a post-pandemic world. We need each other more now than ever, and when you have the ability to understand your relationships on an individual level, whether it's a huge business that is, multi-state, national or international company, or whether it's a small business so, like Holly, you can speak to some of the relationships you had with local businesses and some of the things that you were able to do to help them.

Holly Scott: 15:44

Yeah, so for local businesses it was like help me, help you, right. So I know that you're a small business and I know that you might need the \$600 check for the service that you're doing, and if you're right down the street, you know we won't mail you that check. Come to the office here so you can pick it up. Instead, just little acts of kindness for people that were really kind of in need at that point in time. And I think a lot on the local level what we were seeing a lot of was a lot of local companies that were actually changing what they were doing completely and making masks or face shields or whatever. So being able to recognize that and kind of thank them, just by being able to kind of alter our processes as much as we could within our, you know, within our policies and restrictions, was huge and so helpful.

Holly Scott: 16:32

And I think it built relationships, definitely post-pandemic as well, because we we have we developed this sort of understanding and like hey, the, the county, are good people and so are we. So we want to continue to work with them and and not only that too, but it also builds on further relationships by word of mouth you want to help these people because they're going to help you too. So there is a lot of relationship building that goes into it and it goes back to mutual trust and respect and just knowing that we're all in this together and we always have been. I think it's just on the forefront now than it was prior to COVID, on the floor right now than it was prior to COVID.

Kevin Minor: 17:14

It sounds like, though, to me, when I'm listening, what I hear is you're putting a little bit more responsibility on the supplier. It's not so much forced right. I mean, it's your curating and creating that relationship with them, giving them a little bit more responsibility, but also allowing them to be more a part of the entire process. Is that kind of what you're saying?

Emily Cranfill: 17:38

Yeah, I think that's a really interesting way of saying it, Kevin, because what I the way I kind of conceptualize it is, we're really calling the suppliers in as allies or as partners, right?

Kevin Minor: 17:51

Giving them stake in the process.

Emily Cranfill: 17:53

And really they have that anyway, we're just kind of admitting it right, giving them stake in the process. And really they, they have that anyway, we're just kind of admitting it Right. So you know, I think about some of the companies that I worked with in Indiana and these are people who you know they have storefronts, they have brick and mortars, they have a distribution center, maybe in Indiana. So they're taxpayers, they're people who who live in Indiana, who care about what's happening in our state right.

Emily Cranfill: 18:15

So admitting that the people we are working with and contracting with have buy-in already and kind of giving them a seat at the table as much as we can, you know they have the ability to provide us with information that we don't have. They have the ability to, in some cases, even give us things that we didn't know to ask for. So with my MRO contracts I had suppliers who did free inspections so they would go into a correctional facility and they would make sure that all the lighting structures were best value so they could switch everything to LED, which saved money. And that service, that inspection, was free of charge. I didn't even know to ask for that. But because of the relationships that were developed, both myself with the suppliers and the agency with the supplier, we found out about things that could be added to the contract that brought value beyond what we were looking for when we did the procurement.

Kevin Minor: 19:11

Right, they want to help you, yes, as opposed to feel like they have to, exactly you get, get.

Emily Cranfill: 19:16

This is a very, very old saying and it comes probably from my time in a museum, but you catch more flies with honey than with vinegar yeah it's true, it's very true well too, emily.

Holly Scott: 19:29

I think that goes back to, I think, that I used the security guard, the custodian and the PPE supplier. I think those were my examples before, but how they all work in unison with one another too, right? So now we're realizing that our security guard and our custodial people need those PPE. So if there's a breakdown somewhere along, that it's affecting multiple levels too. It's not just that you're not getting those gloves and you are actually stopping other services from happening the way that they need to. So we're all kind of working on this level, this new level of hey, we really need each other these days to make everything successful.

Kevin Minor: 20:16

You guys have so much experience on this and it seems like you guys have really lived through several different experiences and examples of this. What is some advice you would give a new buyer on managing suppliers?

Emily Cranfill: 20:30

Yeah, I mentioned this before, but one of the things I love about supplier management is that it doesn't need to be an overhaul.

Emily Cranfill: 20:36

You don't have to start from scratch in order to implement supplier management principles. You can really just start with opening communications. So the suppliers with whom you already have contracts just shoot them an email, give them a call, say you know, I'd really like to learn more about the business we're doing here, the commodities that are being purchased, the services that are being given, and you can set up whether it's an annual business review or quarterly business review some sort of regular cadence of meeting or call, and in those reviews, ask for

some data. You can get data on current sales information about the supplier's business. Depending on the rules in your office, you might even get to visit a supplier's brick and mortar or a distribution center to see you know this is what they're doing on the ground. Do your best to learn what's being purchased, what your end users need so talk to the agencies as well and what the supplier is able to do. If you don't ask, you'll never know some of the things that they're able to give you.

Holly Scott: 21:38

Yeah. So for me, my advice to new buyers would be to understand that not all suppliers are the same and that all contracts need to be treated differently based on the make, size, shift whatever of the supplier itself. So if we can understand suppliers on a case-by-case basis, we'll get a much better understanding of their individual needs. Basically, what I'm saying is you're not going to treat a major MRO contract the same as you would the local locksmith down the street right. So knowing that and being able to pinpoint those differences will really allow you to create contracts that are beneficial for everybody, based on what they need.

Kevin Minor: 22:33

Josh, I'd be interested to hear your opinion on that as well, as you have procurement background.

Josh Descoteaux: 22:39

Are they wrong?

Kevin Minor: 22:40

Are they right, are they?

Josh Descoteaux: 22:42

lying to us. I totally am in accordance with what has been talked about today. Conversation couldn't have happened at a more critical time to talk about the supplier management, but also the relationship base and foundation of it, I think, with the terms that we were talking about and setting up consistent definitions. I'm just going to try to muddy up the water a little bit and just add in another term called partnerships. In there it is a partnership. Partnerships in there it is a partnership. And we were talking about, you know, the mutual benefit that you know our constituents get out of what we do, not only the suppliers but the procurement offices in general, where that mutual benefit is shown because of that partnership. So, with all of the challenges that are ongoing right now, with supply chain issues getting past the pandemic, this is a great conversation to have.

Emily Cranfill: 23:44

I think you bring up a really good point too, Josh, that we've maybe skimmed over a little bit, but you really need everyone to get on board with this right. So you need the suppliers to see themselves as the strategic partner of the procurement office, and vice versa. If you're not seeing each other as key players in this game, then you're probably not going to have as much success. So really making sure everyone's on the same page, understanding why a partnership matters here.

Kevin Minor: 24:10

Absolutely. Where can we go to learn more about this? What resources does NASPO have to offer? Can you point our listeners in the right direction?

Emily Cranfill: 24:19

That's a really great question because we're developing resources pretty much week by week on this. So, yeah, that's that's NASPO in a in a nutshell for you. But there are a few really interesting blog posts that have come out recently. Um one on the value point side um, that's actually targeting our suppliers and they're kind of why this matters to them. That's a shameless plug, because I wrote that article, but we also, our research and innovation team, has done some really good work on this and there's a fact sheet coming out, I believe, here shortly on

supplier management, and there's also been a blog post. We did an interview with a member of our member community and kind of got her perspective on supplier management as well.

Kevin Minor: 25:06

Great, great, and we'll make sure that we link all of those resources in the show notes. We're also going to put your emails both Holly and Emily's emails in addresses in the show notes, and I'm sure that you can reach out to either of them and they would be happy to talk to you.

Emily Cranfill: 25:24

Yes, please Like we, like we said. You know Holly mentioned this earlier we need to know what people are doing, to know where this is going, so please do send us an email. We'd love to hear what your office is doing with supplier management.

Kevin Minor: 25:37

So now it's time for our world famous key takeaway game. Takeaways. This is the game in which Josh and I present key takeaways from the interview to our wonderful guests. This time we have two guests, so we'll have two votes, so it's going to be a little extra interesting. But, josh, I will let you go first, sir.

Josh Descoteaux: 26:01

Thank you, kevin.

Josh Descoteaux: 26:02

Well, my key takeaway and I had mentioned this a little bit before is what we've been seeing with the pandemic and the supply chain issues that are affecting us right now on the front lines on the value point side.

Josh Descoteaux: 26:14

That I have been seeing are those dynamic kinds of price changes or supply chain issues where the suppliers don't necessarily have the product that the states or municipalities need. And to solve that problem you need supplier management, you need that supplier relationship, you need contacts that you can trust to be able to call them up and say, hey, you know we put this purchase order and where is it, and you have that kind of confidence to have a person that you know is going to be on your side and supporting you with that. If you didn't have that, you would have a lot harder job of trying to get the things that you need. So that partnership is one of those things that is very, very prominent and prevalent today that needs to be included in every conversation in terms of public procurement. That vendor management I'm sorry I messed that up that supplier management part is the most important piece, I would say, to having an effective procurement office.

Kevin Minor: 27:19

Well, I can see that was really good. I don't even think that I want to play this game anymore, josh, but I'll give it a shot. I should have went first. My key takeaway Josh, that was really good. My key takeaway is that you guys earlier mentioned that clarity is important, and I think that that is something that gets overlooked a lot Clarity in defining terms and making sure that everybody's on the same page and that we're all talking about the same thing, because in this profession, there are so many different terms and names for the same thing, but they can also mean different things, and I think part of setting up that partnership is just it's very important to understand what we're all talking about and making sure we're all talking about the same thing in order to streamline those processes. So just saying what you mean and meaning what you say and clarity in building relationships is extremely important.

Holly Scott: 28:17

Yes to all of that in building relationships is extremely important.

Josh Descoteaux: 28:21

Yes, all right. So they got a tough job ahead of them. This is a tough one.

Kevin Minor: 28:24

This is a tough one, Emily. What do you think?

Emily Cranfill: 28:26

So here's what I was just thinking. The two of you summed up literally the whole interview in those two statements, so trash the rest of it, just say your two things and we're good to go. Um, no, I, I think, I think, I, I have to go with Josh, and the reason why is because he really hit on supplier management specifically and you know, with the procurement background that that we have, we understand, you know there's so many moving parts to this right, so there's so many pieces. The clarity of definitions and all of that are really great starting points. But to understand that supplier management ideas are really a foundational aspect of what public procurement is now and, I think, also where it's going, that is huge.

Kevin Minor: 29:12

Absolutely, Holly. What about you?

Holly Scott: 29:15

Oh, this is not fair. Best for last, come on, I'd probably go with Josh as well, but I do think that, no, I agree, Kevin had some really, really great points too, and I think without Kevin making those points initially, then we can't go into the breadth of what Josh is explaining with his take away from it. So I think they're both mutually important in their own different aspects, but that Josh's might be actually tailored a little tiny bit more to what we're trying to put out. Sure.

Josh Descoteaux: 29:58

Kevin, we're a partnership. There you go.

Kevin Minor: 30:02

See, see, mutually beneficial. Absolutely, we'll take it. We'll take it. Good job, Josh. So before we go, we'd like to just get a little bit of advice for our listenership. This can be personal, professional, whatever you'd like. Just some advice, something you know brush your teeth, whatever you think. Good advice for our listenership.

Emily Cranfill: 30:26

So this is the question that was giving me the most like panic prior to doing this. No, it's not.

Holly Scott: 30:34

I can talk about supplier management all day.

Emily Cranfill: 30:37

I think the advice I would give I guess it's personal, professional, it's kind of all of the above.

Kevin Minor: 30:41

Sure Sure they mix.

Emily Cranfill: 30:43

When you're making decisions about your life, when you're presented with a choice between two options, you should always choose the thing that gives you the most future possibility. You should choose the option that gives you as many future options as possible.

Kevin Minor: 30:59

I like that. I like that a lot.

Emily Cranfill: 31:01

I have some important stock trading questions to ask you later, then that's not my cup of tea.

Kevin Minor: 31:08

That's great, Holly. What about you?

Holly Scott: 31:11

Oh no. For my advice I'd say and I think it's kind of something that has helped me throughout my life is the age-old saying that the only thing constant is change. So being open-minded to new solutions and not being stuck with certain ways of doing things or just even a mindset kind of stuff, in one way, just having that ability to be open-minded and embrace changes, especially if they're changes for the better, right, that's really helped me so much in my life and I think that Emily Cranfill and Holly Scott, both procurement content managers at NASPO.

Kevin Minor: 31:59

It was a pleasure speaking to you, ladies, today. Thank you so much for joining us.

Emily Cranfill: 32:03

Thank you so much for having us. It's been great.

Kevin Minor: 32:06

So what do we know about supplier management? It's that place where contract management, supplier relations and performance overlap, and while there are many unique styles of management out there and we're not saying that any one of them is wrong building a rapport and giving suppliers a stake in the process, especially post-COVID, is crucial to your relationship with a supplier and, like the procurement content managers say, you never know when one of these relationships will surprise you, perhaps teaching you more about the product or service than you ever thought possible and giving you a vast network to rely on when you have questions. If you like taking the pulse, make sure you subscribe, like and leave a comment. If you like Taking the Pulse, make sure you subscribe, like and leave a comment. Check us out on YouTube and naspo.org. I'm your host, Kevin Miner. Until next time.