



Working with larger supply chain partners

Strategic supply chain partnerships can be a game changer for smaller businesses – particularly when they connect with large or multinational suppliers.

A collaborative relationship with a reputable, global enterprise can offer greater stability to SME owners, helping increase productivity as well as the opportunity for more rapid scaling and growth. Such partnerships also provide access to established markets and distribution channels, as well as valuable operational and technical expertise.

At the same time, however, working with larger supply chain partners can bring new challenges and pressures. Due to their size, smaller enterprises may feel less powerful when it comes to negotiating supplier terms. In some cases, buyer-supplier relationships turn into transactional deals that lack loyalty or trust. Late payments are also a significant problem – and the smaller you are, the less likely you are to be paid on time, which risks cashflow health.

To monitor and manage these relationships, while taking advantage of the opportunities, SME owners must prioritize effective supply chain management. This includes building and maintaining long-term partnerships based on transparency, loyalty and

open communication – allowing both supplier and buyer to achieve their goals.

By improving supply chain performance, SMEs can also boost their reputation amongst potential partners and consumers – delivering the confidence and consistency needed to stand out from competitors, while protecting their brand.

Taking a standards-based approach is the best way to optimize supply chain management and create positive working relationships with larger partners. In fact, some contracts and supply chains are only open to standards-compliant businesses, which makes certification all the more advantageous.

So, what are the key standards that enable SMEs to meet their supply chain goals?

ISO 28000 is the world's foremost supply chain security management standard. Recognized internationally, it can open doors to untapped domestic and international opportunities, simplify trade and help improve market visibility.



Whatever your industry or size, ISO 28000 allows you to establish and implement a security management system (SMS) that's best for your business.

With an appropriate SMS in place, you'll be able to assess risks in your supply chain, and control and mitigate new threats as they emerge.

The credibility and consistency that comes with certification to ISO 28000 gives small businesses the confidence to work with much larger partners, while also providing reassurance that your business has appropriate security measures in place. Further to this, it also frees up SME management teams to focus finite resources in areas of greatest concern.

With increasing pressure for SMEs to drive sustainability performance in their supply chain, it's important to ensure that current and potential partners act in a socially responsible manner.

Establishing and communicating expectations through a supplier code of conduct is a critical step in involving suppliers in your sustainability efforts – as is having a healthy working relationship where all parties collaborate to establish sustainable practices that benefit everyone.

Here, standards such as ISO 44001 and ISO 44002 can help. Both offer valuable guidance on working collaboratively with partners, helping organizations get the most out of working together.

ISO 44001 defines key operational process requirements, while the newer ISO 44002 provides in-depth knowledge and understanding of these requirements to help organizations implement them effectively.

To directly address the sustainability and environmental impact of supply chain partnerships, SMEs can use ISO 14001 to create a framework to benchmark and optimize performance in these areas, while also delivering cost-savings and competitive advantages. Again, good communication leads to closer collaboration, with everyone enjoying the rewards.

Cybersecurity in the supply chain also requires a coordinated effort to reduce risk. Protecting systems and data must be a collaborative effort, with SME owners taking the lead role.

Having an ISO 27001-certified information security management system is increasingly becoming an international pre-requisite; as is the need to work with suppliers who also use the standard.

For a small business, demonstrating your cybersecurity credentials builds trust with customers and stakeholders, opening up more opportunities to work with larger chain partners.

Finally, SMEs have much to gain from working with larger supply chain partners (as do the corporates themselves). Adopting standards for supply chain systems allows small businesses to successfully navigate the challenges, building strong, long-term relationships and delivering significant value through an integrated and collaborative approach.

Summary

- Working with larger supply chain partners offers a significant opportunity for smaller businesses to scale and grow.
- These relationships must be managed carefully to avoid them turning into transactional deals that lack trust and loyalty – especially as SMEs are more vulnerable to changes in circumstances over which they have little control.
- By prioritizing effective supply chain management, SME owners can monitor and manage the potential risks, while building lasting partnerships that drive mutual business success.
- ISO 28000 enables SME owners to establish and implement a security management system to mitigate and control supply chain risk. Using this standard gives small businesses the confidence to work with much larger partners, while also instilling trust from external stakeholders in their reputation.
- Strong supplier-buyer relationships are key to the success of ISO 28000 and other supply chain-related standards. ISO 44001 and ISO 44002 offer valuable guidance on working collaboratively with partners, helping organizations to get the most out of working together.
- Effective cybersecurity controls also build trust and open up opportunities to work with larger partners. Implementing and maintaining an ISO 27001-certified information security management system is vital.
- ISO 14001 can help SMEs to achieve a greener supply chain, delivering cost-saving benefits and competitive advantages to all involved. .

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