



My Supplier, *My Partner*

Knowing who your suppliers are and cultivating strategic partnerships with them can not only ensure seamless operations, but can inspire unique and innovative ideas for your business as well. | BY MARY TERESA BITTI

Paul Simmonds launched Fredericton, NB-based high-end retailer Robert Simmonds Inc. about 12 years ago. Since then, the store has grown by four times, from 1,400 square feet to 5,200 square feet, in order to better cater to the needs of clients via three main divisions: women, men and urban denim. He credits the growth of his operation to the support of his team and the strategic partnerships he has facilitated with suppliers.

He is deliberate in his choice of the word partner when he describes the longstanding relationships he has built with key suppliers. "Business comes down to people and the relationships you build. As an independent retailer, it is critical that you view your suppliers as partners. It has to be a give-and-take relationship on both ends," says Simmonds. "The fact is your suppliers will grow as you grow. When you are both on the same page focused on a mutually beneficial goal--that will lead to new opportunities and the continuity of business."

Investing in partnerships

The benefits of strong supplier relationships are clear: they can help independent businesses weather economic storms and cash flow shortfalls. They can result in better credit terms, cost savings and service. And, perhaps more importantly, feedback from suppliers can lead to innovations and new revenue streams for the retailer. For all these reasons, says Simmonds, it is important to invest the time in building healthy, long term supplier partnerships based on trust. "Profitability and the sustainability of the business go hand in hand with cultivating partnerships with key suppliers."

While on first blush, identifying those key suppliers might seem as simple as following the money. Where are your invoices taking you? Not surprisingly, the bulk of those invoices will lead to product suppliers. And while it is true these vendor partners are the ones driving traffic to your store and making you money in the store, in today's complex business environment, it is important for independent retailers to look more broadly at who is critical to operations when it comes to supplier relationships.

For example, Betsy Thomas, Co-Owner of Bummis, a manu-

facturer/distributor of cloth diapers and accessories with a retail store in Montreal, says one of her most integral suppliers is her accountant. "My accountant is incredibly important to my retail business. She helps clarify my financial statements and will flag where there is a problem. Many independent retailers are way too busy running their businesses to note when there are financial discrepancies and where there might be a better way to do something."

Her accountant recently helped Thomas weigh the pros and cons of discounting stock that was lagging. "I was hesitant, but she pointed out that holding it was costing me way more than clearing it out at a deep discount. She has also helped me create a new management structure based on a wage to revenue analysis," says Thomas. "It's changing how we operate. So far, so good."

Who are your suppliers?

Professional service providers such as accountants and lawyers are typically not viewed as suppliers when, in fact, they should be. "All retailers have a similar group of suppliers," says Bill Hole, Owner/President of Hole's Greenhouses & Gardens in St. Albert, AB. "On the one hand, you have service providers. This includes professional services such as lawyers and accountants and goes beyond to utilities, telephone, Internet service providers and waste management, for example. As an independent retailer you want to ensure you have a good relationship with each of these suppliers to ensure you are benefiting from good pricing and good, consistent, timely service."

Thomas adds landlord to the list of service providers that are critical to independent businesses. "Whether or not your landlord is cooperative can make your business fly or not. Is he or she going to encourage and maybe contribute to funding renovations, protect you, work with you, promote you?" asks Thomas. "When I first met my current landlord, we had a frank discussion. It was important to me that we establish a good and productive relationship. I asked hard questions and encouraged him to do the same. I didn't want to leave any unknowns on the table. I was able to negotiate two months' free rent. He is an important supplier and gives me tips on how to reduce costs."



Another key supplier that is not often viewed in this light by independent businesses is the bank. “Lenders are critically important but many small business owners don’t think of the bank as a supplier partnership,” says Winnipeg-based Ron Pradinuk, President of Journeys Travel & Leisure SuperCentre. “The traditional way of looking at a banker is in fear. Will they give me the money I want? That is wrong thinking. Your banker is your supplier. It is an important mind-shift and one that will help re-shape your relationship.”

City-wide partnerships

Fred Pritchard, Owner of Golda’s Kitchen Inc., a multi-channel retailer, views supplier relationships with an even wider lens. For example, he feels strongly that independent retailers should view the community as a supplier and cultivate a relationship with local councilors. “Get them to know who you are, what you are offering. Everything the City does effects your business: garbage pickup, traffic flow, crime, property taxes, business development, business improvement associations,” says Pritchard. “You don’t contract them but they are important.”

And when it comes to product suppliers, he recommends seeking out like-minded, entrepreneurial partners. “Try and find the suppliers who are serious about doing business with you. Some of the big multinationals don’t have a clue about the exchange rate problem retailers still face today. They don’t get what your needs are, that minimum orders hinder growth. You want someone with a customer-centered focus. Find those people that are entrepreneurial because that’s what you are. When they start coming to you with ideas, you start getting more value from the relationship.”

Getting to that stage with all your key suppliers comes down to a few key steps:

- **Know your business and what you have to offer.** “It’s not about approaching a supplier and saying I want, I want, I want,” says Pritchard. “It’s a reciprocal relationship. It’s approaching them and saying ‘based on my business history here’s what I can offer and then creating terms that benefit you both.”
- **Establish clear objectives**—and make sure your supplier is on the same page.
- **Make it personal.** “I invite suppliers to the store so they can see what we are about,” says Thomas. “I want my suppliers to get to know me so that I convey information to them and they will respect me enough to listen.”
- **Communicate.** “If you are communicating with your suppliers and letting them know as much as you can and keeping them informed they will be more willing and able to react, keep on top of things and work with you because they are aware of the ebbs and flows of your business,” says Hole.
- **Build trust.** “At the core of any long-term relationship is trust,” says Pradinuk. “Every relationship is either spiraling up or down. What makes the spiral move is the degree to which both sides deliver.”

Bottom line: “The independent retailer is almost always a destination and to be a destination you have to innovate and be unique,” says Hole. “Your suppliers can help you be that destination. But you have to work together to achieve this.”

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Are you looking for a supplier for your business? For a comprehensive list of suppliers, from finance and store planning to health and safety and human resources, visit Retail Council of Canada’s Supplier Directory at <http://rcc.officialbuyersguide.net>