

11.8: Building Partner Relationships

Learning OUTCOME

- Explain the value in building strong partner relationships.

Individuals and businesses alike need strong partner relationships to be successful. We have all learned of the benefits of individual connections and networking: information, advice, introductions, referrals and more. This is true in business in general and the retail industry in particular, especially between retailers and suppliers.

First, strong partner relationships between retailers and suppliers are the foundation of an effective supply chain. This topic was covered in an earlier section on SCM, so suffice it to say that mutual planning, commitment and loyalty between the parties are responsible for strong business success for both sides.

Second, even if a retailer and vendor are not participating in a formal SCM arrangement, a strong partnership between the parties will create mutual benefits. For the retailer, having strong vendor partners will ensure they are procuring the right products, delivered on-time and at the best prices. Vendors are also a great source of market information as they are probably working with many retailers in many geographies and channels and hearing lessons learned that can be shared with their closest retail partners.

Strong partner relationships greatly benefit vendors and suppliers as well. As was just mentioned, retailers will share valuable success/failure stories with trusted vendor partners. This provides direction and insights that vendors can use as they are making their own purchase decisions (for raw materials and production time) even further in the future than retailers in many cases. In addition to information, retailers will be more inclined to give trusted vendor partners more complete purchase commitments and estimates for projected activity further in advance.



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You can [view the transcript](#) for “How vendor relationships are important to Learning Express Franchises” [here](#) (opens in new window).

Practice Questions

<https://assessments.lumenlearning.co...sessments/9267>

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