



# 10 REASONS

TO MANAGE SUPPLIER RELATIONSHIPS AND WHAT ARE THE BENEFITS



- 1** Measurement directs behaviour. Most employees consciously or unconsciously operate on the following assumption: "tell me how you measure me, and I will tell you how I will behave."
- 2** Measurement makes performance visible. If it's not being measured, it simply can't be managed
- 3** Measurement focuses attention. When people are faced with so many competing demands on their time and resources, what is measured tends to get their attention particularly when it is linked to reward systems.
- 4** Measurement clarifies expectations. Measures are a primary means by which management can communicate its expectations to employees, in a clear and unambiguous manner.
- 5** Measurement increases objectivity. Measurement is essential to "managing by fact" – otherwise you are left to lead with charm and personality.
- 6** Measurement improves execution. As former Allied Signal CEO and co-author of Execution Larry Bossidy has remarked "when I see companies that don't execute, the chances are that they don't measure."
- 7** Measurement promotes consistency. Unmeasured systems tend to be highly variable systems, with all the negatives for quality that implies.
- 8** Measurement facilitates feedback. Feedback in the form of timely, relevant measures is the basic navigational device of any individual or organisation.
- 9** Measurement improves decision-making. One of the major causes of failure in decision-making is poor or non-existent use of data. One accurate measure can be worth a thousand opinions.
- 10** Management promotes understanding. Quality guru W. Edwards Deming thought that systematic process measurement led to the "profound knowledge" that was essential to top quality outcomes.