Trust Your Supplier

CASE STUDY

A telecoms company's approach to managing change when implementing a new supplier onboarding process

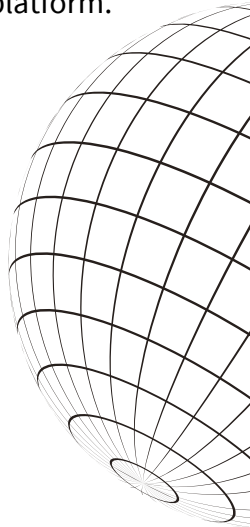# Challenge

Supplier onboarding is a vital process in ensuring procurement, and in some cases, the wider organization has the necessary information to have confidence in working with each supplier and anticipate any risks that could emerge later in the relationship.

However, with a number of stakeholders involved and a variety of data needing to be collected, it can be very time-consuming and bureaucratic – delaying the speed with which a new supplier can begin working with the organization.

That was the case for one telecoms company, which used to have a very fragmented supplier onboarding process, involving checks and questionnaires from a number of different teams, including governance, master data, accounts payable and up to six risk subject matter experts, for each of the hundreds of suppliers onboarded each year.

That meant procurement, or whoever had requested to work with a supplier, would have to spend a lot of time and effort chasing up approvals and the process could last as long as several months – hampering the company's ability to move quickly on to new projects.

Furthermore, with suppliers requested to provide information every two years, this often became out of date, making it more difficult to rely on the data when making decisions.

In order to simplify and speed up the process, the company's procurement digital transformation team turned to Trust Your Supplier (TYS), a blockchain-powered supplier information management solution.

While this would ultimately improve the process by standardizing and aggregating all of the onboarding data in one place, the team knew that successful implementation would require close collaboration with internal stakeholders as well as a concerted change management effort to ensure buy-in from procurement, risk compliance staff, and suppliers.

What is Trust Your Supplier?

Developed by IBM and Chainyard, Trust Your Supplier allows suppliers to create a single, universal profile including key elements of data commonly used as part of the onboarding process, which are pre-verified by TYS and stored in a secure blockchain.

This profile can then be shared with new customers every time a supplier goes through onboarding, either directly if the customer is part of the TYS network or in the form of a digital key for those who are not. That saves both the supplier time in completing a new set of questionnaires each time and the customer time in having to distribute, collect and verify these.

With just one profile to complete, suppliers can keep these updated more regularly than if they were doing individual questionnaires for each customer, ensuring that every one of their clients has up-to-date information.

Procurement teams are also able to use the network to discover new, trusted suppliers and have access to analytics tools to help manage their onboarding and supplier lifecycle processes.

TRADITIONAL SUPPLIER EXPERIENCE
Multiple profiles, portals and submission methods

TRUST YOUR SUPPLIER EXPERIENCE
Single Digital Profile; Supplier Controls Access;
Minimal effort to keep all clients up-to-date

Approach

The digital transformation team needed to navigate a number of obstacles in order to ensure the implementation of TYS could proceed as smoothly as possible. These included:

- Securing a number of approvals from different stakeholders, including management and internal data and information security teams, which are required to sign off on all new digital systems
- Ensuring that relevant internal staff understood, supported, and were properly trained to deal with the change in their workflows
- Explaining the rationale for the changes to suppliers and supporting them in undergoing the TYS onboarding process

The company initially focused on those of its suppliers who were already part of the TYS network and have therefore completed the bulk of the qualification process. The plan is to expand to its remaining suppliers over the following 12 months.

How the telecoms company uses TYS

While TYS addresses a number of supplier information management tasks, including integration with a suite of data analysis and risk management tools, the company's prime focus has been on the supplier qualification process.

Its suppliers who join the network for the first time have to complete two stages of verification:

- One to join the platform itself that covers generic qualification questions, including basic company information and standard questionnaires on areas such as anti-bribery and corruption, business continuity management, data privacy and health & safety
- Another tailored to the company's particular requirements and policies, covering areas such as health and safety, cyber and environmental matters

All of the information collected as part of the process can be accessed through the TYS interface, compared with the company's previous procedure where a number of different people were responsible for their own steps in the process. This means that anybody waiting for a supplier to be qualified can now easily identify what stage in qualification the supplier is at and provide assistance or chase accordingly.

Winning Approval for the TYS Rollout

The company has a complex internal approvals process, as every time a new project is proposed it needs to go through a number of forums including senior managers and, in the case of digital initiatives, the company's data, information security, enterprise architecture, and global process owner teams, to ensure it complies with their data protection requirements and is compatible with their existing systems and processes, respectively.

When making the broader case for TYS, the digital transformation put in the time to educate decision-makers about the nature of the platform, and in particular, to explain how blockchain was used to keep the data secure and accurate – overcoming perceptions that it was only relevant to cryptocurrencies. They also took the time to explain the commercial benefits, including shorter onboarding times to speed up new project implementation and reduced workload for internal teams.

To win approval from the data and information security teams, the digital transformation team provided details of how TYS stores data and how this is used, as well as facilitating calls between these teams and TYS to help them gather further information.

Further, the team worked directly with the enterprise architecture and global process owner teams to ensure the TYS technology would integrate properly with the company's existing systems and processes.

Managing Change Internally

Implementing TYS entailed some change in internal ways of working. The digital transformation team worked with internal stakeholders to determine which steps in the current onboarding process would be eliminated and that the procurement risk team would remain responsible for administering TYS, which is continuing to support product evolution with a focus on using integrations to eliminate manual interactions where possible.

To make the case for TYS and communicate the change in processes to the procurement risk team, the digital transformation team organised a number of training webinars led by TYS. These emphasized the time that would be saved from using TYS to speed up qualification, which would allow staff more time to spend on more strategic work and to have easier access to centralised information about suppliers they were working with.

Managing Change with Suppliers

The new system also requires a change of approach from suppliers. While this would ultimately be simpler as they would only have to deal with one system rather than a variety of teams within the company, and would be able to re-use their profile for other customers, it also puts the onus on the supplier to keep their data up-to-date, rather than waiting to be asked for new information from the company.

It also had the potential to be confusing for those who have already completed the company's existing qualification processes and would not be expecting to be asked to do another soon after, or for those unfamiliar with the technology.

While the first stage of the roll-out has focused on those suppliers already on the TYS network, the digital transformation team has already begun to communicate with those suppliers it will be asked to switch over, emphasizing the benefits of having a single, transferable onboarding profile and the company's perspective that this approach is likely to become the industry standard in the coming years.

Joining TYS is currently free for suppliers, and the process will typically take a few days as long as the supplier has all the necessary information at hand. The level of detail required is similar to the company's previous process but with fewer forms to complete as all of the information is only gathered once, without the duplication that was created by the previous fragmented process.

TYS runs regular training sessions for the company's suppliers to talk them through the features of the platform, plus one-to-one sessions for those suppliers that request them.

Outcome

Results

By taking the time to thoroughly make the case for TYS, educating cross-functional colleagues, procurement members, and suppliers about the platform, and pro-actively communicating the changes it will lead to, the company's digital transformation team has been able to secure support for and smoothly embark on the roll-out of its new supplier onboarding process.

For suppliers who have now been onboarded, the time taken has been reduced from as long as four months to as little as a few days, improving the company's agility as it is able to much more rapidly begin working with new suppliers in support of time-sensitive projects.

At the same time, by reducing the number of steps in the process from six to one and removing the number of people involved, the roll-out has been able to free up significant time that staff previously spent on qualification, allowing them to spend more time working closely with stakeholders in pursuit of strategic initiatives instead.

Months to Days	Six to One	Time
Cycle Time Reduction	Reduction in Steps	Free up time to focus on strategic initiatives