

If, after reading these, you would like to know more, or would like to explore options to improve the way that your supply chain works, then please contact either **Alan Stevenson** or **Rona Sutherland**, of SAOS, to whom you can talk in confidence.

Alternatively, if you are already working collaboratively and would like to shout about it, let us know and we will be pleased to promote you and your partners in our case study series.

Contacts: Alan Stevenson: 07771 935567
Rona Sutherland: 07855 790749
SAOS Head Office: 0131 472 4100
Rural Centre
Ingliston
Newbridge
EH28 8NZ



Collaboration Delivers Real Commercial Benefits

COLLABORATIVE RELATIONSHIPS: BUILDING TRUST

Why collaborate? The question should really be why not? When we talk about collaboration, we simply mean working in partnership. You can be as competitive as you like, but there are always some areas where co-operating with others makes more sense.

We've produced a series of case study examples to illustrate where companies have worked with other partners in their supply chains for mutual benefit. That last bit is key. There has to be something in it for everyone involved, or it is not true collaboration. This doesn't mean that the benefits are necessarily shared equally by all partners, but it does mean that they're shared fairly, recognising the effort that each has contributed.

The series looks at how companies are working together to tackle business issues for mutual success. However, it's not easy to start collaborating with others if you are operating in a supply chain where there is very little trust and openness.

No collaborative processes will work, unless you can develop relationships based on trust, so we've also tried to include good practice examples of what other companies have done to develop the right sort of relationships and ensure the benefits are shared with everyone.

CASE STUDIES

For any partnership to be successful, it is important that it is based on trust, shared goals and mutual understanding. These don't come instantly. You and your partners need to prove to each other, over time, that: you do deliver on your promises; you are committed to a long term, sustainable relationship and will not sell each other out for short term gain; you are willing to share information of mutual interest, and are working towards the same shared goals (i.e. ultimately satisfying the consumer)

Many partnerships start off by tackling one shared issue and if that joint working is successful for both/all parties, the collaborative relationship starts to develop.

LambLink is a unique **ASDA/Welsh Country Foods (WCF)** scheme, that has changed the whole approach to marketing lamb. The scheme promotes collaborative working relationships via a quality based pricing mechanism, that helps reconnect farmers with their customers, encouraging them to supply lambs that meet the demands of today's consumers and providing support and information. LambLink tries to get as close to its farmer suppliers as possible, to make sure they know and understand what the requirements are and communicates through several channels, such as newsletters, producer meetings, factory visits, etc. The relationship the LambLink team of fieldsmen have with the producers helps build up trust between WCF and farmer suppliers and maintaining relationships with farmers is seen as a key aspect of the LambLink scheme.



“When dealing with farmers, it is important to be consistent with regard to carcase classification, pay on time and pay promptly. Although we don't ask any farmer to sign a contract, we believe that we offer an extremely attractive and competitive package for our producers.”

Trevor Hanger, (Welsh Country Foods)

Scottish Organic Milk Producers has a considerable regard for 'organics' that is shared with **Graham's Dairies**, which has assisted them in capitalising on opportunities in the marketplace. The significant amount of trust which has developed between them has been achieved through having regular discussions on various subjects and sharing information that benefits both. The high level of trust and commitment has meant that there is an increased transparency in the relationship between the two companies. This in turn has allowed free and open discussion to take place on topics such as new product development and potential new markets.



“We have been able to discuss issues with SOMP of a confidential nature concerning new business opportunities from a very early stage as I know I can rely on their discretion”.

Robert Graham (Graham's Dairies)

Highland Grain and its farmer members have an open transfer of information with **Edrington**, to the point of being pro-active when informing each other about issues. If, for instance, a store of malting barley suffers from an insect infestation, Highland Grain will inform Edrington, and although this has been difficult to do at the time, has meant that Highland Grain are now a trusted and preferred supplier to the Tamdhu malting. Everyone from the farmer to the employees working at Highland Grain has a complete understanding of what they do, how it impacts upon the quality of barley and the impact on the maltings. The relationship is forward looking, there is an open book policy concerning information, problems are highlighted and solutions sought, with planning playing a key role. The result is that each party trusts the other and this helps improve margins, add value and manage risk.



Coldwater Shellfish does not have any formal agreement with the boats that supply it, relying instead on the relationships that have been built up over time to maintain the level of supply - an arrangement not unusual in the fishing industry. At the heart of the relationship is the amount of trust that has been engendered and 'my word is my bond' has become the basis of their collaborative relationship. To underpin the relationships Coldwater endeavours to ensure that it buys its fish from the fisherman as soon as the catch is landed, that the fishermen are paid the proper market price and paid promptly.