

## **Why should you use a single source supply strategy for your fabrication needs?**

Managing supply chains can be tricky at the best of times, couple that with multiple vendors and it becomes an increasingly challenging task.

Some businesses may have specific large procurement departments to manage multiple vendors, but what about those that have a small department or manage it solely?

Ensuring consistency and setting realistic objectives is key to the commercial success of the business.

Within a competitive landscape, managing sales, protecting profit margins and streamlining processes becomes paramount to a Purchasing Manager's decision making.

### **So what are the benefits to a Purchasing Manager of using a single vendor?**

Here we discuss the ten reasons why a single source supply strategy is crucial for a business that outsources its fabrication requirements:

#### **1. Economies of scale and leveraged buyer power**

Buyers have greater influence and buying power with one vendor and can leverage economies of scale.

#### **2. Increased visibility and monitor spend control**

One vendor that supporting an integral part of the supply chain process provides a greater degree of visibility and transparency of spend across various product categories.

#### **3. Maintain compliance according to objectives**

Through greater visibility comes tighter compliance, thus minimising the risks of ad hoc spending. This is also beneficial as a good benchmark exercise for reporting as it cuts out too many variables.

#### **4. Reduce costs through minimising hidden costs**

Managing multiple vendors can be like spinning plates all at once, and keeping them synchronised can be very challenging. A vendor that can supply all requirements from laser cutting, metal forming to weld assemblies is much more beneficial, as not only are the costs reduced through economies of scale, but likewise the hidden costs such as time and internal resources required to manage multiple accounts.

#### **5. Increase efficiencies across departments**

The Procurement department benefits from a single source strategy and so do Accounts as they will only have one vendor invoice to process. Thus freeing up time for departments to focus on other key areas.

#### **6. Build long term relationships**

Having one point of contact gives an enhanced personal customer experience with the customer and supplier relationship becoming more of a partnership. Fostering good relationships is important as vendors will be more willing to support customers in times of crisis.

7. One delivery source

Managing multiple vendors and receiving goods from differing sources can be a nightmare for despatch teams to co-ordinate alongside identifying a suitable strategy to hold the right amount of stock. An advantage of a single vendor is not having to manage multiple deliveries and having a steady supply of products.

8. Reduce number of invoices to process

Similar to point 5, the number of invoices are significantly reduced which takes the pressure off accounts departments.

9. One central point of contact

Having a dedicated point of contact is vital for buyers to understand progress of their order and any other queries they may have. If there are multiple vendors then this becomes difficult to manage when issues arise.

10. Better access to supply chain for other stakeholders in the business

If a business has various departments in different locations then a centralised source of information and a reliable vendor with multi-faceted capabilities becomes paramount. It not only provides greater accessibility of information but again greater visibility across the supply chain.

### **How can we help?**

At Grenville Engineering, customer centric fabrication solutions are at the heart of what we do. We collaborate with our customers ensuring that we produce the most cost effective solution without compromising on quality. We have a combined experience of over 100 years within the industry, which is invaluable for our customers.

A Complete Fabrication Solution is what Grenville Engineering offers in laser cutting, punching, metal forming, machining, MIG/TIG welding, assemblies, finishing and stock management.

Grenville is committed to providing outstanding customer service and technical expertise to its diverse range of customers from concept to delivery.

Grenville Engineering will be exhibiting their fabrication offering at Subcon, the premier subcontract manufacturing exhibition. The show takes place at the NEC on 4<sup>th</sup> - 6<sup>th</sup> June 2019 and their stand number is F20.