

# A word from the experts

## Supplier Management Audit Program

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Implementing a supplier management audit program can be challenging in a service organization. I think in a manufacturing setting it is much easier because you typically focus on your key suppliers of raw material and perform “just for cause” audits when you have a supplier issue. Some companies will use a paper-based approach and complete SCARs (Supplier Corrective Action Reports) instead of an audit.

How do you build a meaningful and sustainable supplier management audit program in a service environment?

I think the starting point is Leadership support and approval. This includes a budget for travel and time for execution and follow up for supplier audits. In the last year we have really increased our focus in this area. We took a different approach in the selection of suppliers and we solicited feedback from our stakeholders including Supply Chain and internal operations on which suppliers should be audited and from there we built our list. We also took a very collaborative approach with our suppliers. We issued findings, but we provided our feedback from our customers’ perspective when it came time for the solutions discussion. We also created some mini project teams with our suppliers to work on cross-company issues. The supplier audit was not just focused on issues with the supplier but opportunities on what our business could do to make the processes better for our customers and employees.

A debate I often see is should we process a SCAR or conduct a “just for cause” audit? Personally, I like to perform a site audit because it helps you understand the suppliers’ operations and making the connections that help go along way when you have to solve a problem together.

In 2020, our goal is to increase the number of supplier audits because we have seen the significant impact it can have on taking a proactive approach to risk management within the supply chain.

If you have any questions, please feel free to contact me at [kelly.huckabone@thermofisher.com](mailto:kelly.huckabone@thermofisher.com)