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Exploring the Supply Chain Discourse Community: How Professionals Can Streamline Negotiation Communication in Uncertain Times

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EXECUTIVE SUMMARY

This report directs prospective supply chain professionals toward key resources that will allow them to engage with the supply chain discourse community. Having a strong understanding of the profession and its strategies will equip supply chain professionals with skills needed to navigate challenging situations, such as negotiation with suppliers during times of uncertainty.

Resources for Supply Chain Professionals

The first section of this report highlights a trade journal resource and a professional organization produced by reputable sources.

Supply Chain Quarterly is a trade journal published by the Council of Supply Chain Management Professionals (CSCMP). It provides CSCMP's members and candidates with a wide range of content. This includes general professional advice as well as articles on latest developments within the profession that supply chain professionals can apply to their work.

Association for Supply Chain Management (ASCM) is a global organizational leader in supply chain management. Members connect through local chapter meetings and annual conferences to challenge and strengthen their strategic goals. The organization provides members access to their national blog, exclusive news, coursework, events, and opportunities to grow their network and advance their careers.

Communication Challenge: Negotiation Strategy During Uncertain Times

The second section of this report analyzes the challenge of negotiation between supply chain professionals and their business vendors and suppliers. When external factors create unpredictable demand patterns, agreeing on negotiation terms becomes complex and could consequently disrupt business strategy. Negotiation must align the goals of the buyer and supplier, as it impacts the entire supply chain matrix.

Solution 1: Continuous Conversations Identifying Risk

When faced with this challenge, supply chain professionals should hold continuous meetings in frequent intervals to identify gaps that contribute to misalignment and risk during uncertain times. Without clarification of information, suppliers and buyers will have varying expectations due to their perception of risk. By implementing thorough conversations about risk in more frequent face-to-face meetings, this avoids uncomfortable conversations in the final hour.

Solution 2: Strategic Emails for Documentation

Professionals must also be prepared to carefully document negotiation terms in writing, rather than verbal agreements. Crafting a strategic email will improve their reputation as a strong and attentive buyer, help articulate ideas clearly, avoid unnecessary deliberation, and execute goals. Following an interaction, professionals should include detailed summaries of discussion points, documented agreements, and next steps in their email to the supplier.

INTRODUCTION

The purpose of this report is to describe and analyze the discourse community of supply chain professionals. It is important for a novice to understand the supply chain industry to successfully execute strategies. This report analyzes essential resources for professionals in this area of expertise, as well as a key communication challenge of this field- negotiation amongst professionals and their vendor partners. It synthesizes research from trade journals, popular magazines, news articles, job postings, ASCM's website, and an interview with an experienced supply chain professional. With this report, a novice would be equipped to understand their discourse community, and how to solve the communication challenges that come along with it.

RESOURCES FOR SUPPLY CHAIN PROFESSIONALS

***Supply Chain Quarterly* Trade Journal**

Supply Chain Quarterly is a heavily relied upon trade journal for professionals in varying supply chain business functions. The site is owned by The Council of Supply Chain Management Professionals (CSCMP), and is therefore readily available to professionals, experts, professors, and novices of the supply chain field ranging from procurement to manufacturing to logistics.

The primary authors for *Supply Chain Quarterly* can be found on the home page, where each staff writer is listed along with their biography and experience. For example, James A. Cooke is a supply chain software analyst who was previously the editor of CSCMP's *Supply Chain Quarterly* and a staff writer for *DC Velocity* (<https://www.supplychainquarterly.com>). This proves to the readers Cooke is a trusted expert of supply chain due to his experience. A second example is Mary Collins Holcomb. Holcomb is an associate professor at the University of Tennessee, who has been teaching supply chain to undergraduate and graduate students (<https://www.supplychainquarterly.com>). Her experience shows her dedication to informing individuals on the supply chain industry.

Supply Chain Quarterly uses evidence from interviews, roundtables, and corporate efforts to support their point of view. For example, a *Supply Chain Quarterly* article surveyed 462 procurement decision makers at companies with 1,000 or more employees around the world. By including the data from this report, the article was strongly supported by details emphasizing increased global collaboration results ("Report: Collaboration can help minimize supply chain disruption," 2022). *Supply Chain Quarterly* uses credible reports for strong evidence.

The content within this trade journal is specifically for experts and professionals on these topics due to the specific terminology and jargon such as "bottleneck," "upstream" and "cost analysis" used on the menu page (<https://www.supplychainquarterly.com>). The source has linked their magazine, podcasts, and newsletter subscriptions as well as "featured stories," which are easily accessible and give updates on national and global supply chain news.

This trade journal is a key resource as it gives popular and expert news within the industry. The journal offers a variety of articles covering workplace communication, supply chain strategy, and

external factors that affect business. Professionals can apply their learnings in daily meetings because being knowledgeable of trends will keep them better informed. A *Supply Chain Quarterly* article discusses new hiring efforts in the industry stating, “83 percent of the largest global organizations plan to improve representation of women in leadership, and 38 percent have incorporated formal targets on management scorecards” (“Research finds more women in supply chain leadership roles,” 2022). *Supply Chain Quarterly* gives relevant industry updates for professionals to stay knowledgeable.

Association for Supply Chain Management Professional Organization

Association for Supply Chain Management (ASCM) is a professional organization that gives access to exclusive resources and the largest network of supply chain professionals. Memberships are accessible to anyone whether they are starting their first supply chain role, leading a cross-functional team of executives, or planning for retirement. Over 45,000 supply chain professionals use ASCM to expand their knowledge, skills, and career opportunities (ASCM, n.d.).

ASCM offers its members premium content into the world of supply chain. This includes unlimited access to articles on the ASCM Insights blog, live and on-demand webinars by industry experts, access to the American Production and Inventory Control Society (APICS) Dictionary, annual research and DEI reports, the supply chain salary calculator, as well as an exclusive look at annual top ten supply chain trends (ASCM, n.d.).

ASCM also supports its members through numerous benefits, including exclusive savings on all certification and preparation exams, savings on the ASCM Connect annual conference, and discounts on all Foundations of Supply Chain Management courses (ASCM, n.d.). These tools allow professionals to explore their current interests, as well as expand their knowledge base to make better informed decisions.

Besides news updates and benefits, this organization provides continued education through unlimited access to mini courses on hot topics in the ASCM Connect community, as well as webinars developed and led by industry experts. For professional development, members get early access to positions on ASCM job board and participation in job fairs. To support networking efforts, ASCM offers interactive discussion groups featuring topics such as women in supply chain, global supply chain management, and career paths (ASCM, n.d.). Volunteering and mentoring opportunities are also popular ways to get involved.

The organization has local chapters throughout the United States that are designed for professionals to participate locally. On a broader scale, the national conference offered is the ASCM Connect annual conference, where members can participate virtually and in-person. The conference welcomes members to hear renowned keynote speakers, applaud success stories at the ASCM Awards of Excellence ceremony, engage in 48 different educational sessions, explore new technology at Innovation Labs, and network with solution providers. Attendance earns

members a significant amount of “maintenance points” toward their APICS certification (ASCM, n.d.).

Through this professional organization, the vast variety of opportunities and benefits support the growth of professionals no matter their career status. It heavily emphasizes the value of networking and engaging with professionals that challenge and strengthen one’s perspective. Connecting with fellow experts allows for the growth and transformation within the global supply chain system.

NEGOTIATION CHALLENGE AND SOLUTIONS

Challenge Overview: Negotiation Communication to Align Goals

The main situation in which miscommunication arises in supply chain is negotiation. Professionals work to align the goals of the buyer and supplier. This ultimately impacts the strategy of the entire supply chain. As described by the LinkedIn Job Description at Target, the inventory analyst position means applying specialized and well-informed point of view to what is bought, from whom, how much, and where it needs to go. Analysts must use the right combination of data and expertise to achieve the best possible product availability, shipment, and delivery to stores through proper negotiation tactics (Target, 2022).

Negotiation with Vendor Partners

Supply chain professionals focus the majority of their negotiation efforts with suppliers and vendors. Each negotiation will look different depending on the status of the connection. The majority of suppliers used within the industry are located overseas, which creates a communication barrier due to language, time zone, external factors and differing public policy. As explained by Taryn Levins, a senior buyer at Target, “my negotiation and relationship that I build with Apple, for example, will look different than my negotiation with an internal partnership such as Cat Jack. Depending on the dynamic and characteristics of certain vendors, I have to shift my negotiation approach” (Levins, personal communication, September 27, 2022).

One task that supply chain professionals are familiar with is creating a vendor matrix. This specific task uses negotiation to determine which suppliers are suitable for reasons such as public policy or current events. Levins emphasized that a large portion of her communication is voicing her judgements (Levins, personal communication, September 27, 2022). When communicating these matters, negotiation is often difficult to navigate in the increasingly digital world with suppliers across the globe.

Consequences of Negotiation Miscommunication

When professionals fail to strategically communicate with suppliers, there becomes consequences that affect both sides of the relationship, as well as the supply chain matrix as a whole. As reported in the *Star Tribune* newspaper, “Minneapolis-based Target Corp. said it will slash prices and cancel vendor orders. The aggressive actions are a signal of just how difficult it has been for retailers to adjust to swings in consumer behavior” (Norfeet, 2022). Negotiation becomes most strained when unprompted fluctuations shock the company.

According to *Supply Chain Quarterly*, a lack of negotiation collaboration impedes individuals and organizations from realizing the greater value of the supplier relationship (Report: Collaboration can, 2022). An unstable negotiation agreement creates instability throughout the rest of the supply chain. In past experiences, Levins has been burned by accepting verbal promises rather than written agreements. (Levins, personal communication, September 27, 2022). Clear communication and written documentation between buyers and suppliers are extremely important to a company's strategy as external factors fluctuate.

Solution 1: Continuous Conversations Identifying Risk

In order for professionals to successfully navigate negotiation with suppliers, continuous updates and conversations of risk are essential. According to a *Harvard Business Review* article, buyers and suppliers should communicate their perception of each other to identify gaps that contribute to misalignment and distrust (Ledlow et al., 2022). As said by ASCM Rebound Podcast host Abe Eshkenazi (2021), "It's vital for global brands and their suppliers to collaborate on day-to-day operations, as it helps everyone mitigate and identify planned and unplanned risks" (Eshkenazi & Trebilcock, 2021).

Professionals can increase collaboration through agreement on strategic intent and clarity of expectations. Levins has found that sticking to the facts avoids indecisiveness. By being upfront with suppliers there is no surprise when a transition occurs (Levins, personal communication, September 27, 2022). Without clarification of information, suppliers and buyers will have varying expectations due to their perception of risk.

With a virtual format, professionals should schedule frequent face-to-face sessions, rather than a singular, daunting meeting once a month. According to a *Supply Chain Digital* article, having direct and concise conversations with suppliers monitors confusion and ensures both parties are clear on their commitments (Dean, 2022). *Journal of Supply Chain Management* writes that by implementing thorough conversations about risk in weekly and monthly meetings, this avoids uncomfortable conversations in the final hour (Carnovale et al., 2018, p. 5). Continuous conversations allow professionals to identify areas of risk.

Solution 2: Strategic Emails for Documentation

While professionals can increase their collaboration efforts to mitigate risk, the most strategic component for successful negotiation is email. As explained by Levins, the use of email is often more valued than virtual meetings, as negotiation terms are easier to leverage when in writing by both the supplier and buyer (Levins, personal communication, September 27, 2022). Emails should be strategically used for written documentation.

This solution allows companies to improve relationships with suppliers through a faster, more responsive system of collaboration. Agreeing on terms is a strategic situation and must be carefully documented in writing, rather than a verbal agreement. Verbal agreements between the buyer and seller are as binding as written agreements but it may be more difficult to prove the

essential facts of a verbal agreement. According to a *Harvard Business Review* article, it could also be easy to misinterpret something in this setting, so professionals should email detailed summaries of what was discussed to the supplier and to their own team to document the agreements, answer questions, and outline next steps (Stein, 2022).

Crafting a strategic email will improve the company reputation as a strong and thoughtful buyer, help articulate ideas clearly, avoid unnecessary back-and-forth, and execute goals (Stein, 2022). Leveraging all discussion points, agreement terms, and strategic plans are outlined most clearly with the use of email.

CONCLUSION

The supply chain management industry has come to the forefront of most businesses in recent years. Supply chain professionals are continuously searching for ways to enhance their business functions and negotiate optimal solutions. In order to stay relevant with the current position of shifting consumer behavior and global external factors, professionals join Association for Supply Chain Management and read *Supply Chain Quarterly*. With these sources, professionals are equipped to make strategic decisions in negotiation with suppliers during uncertain times.

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