

## Supplier Ownership

What is Supplier Ownership?



Supplier Ownership is when both the customer and supplier commit to more collaborative and proactive management of social responsibility in the supply chain. Unfortunately, many suppliers fail to see the potential business value of investing in such a program and most customers rarely provide the business the incentive or justification beyond 'it is the right thing to do.' ***This needs to change.***

### The reactive model



Customers often bypass their suppliers / vendors by going directly to the factories they source from and auditing them. Vendors tend to wait for the audits and then react to any non-compliance issues found. ***This needs to change.***

### The disconnect

Retailers don't trust vendors to effectively manage and commit to this process and vendors don't believe retailers understand the real costs of building a proactive program. Even when retailers invest, vendors expect they will still ask for lower prices, and/or reduce their orders and/or bypass them and go direct to the factory. Vendors do not believe customers respect their need for profit. ***This needs to change.***

Vendors see customer audit programs and social compliance as less important than price, quality and on-time delivery and prioritize accordingly. Customers tend to reinforce this through lower weighting on the scorecard, few social compliance chargebacks and numerous supply chain penalties and a willingness to turn a blind eye to non-transparency. ***This needs to change.***

### The proactive model



Supplier ownership is when retailers define, implement and manage programs that encourage suppliers to invest in being proactive, respect the investments, and give those suppliers time to make the transition.

Suppliers, typically vendors, commit to transparency, managing their own audit program using proactive communication with both their customers and factories and investment in managing risk and improving factory performance.

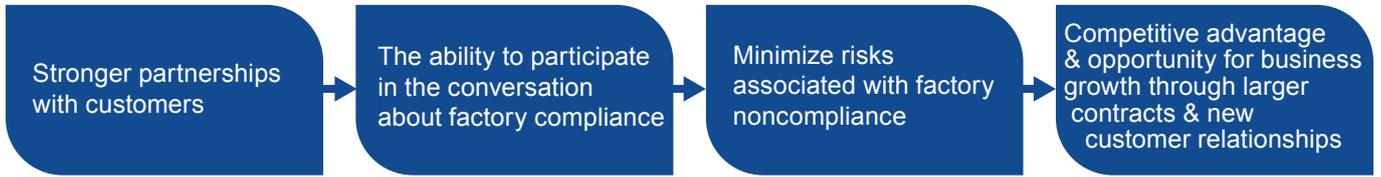
### A way forward

We work with brands and retailers to develop strategies to support and recognize supplier performance. We also work directly with suppliers to build out effective responsible sourcing programs to help improve their relationship with customers, which will successfully differentiate them from their peers.

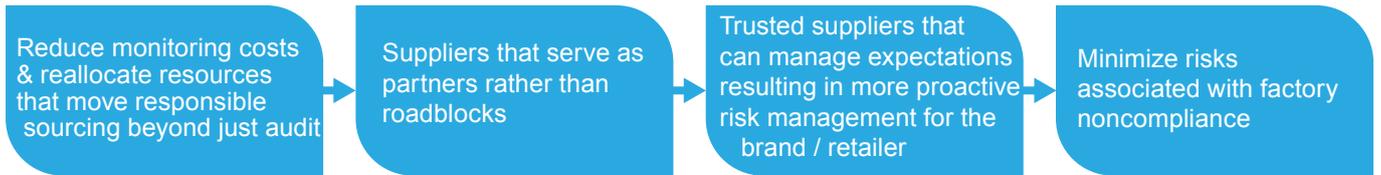
**Benefits of Supplier Ownership**

The impact of a successful Supplier Ownership program are significant:

**Supplier Benefits**

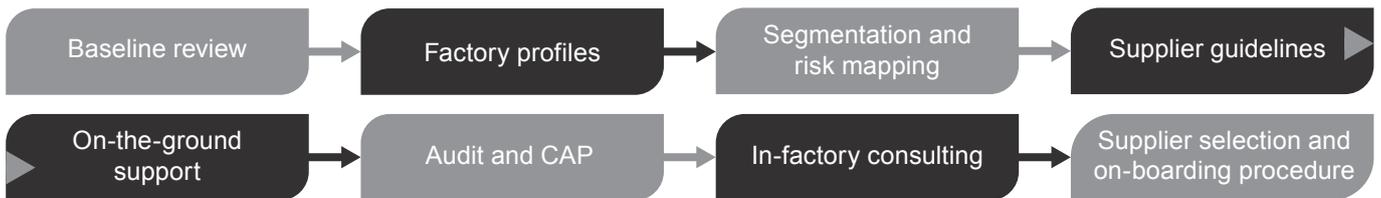


**Brand / Retailer Benefits**



**Supplier Ownership services for suppliers**

ELEVATE can support both retailer and supplier development and strengthen the supplier ownership value chain. ELEVATE can help retailers/customers develop the program, guidelines, policies and graduation path for a supplier ownership program, as well as working with vendors to develop all of the links in the value chain below.



**About ELEVATE**

ELEVATE is the leading business risk and sustainability solutions provider. We deliver improved organizational performance through sustainability and supply chain assessment, consulting, program management and comprehensive analytics.

