

QUESTION

Dear *Roast* magazine,

MY COMPANY is proud to offer quality coffee to our clients and, in an effort to maintain profitability and service them better, we are looking at expanding our product list. Do you have some pointers as to how to develop and maintain a quality, dependable supply chain with minimal costs? Also, how might we get the most from our current client relationships?



THE EXPERT ANSWERS

YOU ARE WISE to realize that a solid, efficient supply chain and a broad range of products could mean the difference between survival and failure. The specialty coffee business is heavily dependent upon relationships, and nowhere is that more important than in the choice of coffee served in a café. As that relationship grows, your customers will increasingly look to you as a source for additional ideas and products. Being able to supply both helps ensure a growing, profitable relationship with your customers. And having reliable, trusted suppliers is a low cost way to ensure the integrity of your supply chain. Growing that relationship, however, involves added responsibility and financial investment.

A WELL-MANAGED SUPPLY CHAIN

A well-managed supply chain will help you service your customers better while keeping your own costs at a minimum.

- 1 Know your customers and communicate often. If you know what is and isn't working well in terms of their sales, you are less likely to be caught off guard when it comes to product orders and requests for new items.
- 2 Understand the industry and trends. What are the new items that your customers are asking for? What are the reliable core products that they need every day besides coffee? Being responsive to consumer demand also can highlight areas of new business.
- 3 Analyze your own data. Know what is and isn't working with your own inventory. Which products generate the

majority (75 to 80 percent) of your sales revenue? Take a critical look at optimizing your own supply chain and address any areas that don't perform regularly at optimal levels.

- 4 Take a look at your business partners. How responsive are your suppliers? Are they interested in building a relationship with you? Will they support you as you grow? Be sure to discuss what you might need from your suppliers and consider switching vendors if they cannot address your business needs. This may include quick turnaround times on orders; smaller, more frequent shipments; as well as new, unusual products that you can introduce to your customers.

TAKING A CLOSER LOOK AT YOUR VENDORS

Sometimes being the best supplier for your clients means taking a closer look at your own vendors.

- 1 Rate your vendors' performance in the following categories: cost, quality, delivery and flexibility. You want to maintain business relationships only if each of these are being met to your satisfaction.
- 2 Next, overlay that assessment with these equally important values: service, dependability and innovativeness. Again, your current vendors should offer these added-value items.
- 3 Make sure your suppliers can easily increase output if the demand for a product grows, and that they can handle seasonal changes.

BB The | Bag | Broker

flexible packaging from the source

- Quality packing materials from Taiwan to your door in the USA
- We take care of all import issues
- Guaranteed Savings
- English-speaking sales department

- Quad Bags
- Standard Foil Gusseted Bags
- Roll Stock
- Quad Bags with Zipper
- Standing Zipper Pouches
- Flat Zipper Pouches
- Cardboard Boxes



Tel: 886 3 482 0445 Fax: 886 3 482 0556
www.thebagbroker.com email: bags@thebagbroker.com

- 4 Last but not least, it is key that each of your suppliers have a commitment to quality.

QUESTIONS YOU MIGHT ASK

As you look to expand your product offering, I suggest starting with a simple interview as you talk with your suppliers. Here are some questions you might ask:

- 1 Is the manufacturer (of a particular product) established with a sound background and solid reputation?
- 2 Is this a company that others (and you) can trust? Can they provide you with customer references?
- 3 Do they have established quality control programs in place? If so, can they walk you through the basics? Do they have internal quality expectations? Have they had any recalls?
- 4 How do they ensure that all regulatory guidelines are met?
- 5 Do they use ingredients that are regularly tested for quality and are easily traced back to their origins?
- 6 Do your suppliers contract manufacture their goods; what control do they have over the entire production process?
- 7 Is the manufacturer a good match for your business? Just like any relationship, it's key that you understand one another, your needs and limitations.

Quality is king. And quality in a trusted supply chain is vital for you and for your customers. Just as you rely on your vendors, your customers rely on you for an array of quality products, innovative ideas, and dependable deliveries. Working closely with your vendors and knowing more about their capabilities can help ensure that you exceed your customers' expectations.

I think you'll find the manufacturers that can suitably answer the questions above will also be good business partners that can help you manage your supply chain and help your business maintain its profitability.

—Michael Szyliowicz



ABOUT THE EXPERT

MICHAEL SZYLIOVICZ is CEO and chocolatier for Mont Blanc Gourmet in Denver, Colo. He has been in the specialty coffee industry for 20 years as a café owner and manufacturer. Relying on innovation to create new products and supply customers, his company has made the Inc. 500 list three times. Visit his blog at www.montblancgourmet.com/blog.

Missing an issue from 2004 or 2005?
 Order a *Roast* magazine digital reprint.



ALL THE ISSUES FROM 2004 AND 2005 ARE NOW AVAILABLE ON THESE COLLECTOR'S EDITION CDS. CDS ARE \$25 EACH. SHIPPING NOT INCLUDED. TO ORDER, VISIT US ONLINE AT WWW.ROASTMAGAZINE.COM OR CALL US AT 503.282.2399

Innovation

AT YOUR SERVICE

WWW.SERVICEIDEAS.COM
 800-328-4493

PICTURED: RRA6C + ECA22S