

Customer/Supplier – The Shift In Dynamic

Where once the onus was on suppliers to invest in the customer relationship and try to build loyalty, that's been completely turned on its head and it's now customers having to do most of the hard work, says David Thornton, Chairman of The Window Company (Contracts).

Over the past year, we all know there's been a fairly radical shift in the supply chain dynamic – and not just when it comes to demand, supply and labour, writes David Thornton.

One of the most interesting changes that's taken place is in the relationship between the supplier and the customer. Where once the onus was on suppliers to invest in the relationship and try to build customer loyalty, that's been completely turned on its head and it's now customers having to do most of the hard work.

Customers competing

I've been in this industry for decades and I've never known a situation like we are in now where customers at various points in the supply chain are having to compete with one another to get hold of stock. Understandably, there's allocation going on at every level – from raw materials and profiles to hardware, glass and finished frames, yet the decisions about who is getting that allocation seems to come down to relationships as much as it does to buying power.

Supplying the profitable

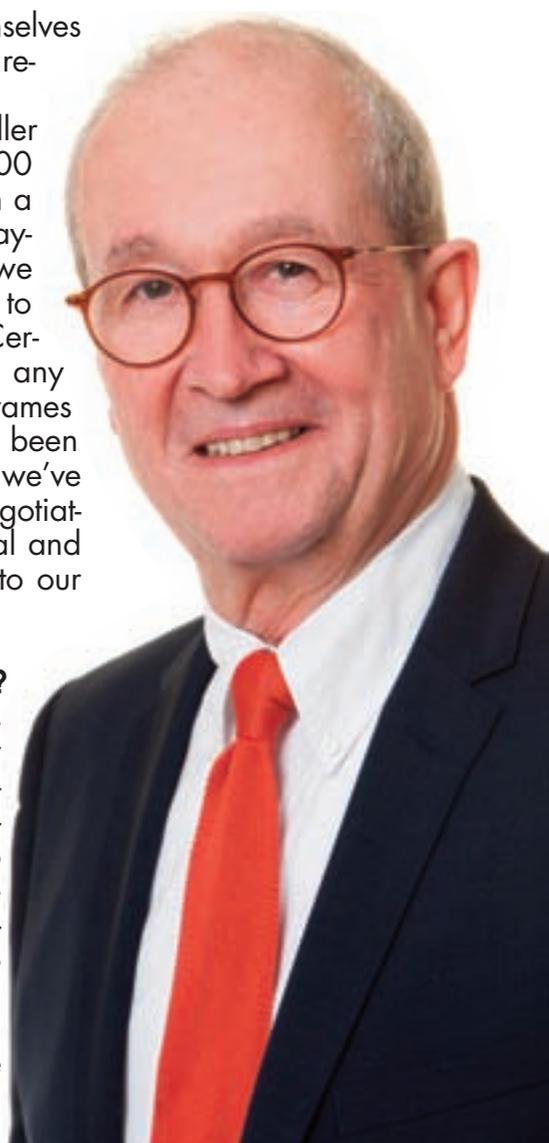
I'm regularly hearing of component suppliers and fabricators shedding customers as they prioritise those who are easiest or most profitable to deal with and certainly I know plenty of

installers have found themselves almost without stock as a result.

As a commercial installer buying upwards of 500 frames per week and with a track record for always paying our bills promptly, we would consider ourselves to be a 'good customer'. Certainly, we've never had any problems getting hold of frames before but this year that's been as much down to the time we've spent visiting suppliers, negotiating on deadlines and dual and triple sourcing, as it has to our ability to pay.

Is this a permanent shift?

I'm not sure how long this situation will continue or whether it represents a permanent shift in how the supplier/customer relationship works but if it does, where does it leave the smaller installers in this industry who don't have time to invest in keeping their suppliers on side and who don't have the resources or buying power that we do? 



Picture: David Thornton (above) and getting the coffee for David Green from BDC Aluminium.

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