

Building deep supplier relationships

[Life, Relationships](#)



Toyota and Honda have been able to establish close cooperative relationships with suppliers by following six individual steps. Toyota and Honda understand how their suppliers work. They turn supplier rivalry into opportunity. The companies supervise their vendors to ensure their specific needs are met. Furthermore, they develop their suppliers technical capabilities by investing in the company, but making it back exponentially in the long run. Also, Toyota and Honda share information.

However, they do this both intensively but selectively to maximize the benefits of sharing information, but keeping important information in house that they don't want to leak. Finally, the two companies conduct joint improvement undertakings, which leads to common goals for both themselves and the suppliers. The U. S. " Big Three" automakers have not been similarly successful in building close relationships with suppliers as they have a much more adversarial relationship with their suppliers compared to Toyota and Honda.

The Big Three don't develop a level of trust with their suppliers, which makes good relationships increasingly difficult. The Big Three are very confrontational, using technology to create bidding wars. One could say that the Big Three are " at war" with their suppliers. U. S. suppliers may still have concerns regarding some of the efforts of the Japanese manufactures. First of all, these suppliers still value the business of the Big Three, even if they are more hostile to deal with.

Working with the Japanese could put the supplier's other relationships in jeopardy. Also, the suppliers may not fully trust Honda and Toyota, which makes it difficult building closer relationships. The companies demand a lot

from their suppliers. Their expectations are really high. Because of this, there is an expectation of the suppliers to perform at a very high level, one that may be hard to achieve on a consistent basis. One successful U. S. manufacturing firm has been Apple Inc.

Apple has relationships with many different suppliers. These relationships are very secretive. Apple, like Honda and Toyota, demands a lot from its suppliers, and treats them well in return. Apple's mandate for secrecy puts great pressure on its suppliers not to have any leaks in the company. Like Honda and Toyota, Apple uses rivalry as opportunity, shares information, and supervises their suppliers to make sure their products are being manufactured exactly to their specifications.