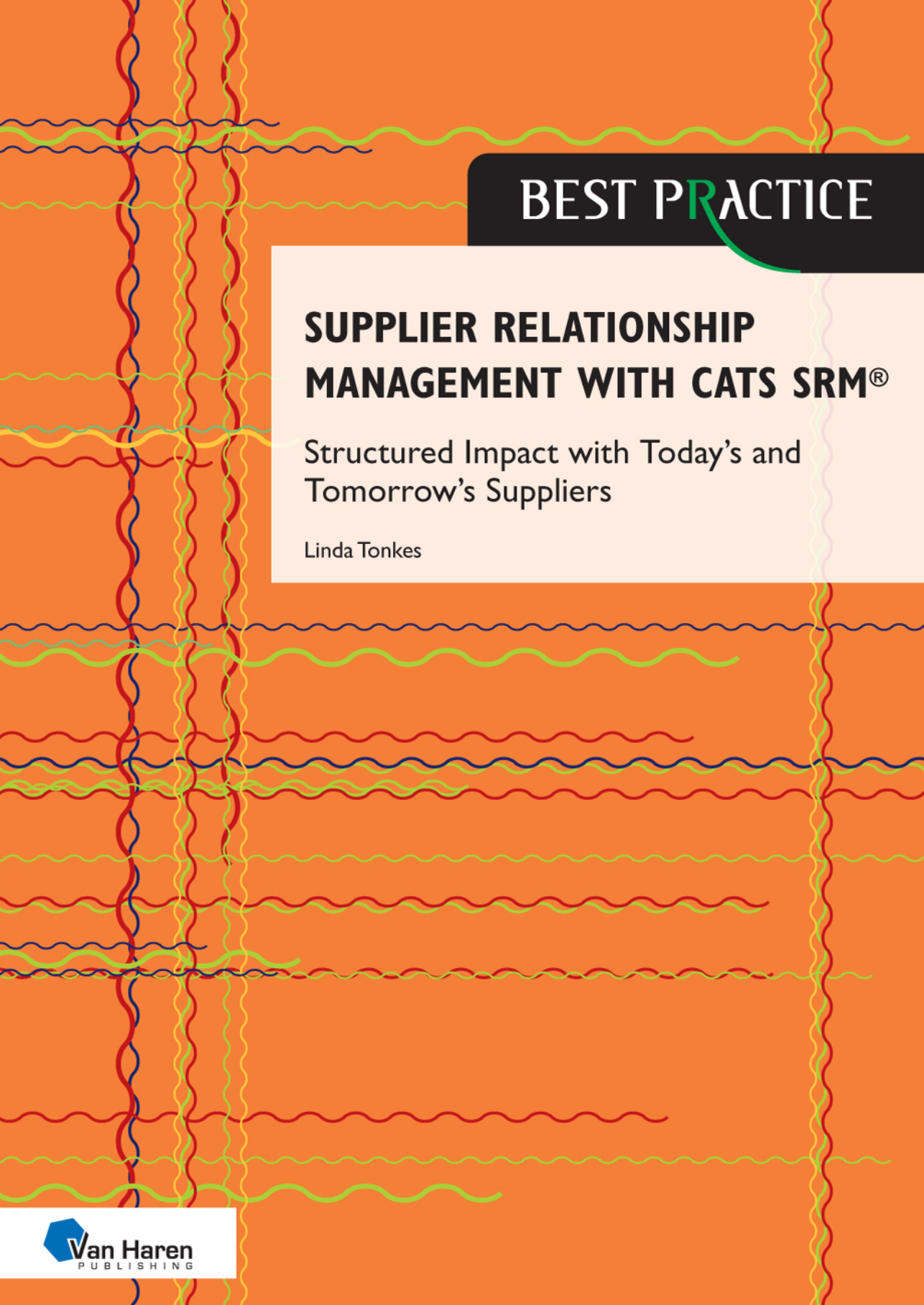




BEST PRACTICE

**SUPPLIER RELATIONSHIP
MANAGEMENT WITH CATS SRM®**

Structured Impact with Today's and
Tomorrow's Suppliers

Linda Tonkes

Supplier Relationship Management with CATS SRM®

Colophon

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SUPPLIER RELATIONSHIP MANAGEMENT WITH CATS SRM®

Structured Impact with Today's
and Tomorrow's Suppliers

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Preface

You are holding the first book on the supplier relationship management methodology CATS SRM. The core message is simple yet demanding. No organization can be successful without suppliers. This requires conscious choices, structured direction, and a future-oriented approach to relationships with today's and tomorrow's suppliers. CATS SRM's five pillars that shape supplier relationship management provide the flexible and scalable framework to realize this, in the form of a best practice for performing supplier relationship management for both potential and contracted suppliers.

The abbreviation CATS stands for Contract Administration and Tracking Scenarios. The CATS CM methodology brings together more than 20 years of experience into a best practice for contract management. In recent years, during training sessions and consulting assignments, it has become increasingly apparent that there is a need for a similar best practice for supplier relationship management. Equally important was the need for a clear delineation relative to other disciplines so that organizations can work in a structured, consistent, and targeted way. This led to this first published version of the supplier relationship management methodology CATS SRM, which includes a process model for all processes related to procurement contracts and suppliers in the form of the CATS sourcing framework.

I am convinced that professional supplier relationship management is essential for the success of customers. The discipline is growing and maturing rapidly, and organizations that establish this capability professionally are building a sustainable foundation for their future position in the business ecosystem.

Because CATS SRM incorporates a few elements of the contract management methodology CATS CM and aligns with it, I would like to acknowledge Gert-Jan Vlasveld, with whom I published the book on version 4 of this methodology, and Jan van Beckum for laying the foundation more than 20 years ago with their ideas. I am particularly grateful to my colleagues. Their dedication, energy, and sharp insights made this book stronger, clearer, and more readable.

I wish you an enjoyable read and, above all, many successful supplier relationships.

Linda Tonkes
September 2026

Introduction

Collaborating with Suppliers: Source of Value and Vulnerability

Organizations are realizing their goals in increasingly less isolation. Over the past decades, specialization has led organizations to focus on their core activities and to become increasingly dependent on suppliers for their value creation. Whether it involves IT, logistics, HR, business operations, healthcare, facility management, or innovation capacity, one or more suppliers are almost always involved. Whilst this growing dependence increases the potential to realize value with these suppliers, it also makes organizations more vulnerable. Risks such as scarcity in supply chains, geopolitical disruptions, data breaches, or non-compliance become greater and have broader organizational impacts.

All of this takes place in a context in which the traditional linear view of chains is shifting toward organizations that operate in a dynamic business ecosystem. In such an ecosystem, new dependencies emerge, changes accelerate, and opportunities and risks reinforce one another. Digitalization makes more voices audible and enables more data and information to be shared easily. Laws, regulations, and societal expectations expand the responsibilities of organizations to include topics such as privacy, sustainability, inclusivity, and proper working conditions.

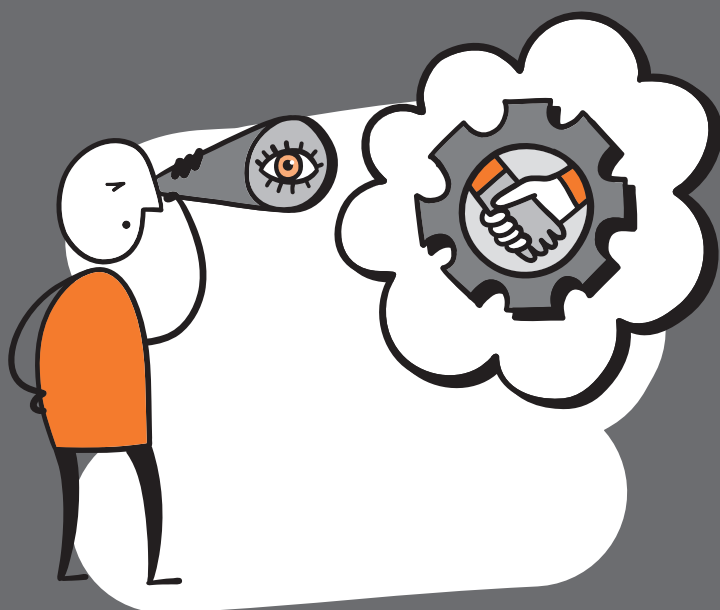
Focus on Potential Suppliers and Contracted Suppliers

Suppliers are indispensable for the operations of today as well as tomorrow's continuity. They are a significant factor in innovation, scalability, compliance, and risk management. The question is shifting from "is the supplier delivering what was agreed?" to "are our current and future suppliers demonstrably contributing to our organizational goals?" Mature supplier relationship management does not focus on suppliers with active contracts alone, but also looks ahead to potential suppliers and to future collaborations required to realize ambitions. This creates a portfolio mindset that includes both existing relationships and future options.

From Ad Hoc Relationship Management to Process-Based Supplier Relationship Management

Organizations consequently navigate a web of interdependent relationships and influences. Ad hoc relationship management is no longer sufficient, and proactive,

process-based supplier relationship management, in which organizations deliberately steer the contribution of suppliers to their organizational goals, can make a meaningful difference. Organizations that recognize this professionalize all processes that involve suppliers and contracts. This is not only to achieve scale and consistency, but also to ensure the capability to change, transparency, data-driven accountability, and controlled improvement. Methodologies support this by enabling organizations to quickly define and efficiently implement terminology like roles, tasks, responsibilities, and authorities. The CATS SRM methodology provides a solid foundation for supplier relationship management for both potential and contracted suppliers. Because CATS SRM aligns seamlessly with the contract management methodology CATS CM, organizations can professionalize both disciplines simultaneously, or bring them into alignment step by step. Even when there is no large-scale transformation, knowledge of CATS SRM provides practical tools to organize and coordinate the work more effectively within teams.



PART I

VISION ON PROACTIVE SUPPLIER RELATIONSHIP MANAGEMENT

Organizations always depend on other parties when delivering their products and services. This dependence has increased significantly over the past decades. Whereas organizations once carried out a broad range of activities themselves, they now focus primarily on their core activities as a result of increasing specialization. Everything else is sourced from suppliers. As a result, suppliers are involved in virtually every activity of an organization. This means that working with suppliers and the associated contracts is not an incidental or isolated activity but instead a company-wide reality that requires structural attention at strategic, tactical, and operational levels. This is not only because suppliers contribute to operational continuity, but also because they are essential for the innovation, scalability, and risk management that enable organizations to remain future-proof.

Organizations in every sector are part of a larger business ecosystem, a dynamic network of parties that collectively create value. As a result, they operate in an environment that no longer consists of clear linear chains, but of complex networks with numerous dependencies, opportunities, and risks. The question is no longer only about if suppliers meet the agreed requirements, but also whether the collaboration contributes to the organizational goals in both the short and long term, and supports the organization's position in the ecosystem.

This also changes customers' perspectives on suppliers. Suppliers were traditionally seen as external entities, parties whose contracts were managed administratively and, when necessary, legally. Now this is shifting toward a broader view, in which many suppliers are considered partners within a complex environment. Organizations recognize that handling suppliers in an ad hoc and unstructured way is no longer

sufficient to orchestrate this environment effectively. The extent to which organizations can collaborate with their suppliers in a targeted and structured manner determines part of their own success. This applies not only to parties with active contracts, but also to potential suppliers with whom future collaboration may be desirable or necessary. In that light, supplier relationship management and contract management are evolving from reactive administrative and legal activities to proactive processes that contribute to the current and future realization of the organizational goals.

This perspective forms the foundation for the vision on proactive supplier relationship management presented in this part of the book. Chapter 1 discusses business ecosystems, how organizations collaborate within them, how they direct this collaboration internally, and the consequences for supplier relationship management and contract management. Chapter 2 provides the definitions, concepts and explanations needed to understand this part of the book. Chapter 3 positions supplier relationship management within the organization's value chain and the broader supply chain, followed by Chapter 4, which concludes this part of the book with the considerations involved in preparing a business case for process-based supplier relationship management.