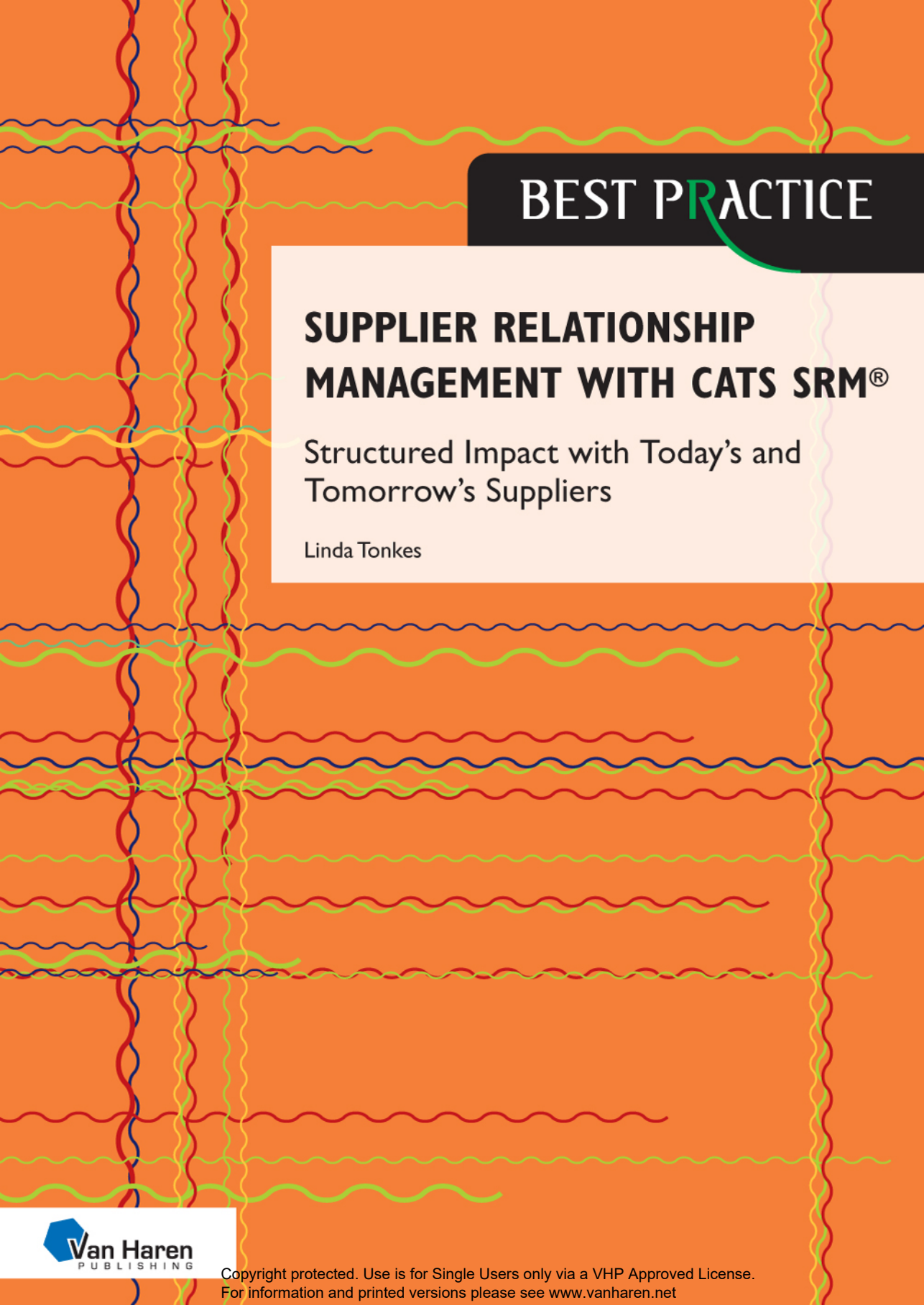




BEST PRACTICE

**SUPPLIER RELATIONSHIP
MANAGEMENT WITH CATS SRM®**

Structured Impact with Today's and
Tomorrow's Suppliers

Linda Tonkes

Supplier Relationship Management with CATS SRM®

SUPPLIER RELATIONSHIP MANAGEMENT WITH CATS SRM®

Structured Impact with Today's
and Tomorrow's Suppliers

Linda Tonkes

Colophon

Title:	Supplier Relationship Management with CATS SRM®
Subtitle:	Structured Impact with Today's and Tomorrow's Suppliers
Author:	Linda Tonkes
Publisher:	Van Haren Publishing, 's-Hertogenbosch-NL, www.vanharen.net
Lay-out and DTP:	Coco Bookmedia, Amersfoort-NL
ISBN Hard copy:	978 94 018 1492 8
ISBN eBook (pdf):	978 94 018 1493 5
ISBN ePub:	978 94 018 1494 2
Edition:	First edition, first impression, September 2026
Copyright:	Van Haren Publishing, 2026

Although this publication has been composed with most care, neither author nor publisher can accept any liability for damage caused by possible errors and/or incompleteness in this publication.

Disclaimer

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior permission of the copyright owners.

Specifically, without such written permission, the use or incorporation of this publication, in whole or in part, is not permitted for the purposes of training or developing large language models (LLM) or any other generative artificial intelligence systems. It is also not permitted for use in, or in connection with, such technologies, tools, or models to generate any data or content and/or to synthesize or combine it with any other data or content.

CONTENTS

Preface	11
Introduction	12
PART I VISION ON PROACTIVE SUPPLIER RELATIONSHIP MANAGEMENT	15
1 Operating in Business Ecosystems	17
1.1 Business Ecosystems	17
1.2 Consequences of Collaborating with Suppliers	19
1.3 Process-Based Working with CATS SRM Supplier Relationship Management	20
2 Suppliers, Contracts, and Supplier Relationship Management	22
3 Supply Chain, Value Chain, and CATS Sourcing Framework	25
3.1 Supply Chain, Value Chain, and Position of Supplier Relationship Management	25
3.2 CATS Sourcing Framework: An Introduction	28
4 Business Case for Supplier Relationship Management	32
4.1 Business Cases in General	32
4.2 Business Case for Process-Based Supplier Relationship Management	33
PART II PROCESS-BASED WORKING AND BEST PRACTICES	39
5 Processes and Working in a Process-Based Way	41
5.1 Definitions	41
5.2 Benefits of Working in a Process-Based Way	43
5.3 Balance between Structured and Ad Hoc Work	46

6	Best Practices	47
6.1	Definition	47
6.2	Benefits of Using a Best Practice	47
6.3	Difference between Standards and Best Practices	49
6.4	CATS SRM: Best Practice for Supplier Relationship Management	50

PART III CATS METHODOLOGIES, SUPPLIER LIFE CYCLE, AND SUCCESS FACTORS

53

7	CATS Methodologies	55
7.1	Main Definitions	55
7.2	Objectives at the Center	57
8	CATS Supplier Life Cycle, Success Factors, and CATS Sourcing Framework	59
8.1	CATS Supplier Life Cycle	59
8.2	Success Factors for Supplier Relationship Management	64
8.3	CATS Sourcing Framework	70

PART IV CATS SRM SUPPLIER RELATIONSHIP MANAGEMENT: THE CORE

77

9	Pillar 1: Distinction between a Potential and a Contracted Supplier	79
10	Pillar 2: Supplier Relationship Management (SRM) Essentials	81

11	Pillar 3: Roles Involved in Supplier Relationship Management	86
11.1	Roles and Job Functions	86
11.2	CATS SRM Roles	87
11.3	RASCI – Role Allocation and Clarity	94
12	Pillar 4: Supplier Relationship Management Processes and Process Steps	97
12.1	Supplier Relationship Management for a Potential Supplier and a Contracted Supplier	98
12.2	PDCA Cycle	99
12.3	Initiate Step and Conclude Step	101
13	Pillar 5: Supplier Relationship Management Approach, Supplier Relationship Management Scenarios, and the Supplier Relationship Manager's Plans	106
13.1	Supplier Relationship Management Approach and Supplier Relationship Management Plan	106
13.2	Other Plans Used	109
13.3	Supplier Classification	110
13.4	Supplier Relationship Management Scenarios	113

PART V CATS SRM SUPPLIER RELATIONSHIP MANAGEMENT: THE ELABORATED PERSPECTIVE **119**

14	Supplier Relationship Management for a Potential Supplier	122
14.1	Initiate Step	122
14.2	Plan-Do-Check-Act/Adjust Steps	131
14.3	Conclude Step	138
14.4	From Potential Supplier to Contracted Supplier	141
15	Supplier Relationship Management for a Contracted Supplier	143
15.1	Initiate Step	143
15.2	Plan-Do-Check-Act/Adjust Steps	153
15.3	Conclude Step	158
15.4	From Contracted Supplier to Potential Supplier	161

16 SRM Essential: Supplier Objectives	162
16.1 Definition and Objective	162
16.2 Supplier Objectives within the CATS Sourcing Framework	162
16.3 Distinction in Supplier Objectives	164
16.4 Supplier Objectives in Relation to Supplier's Account Objectives	166
16.5 Supplier Relationship Management Process for the SRM Essential Supplier Objectives	168
17 SRM Essential: Supplier Governance	172
17.1 Definition and Objective	172
17.2 Decision-Making: Governance Model	173
17.3 Providing Information: Meeting and Reporting Structure	174
17.4 Supplier Board	179
17.5 Cost Monitoring	180
17.6 Supplier Relationship Management Process for the SRM Essential Supplier Governance	181
18 SRM Essential: Supplier File	184
18.1 Definition and Objective	184
18.2 Data and Information	185
18.3 Supplier Administration and the Division of Tasks Between the Supplier Relationship Manager and the Supplier Relationship Administrator	185
18.4 Supplier Relationship Management Process for the SRM Essential Supplier File	190
19 SRM Essential: Risks	193
19.1 Definition and Objective	193
19.2 Risk Management	194
19.3 Third-Party Due Diligence	198
19.4 Supplier Relationship Management Process for the SRM Essential Risks	199
19.5 Relationship Risk Profile: Risk Management Tool	201
20 SRM Essential: Market Dynamics	203
20.1 Definition and Objective	203
20.2 Market Structures	204

20.3 Market Relationships	208
20.4 Supplier Relationship Management Process for the SRM Essential Market Dynamics	210
21 SRM Essential: Stakeholders	214
21.1 Definition and Objective	214
21.2 Stakeholder Management	215
21.3 Supplier Relationship Management Process for the SRM Essential Stakeholders	219
22 SRM Essential: Attractiveness	222
22.1 Definition and Objective	222
22.2 Expectation Management	223
22.3 Models as Tools for Expectation Management	224
22.4 Supplier Relationship Management Process for the SRM Essential Attractiveness	228
23 SRM Essential: Contract Portfolio	232
23.1 Definition and Objective	232
23.2 Supplier Relationship Management Process for the SRM Essential Contract Portfolio	233
24 SRM Essential: Performance	236
24.1 Definition and Objective	236
24.2 Supplier Relationship Management Process for the SRM Essential Performance	237
25 SRM Essential: Agreements	239
25.1 Definition and Objective	239
25.2 Supplier Relationship Management Process for the SRM Essential Agreements	240
26 Special Situations	242
26.1 Mandatory Public Tender	242
26.2 Early Termination of a Contract or a Relationship	243
26.3 Collaboration Agreements or Joint Procurement	244

PART VI CATS SRM SUPPLIER RELATIONSHIP MANAGEMENT: IMPLEMENTATION AND EXECUTION

247

27 Policy and Process	249
27.1 Policy	249
27.2 Process	259
28 People and Systems	267
28.1 People	267
28.2 Systems	272
29 Process Interfaces	277
29.1 Types of Process Interface	278
29.2 Process Interface Between Supplier Relationship Management on the one hand, and Supplier Portfolio Management and Category Management on the other	278
29.3 Process Interface Between Supplier Relationship Management and Contract Management, and the Relationship Between CATS SRM and CATS CM	280
Afterword	287
About the Author	288
Appendix A: Roles CATS CM Contract Management Methodology	289
Appendix B: Examples of Supplier, Environmental or Organizational-Specific Characteristics	290
Appendix C: Template for a Supplier Relationship Management Plan Potential Supplier	291
Appendix D: Template for a Supplier Relationship Management Plan Contracted Supplier	295
Appendix E: Overview Documents and Data Supplier File	300

Appendix F: Example Third-Party Due Diligence Checklist	302
Appendix G: Relationship Risk Profile: A Risk Management Tool	304
Appendix H: Glossary	312
Appendix I: List of Abbreviations	323
Index	325

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.

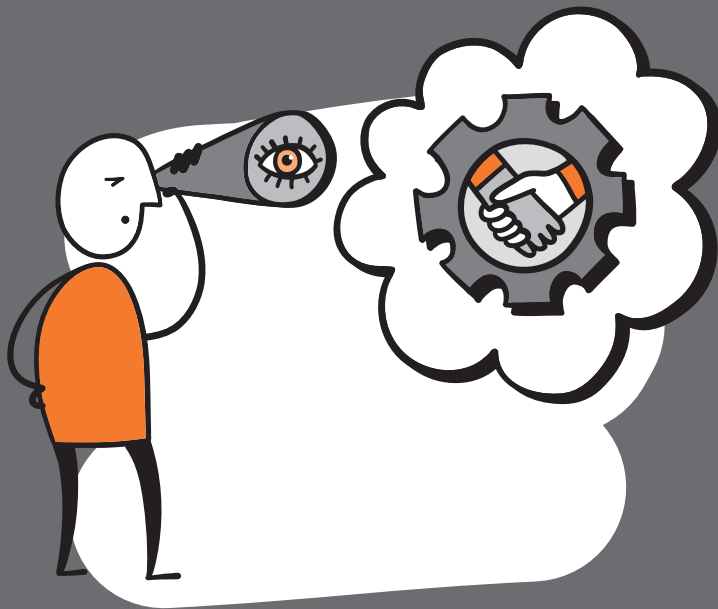
Focus on Potential Suppliers and Contracted Suppliers

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.

15

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.