[Organization logo]

[Organization name]

SUPPLIER MANAGEMENT PROCESS

Code:	
Version:	
Date of version:	
Created by:	
Approved by:	
Confidentiality level:	

Change history

Date	Version	Created by	Description of change
	0.1	20000Academy	Basic document template

Table of contents

1. Purpose, scope and users

The aim of this document is to define the purpose, scope, principles and activities of the Supplier Management process.

This document is applied to all activities, processes, and documents included in the SMS.

Users of this document are all employees of [organization name], as well as all external parties who have a role in the SMS.

Commented [20A3]: Please include the name of your company.

2. Reference documents

- ISO/IEC 20000-1:2018, clauses 7.5.4. e), 8.3.4.
- Service Level Management Process
- Change Management Process
- Business Relationship Management Process

Commented [20A4]: You can find a template for this document in the ISO 20000 Documentation Toolkit folder "07_Relationship_Agreement_Processes/ 07.2_Service_Level_Management".

Commented [20A5]: You can find a template for this document in the ISO 20000 Documentation Toolkit folder "09_Service_Design_Build_Transition_Processes/ 09.1_Change_Management".

Commented [20A6]: You can find a template for this document in the ISO 20000 Documentation Toolkit folder "07_Relationship_Agreement_Processes/ 07.1_Business_Relationship_Management".

3. Process overview

The purpose of the Supplier Management process is to ensure that suppliers and the services they provide are managed ~~to support [organization name] in achieving IT service targets and business expectations.~~

[Organization name] uses the Supplier Management process to achieve the following objectives:

- ~~To ensure that external suppliers and the services they provide are managed to support [organization name] in achieving IT service targets and business expectations.~~
- ~~To define and make agreements with internal suppliers or customers acting as suppliers i.e., Operational Level Agreement (OLA), and make sure that OLA targets are met.~~

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3.1 Supplier Contract

The Supplier Contract is a legal document that describes the relationship between [organization name] and its external suppliers. Every external supplier has its own Supplier Contract with [organization name].

3.2 Internal supplier and Operational Level Agreement (OLA)

An internal supplier is a department from [Organization name] that is not included in the scope of ~~the SMS and contributes to the planning, design, transition, delivery, or improvement of a service, service component, or process (e.g., HR, Procurement, etc.). The OLA (Operational Level Agreement) is a documented agreement that describes the relationship between [organization name] and its internal suppliers. Every internal supplier has its own OLA with [organization name].~~

Commented [20A8]: Please include the name of your company.

~~In some cases, the customer themselves may act as internal suppliers; in such cases, an OLA should be prepared for each of those customers' process activities.~~

Commented [20A9]: E.g., the service desk function may be ~~...~~

3.3   Organization

The SMS Manager is responsible for ensuring that each supplier has a designated Supplier Manager (for Supplier Manager role description, see Roles and Responsibilities section).

~~3.4   Contract~~

~~For external suppliers, the Supplier Manager is responsible to negotiate and agree to an External Supplier Contract with every supplier, as well as to maintain such contracts throughout their lifecycle.~~

~~For internal suppliers or customers acting as suppliers, the Supplier Manager is responsible to negotiate and agree to an OLA with every supplier, as well as to maintain such agreements throughout their lifecycle.~~

Commented [20A10]: E.g.: a support service provided by the ~~...~~

Changes to the supplier contracts and OLAs are controlled by the Change Management process. The Supplier Manager is responsible to start a Request for Change and use the Request for Change and Change Record to maintain all the records related to the change request.

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For external suppliers, the Supplier Manager ensures that:

- ~~Roles of, and relationship between, lead and sub-contracted suppliers are documented~~
- ~~All contracts with external suppliers are aligned with business needs and agreed targets in Service Level Agreements between organization name and the customer~~
- ~~Roles and responsibilities between suppliers, as well as between suppliers and their sub-contractors, are documented in the Supplier Contract~~

Commented [20A12]: You can find a template for this document in the ISO 20000 Documentation Toolkit folder "07_Relationship_Agreement_Processes/ 07.2_Service_Level_Management".

Commented [20A13]: These are only recommendations; you can modify them according to your company practices.

For internal suppliers or customers acting as suppliers, the Supplier Manager ensures that:

- OLAs for service components provided with internal groups are developed and agreed to
- ~~The OLAs do not contain parameters that are not measurable~~

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3.5   Supplier monitoring

~~The Supplier Manager is responsible to prepare the Supplier Performance Report and to organize~~ formal performance review meetings [quarterly], with the following agenda:
- Supplier performance achievements against set targets
- Analysis of nonconformities
- ~~Analysis of changes to the contract caused by changes in requirements~~
- ~~Incident and problem review, escalation analysis~~
- ~~Feedback~~
- ~~Upcoming major changes~~
- ~~Best practice~~
- ~~Opportunities for improvement~~

Commented [20A15]: Change the frequency according to your company practices.

Commented [20A16]: These are usual topics on such ~~...~~

The meeting participants must always include the Supplier Manager, the respective supplier

3.6 Disputes

Contractual disputes between [organization name] and external suppliers are defined in the Supplier Contract.

4. Roles and responsibilities

A Supplier Manager must be assigned

> **Commented [20A17]:** If there is a split of responsibilities

Responsibilities of the Supplier Manager:

- Overall responsibility for carrying out activities within the scope of Supplier Management
- Coordinates with other Service Management roles
- Plans and manages tool requirements needed to support Supplier Management process
- Responsible for reporting and managing information
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> **Commented [20A18]:** These are only recommendations; you can modify them according to your company practices.

5. Measurement and reporting

The Supplier Manager is responsible to:

- Define and review [annually] ~~the Critical Success Factors (CSFs) that support the current SMS objectives defined in the SMS Plan, and corresponding Key Performance Indicator (KPIs) that can be used to monitor the progress on the achievement of the CSFs.~~
- Document the selected CSFs and KPIs in the Matrix of Process Measurements
- Ensure that measurements are taken according to the defined frequency, and document the result in the Matrix of Process Measurements
- ~~Produce [monthly] reports and send them to the interested parties.~~
- ~~Produce [quarterly and yearly] summary reports.~~
- ~~Based on measurements, identify any aspects that require improvement.~~

Whenever the SMS objectives are updated in the SMS Plan, the Supplier Manager reviews and updates the CSFs and KPIs in the Matrix of Process Measurements to reflect the new objectives.

Commented [20A19]: You can change the frequency according to your company practices.

Commented [20A20]: You can find a template for this document in the ISO 20000 Toolkit folder "13_Management_Review".

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Commented [20A22]: You may find some examples of CSFs ~~...~~

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6. Managing records kept on the basis of this document

Record name	Storage location	Person responsible for storage	Controls for record protection	Retention time
Supplier Contract	[tool name]	[job title]	Supplier Manager	Until document validity, and then archived.
Supplier Performance Report	[tool name]	[job title]	Supplier Manager	Reports are kept for [3 years].
Supplier Agreement Portfolio	[tool name]	[job title]	Supplier Manager	The agreement portfolio is kept for [3 years].
Operational Level Agreement	[tool name]	[job title]	Supplier Manager has the right to add/change the record.	Until document validity, and then archived.
External Suppliers Dispute Record	[tool name]	[job title]	Supplier Manager	Records are kept for [3 years].

Commented [20A24]: E.g. Document Management System or folder name

Commented [20A25]: Usually Supplier Manager

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Commented [20A28]: E.g. Document Management System or folder name

Commented [20A29]: Usually Supplier Manager

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Commented [20A32]: E.g. Document Management System or folder name

Commented [20A33]: Usually Supplier Manager

Commented [20A34]: Change if needed.

Commented [20A35]: You can adapt the retention period according to your company practices.

Commented [20A36]: E.g. Document Management System or folder name

Commented [20A37]: Usually Service Level Manager

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Commented [20A39]: E.g. Document Management System or folder name

Commented [20A40]: Usually Supplier Manager

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7. Validity and document management

This document is valid as of [date].

Owner of this document is [job title], who must check and, if necessary, update the document at least once a year.

> **Commented [20A43]:** This is only a recommendation; adjust frequency according to your company practices.

8. Appendices

- Appendix 1 – Supplier Contract
- Appendix 2 – Supplier Performance Report
- Appendix 3 – Supplier Agreement Portfolio
- Appendix 4 – OLA Template
- Appendix 5 – External Suppliers Dispute Record

[Job title]

[Name]

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[Signature]

> **Commented [20A44]:** Only necessary if the Procedure for Document and Record Control prescribes that paper documents must be signed.