



WHERE SERVICE MATTERS MOST

Purchasing: Choosing Your Cleaning Chemical Supplier



In your choice of supplier, Arpal Group are very much of the view that quality considerations should override price every time. Rather than tenders won by the lowest cost bidder, which will lead to a race to the bottom in terms of quality, a wider evaluation of supplier core competencies is required. This should take into account factors such as customer service credibility; engineering competency and reliability; knowledge transfer and training; manufacturing and quality management; industry standards and compliance; environmental and corporate social responsibility.

The Six Core Competencies

The concept of core competency has been a mainstay of Business School education since the publication of a seminal article by Prahalad and Hamel in the Harvard Business Review back in 1990.

The authors' argued that a company's sustained competitiveness derives from its core competencies. For something to be considered a core competency it must clearly differentiate the firm from competitors in the marketplace.

Core competencies must meet three key requirements: they provide potential access to a wide variety of markets, make a significant contribution to the customer benefits derived from the end product, and are very difficult for competitors to imitate. Core competencies are developed through the process of continuous improvements over a period of time rather than a single large change.

So what core competencies should you expect from your cleaning chemical supplier? We would suggest that there are six key competencies to consider:

1. Customer Service Credibility

It is critical to choose a cleaning chemical supplier who 'walks-the-walk' as well as 'talks-the-talk' in terms of customer service. We have argued before that big is not always best when it comes to customer service. Smaller businesses, because of their size, can often be more responsive to the unique needs and wants of different customers. Short command chains allow customer problems to be resolved more quickly compared to larger corporations where the gears of bureaucracy move much more slowly. At Arpal Group our mission is to be seen by our customers as the outstanding provider of service in our industry and to deliver on our promise. Our total commitment to customer service has allowed us to develop a genuine competitive edge in an increasingly crowded market.

2. Engineering Competency and Reliability

The provision of efficient, professional and reliable engineering support is critical to achieving customer service excellence. At Arpal Group, one of our primary aims is to never give any customer a reason to go elsewhere for cleaning chemicals. Over the years, we have worked tirelessly to build a reliable and competent engineering capability which can handle any type or size of cleaning chemical contract. We see this as our duty. If the dosing equipment is not working, then our chemicals cannot be used, it's a simple premise. Our engineering services are built around the need to ensure continuity of service for all of our clients. This is backed up by a team of dedicated field technicians and customer service representatives who install service and maintain our manual and electronic chemical dosing stations.

3. Knowledge Transfer & Training

A competent, best-in-breed, cleaning chemical supplier should provide customers with a comprehensive safety and application training package, easy to understand and deliverable at all levels. Again, this is an area where we have made significant investments in recent years. Our custom built e-learning chemical safety training course, launched in 2016, has been a roaring success. It has become the central pillar of our training offering with a huge uptake in the number of client staff taking part in the online course. It assures our customers that they are dealing with a reputable cleaning chemical supplier who values customer safety as a primary concern. By delivering online, we provide customers with more flexibility and reduced training costs, while at the same time allowing our field training staff to focus on more practical training activities such as cleaning tips and trouble shooting.

4. Manufacturing & Quality Management

As in the other areas listed here, we have invested significantly in manufacturing and quality control systems to consistently develop and provide robust cleaning and disinfection formulations, made to exacting standards for the most demanding of commercial cleaning applications.

5. Industry Standards & Compliance

Whether we like it or not, the chemical industry is very heavily regulated and places a considerable legislative burden on chemical manufacturers, distributors and others in the supply chain. It is critical, therefore, to choose a cleaning chemical supplier who adheres to the highest standards in terms of legal responsibilities and compliance. Otherwise, you will be compromising hygiene standards, putting the health and well-being of end-users, site visitors and members of the public at risk.

6. Environmental and Corporate Social Responsibility

It is impossible for a cleaning chemical manufacturer to be totally “green”. What matters most is that resources are used carefully to get maximum value in the most effective way whilst minimising waste and the impact on the environment. Given growing concerns about the planet we live on, it is becoming more important to work with cleaning chemical suppliers who take their environmental responsibilities seriously. The same is true of corporate social responsibility. As a family business with strong family values, corporate social responsibility and the protection of human rights are paramount to everything we do. We will always act in a socially responsible manner and encourage all of our suppliers, customers and partners to behave in the same way. Every aspect of our business is conducted with honesty, integrity and openness, respecting human rights and the interests of our employees, customers and third parties.

Let's take a closer look at the key factors that should influence your purchasing decision when choosing the right cleaning chemical supplier for your organisation.

Choose a Supplier You Trust

Evaluating chemical suppliers and their respective products can be made deliberately difficult for the purchasing manager. Trust is a difficult thing to establish immediately in a brand new relationship but is a crucially important factor when evaluating an existing supplier during a benchmarking or re-tendering process.

Don't Disregard Suppliers' Advice

We have all heard the adage: the customer is always right. But what if being right comes at the risk of not taking advantage of the advice and services the potential supplier is willing to share with your organisation as part of the overall contract price? The market is more competitive than ever. Procurement agents are wise to follow any tips from suppliers that might help them stay ahead of the game. Sometimes it pays to be wrong (or at least to listen).

Choose a Supplier Who Will Go the Extra Yard

We constantly hear statements like *'chemicals are chemicals'*. In some respects, this may be true but suppliers who go the extra yard and provide a consistent added value package

(price, product and service) should be given preferential status. Buyers and sellers have one thing in common: they want each other's business, but the supplier must earn the right to supply long-term.

Reward Loyalty & Past Performance

For a partnership to work, suppliers that have gone the extra yard over the contract and have a solid track record of being dependable and trustworthy should be rewarded. Purchasers should not be scared of offering long term deals, as long as the commercial benefits are there – these benefits may extend beyond price.

Don't Go To Tender Unnecessarily

A responsible purchasing manager should never be complacent about supply deals. The saying, *'if it ain't broke, don't fix it'* applies here. Yes, benchmarking is a crucial part of the process but re-tendering unnecessarily is time consuming and expensive. Only tender the business if there is a real willingness to change supplier.

Verify Claims Made By Suppliers

When considering a supplier, the purchasing manager should assume nothing, working hard to understand all of the commercial, compliance and service promises made by the new supplier. These all need verified and proven so that an informed decision can be made. There should be no *'skeletons in the cupboard'* preventing an on-going relationship being established.

Don't be Blinded by Dilution Rates

We spend endless hours in preparing tenders and quotations. One of the major barriers experienced is the growing chasm between competitive bids because the purchaser's bottom line spreadsheet number has been distorted from reality due to a competitor supplier proposing an unrealistic yield from a bottle of dilutable product. All dilution rate claims should be verified by trials.

Ensure Trials Are Conducted Fairly & Monitored

It is critical that product trials are conducted in a fair and transparent way, monitored by a responsible person. Product performance needs evaluated together with the usability of the dosing systems, the quality of safety training provided, product application and usage during the trial. Only by doing this can promises be verified and estimated cost forecasts confirmed.

Make Sure Your Comparing Apples with Apples

Although some see chemicals as *'just chemicals'*, in many cases there are huge differences in competitor brand formulations bringing different features and benefits to the tender. Washing up liquids are all broadly similar as a commodity line, but disinfectants, sanitisers and laundry detergents need careful examination and should not be treated *'like for like'*. Yield and product specifications can differ markedly with different pricing structures.

Make supplier vendor inspections

Nothing is more powerful than seeing your potential supplier in their own back yard. By sizing up their premises and facilities, meeting key staff and stakeholders, you will get a far

better picture of what the supplier stands for, how professional the outfit is. This is a critical aspect of the purchasing decision, which many companies do not take the time to do – it is the final part in the supply chain jigsaw.

Take up third party referrals

As argued in previous posts in this series, quality considerations should override price every time. Awarding tenders to the lowest cost bidder is false economy and will often lead to a 'race to the bottom' – a 'vicious circle' of aggressive price competition often at the expense of quality. There should be an in-depth evaluation of supplier core competencies, not just price. Independent third party references can play a major role here. Selection should be based on what your supplier has done, not what they say they will do. In terms of customer service, you need to ensure that your preferred supplier 'walks the walk' not just 'talks the talk'.

Include all stakeholders in the decision-making process

Purchasing managers should encourage input from others at an early stage of the procurement process, especially from operations, health & safety management, shop floor operatives and others who will actually be using the cleaning products. Failure to include these important stakeholders in the purchasing decision-making process will often result in choosing a cleaning products supplier that looks good on paper but proves to be unfit-for-purpose from a service and product quality perspective.

Don't resist change on principle

To remain competitive in this rapidly changing market, purchasing managers need to be aware of what's going on in the industry, looking for companies who go that extra mile offering additional benefits as well as quality products. The hassle of change can be a powerful motivator to remain with your current supplier, but a reputable new supplier should have the core competencies to make the transition as painless as possible. After all, first impressions count.

Insist on a Service Level Agreement & KPIs

The only way a supplier can be held to account, ensuring that service promises made at tender stage are fulfilled throughout the duration of the contract, is through adhering to a mutually agreed Service Level Agreement and Key Performance Indicators. This should be a key part of the commercial agreement and an important consideration when evaluating supplier performance on a monthly basis, especially when the contract comes to an end and is up for re-negotiation.

Verify engineering competence & capabilities

Where there are numerous dosing systems installed, these all need serviced and repaired in a reliable and professional manner by qualified electrical engineers. It is imperative, as part of supplier due diligence, that purchasing managers seek verification of the professional qualifications of these technicians, to ensure on site safety standards are adhered to.

Demand innovation during the contract term

Suppliers who provide a genuine competitive edge in an increasingly crowded market will rise to the top. Whether it is product or dispensing innovations, creative commercial

arrangements or the introduction of digital technology to enhance the efficiency of the supplier relationship, purchasing managers should insist that the supplier brings regular innovation to the table over the duration of the contract. Not all innovations will be taken on board, but a focus on innovation keeps the supplier on their toes and prevents complacency.