

-- Speaker 0 00:00:04 Make It Right. The manufacturing podcast.

Speaker 1 00:00:10 Something happened to me the other day that absolutely astounded me. I'd recently ordered a custom piece of equipment and was told that it wouldn't be delivered until January 15th. Then on December 18th, I discovered a box sitting on my doorstep and inside was the much anticipated piece of technology. You can imagine my surprise and delight. And funny enough, I just been discussing the challenges of procurement with today's guest, as we prepared for this podcast, this fast turnaround got me thinking about all of the things that had to have gone, right. To get that piece of equipment to my door almost a month early. So welcome to the make-up ride podcast. I'm Janet Eastman. I'm delighted to have Aaron Brimer the host of the manufacturing procurement guide podcast as my guest today. Welcome Aaron. How are you?

Speaker 2 00:01:04 I'm doing great, Janet. Thank you. Uh, thank you for having me on and, and, uh, excited to be a guest and, uh, looking forward to our chat. Yeah.

Speaker 1 00:01:13 Yeah. So you've been in procurement for about a decade now you've recently launched the manufacturing procurement guide podcast. So share a little bit about your background and you know, what prompted you to launch your own podcast?

Speaker 2 00:01:25 Sure. Yeah. Um, so just a little bit of a history. Uh, I've been in, um, in procurement for about 10, 11 years now. And, and, uh, my background in the last decade has been in contract negotiations, logistics, purchasing, uh, inventory, really, really anything related to the supply chain field. I've worked. I live in the United States. Um, and so I've worked on the, um, domestic sourcing and the international worked on cost savings, everything like that. So, uh, that's kinda my work history. Uh, and as far as manufacturing procurement guy, uh, I just started this, uh, about three months ago, so still very new. Um, but, uh, what I'm doing is I'm highlighting manufacturing leaders, uh, where I discussed their successes in the marketplace and, uh, really, uh, offered them a platform to, to talk about what they're doing, whether it's innovation, uh, and really help our listeners understand and equip supply chain of decisions for best value.

Speaker 1 00:02:30 Perfect. You know what, there are so many great stories out there. Aaron and I have heard over the last hundred and 35 podcasts, some really terrific manufacturing stories. People are really willing to share their information. They want to talk about their challenges and their successes. And, uh, I think the podcasting idea for you is a great idea. So congratulations on launching that.

Speaker 2 00:02:54 Thank you. Thank you very much. It's been exciting so far. I mean, just, uh, uh, just, just exciting endeavor and, and looking forward to kind of sharing ideas and, and learning and growing.

Speaker 1 00:03:06 Yeah. Perfect. Okay. So as I mentioned at the start of the show, I've actually had some amazing customer experiences recently that latest one was certainly an under promise over perform experience, but that has really raised the bar in my mind about what I should be expecting when I make a purchase. So I'm thinking, I'm just throwing this out there. Where does that put a manufacturer and somebody on the supply chain when people's expectations are just going like,

Speaker 2 00:03:38 Yeah. Yeah. Uh, I mean, I would say that, uh, one thing that I've found lately is that you can have a great product, but if your customer service, your account managers are not there or not active or not responsive and are not customer centric focused, Janet, it will not work most of the time. And I found that you can win, you can win a battle of sales, but you'll, but you'll lose a war of a future growth. And, uh, and I think that that's a big deal. So I think, uh, having a company set up for success, you gotta have, you gotta have good product and you had to have good customer service, got to have good account managers to have to have good people in the field who understand what the customer expectations are. Just like the example you just said earlier, Janet, if, if, if, if the expectations are up here and they're not met well, then that's going to be a problem.

Speaker 2 00:04:31 And, uh, I think making, for sure that you're kind of setting people up for success. And because at the end of the d --

-- ay, we all talk. I mean, as a matter of fact, uh, yesterday I was, uh, at a car dealership. I was having some work done on my car and there was a lady who was sitting behind me and she was very aggravated. And I would just kind of hearing a little bit of the conversation. I think we've all probably been there sometime or the other. And she just said, you know, uh, you can fix this, but the problem is right now, I want to go out in the parking lot and tell everybody to not buy a car from here right now. And I was like, wow. When I said, you know, that's the word of mouth. And as a, as a dealership, as a, as a, as a company, you never want, you don't want bad advertise. You don't want people to talk so negatively about, you know, their experience and whatnot. So I think it's so critical to just look past that I can sell, you know, product a and, and do a great job, but it's just, what's what's after that sale, you know, what's, what's the after part of it.

Speaker 1 00:05:33 Wow. The word of mouth thing and with the internet and everything, it's just so much bigger. Now it is a challenge. So I want to talk to you about procurement and what are the main challenges in procurement right now that manufacturers are facing?

Speaker 2 00:05:51 Yeah, it's, uh, that's a great question, Janet. And I would say right now, looking at the end of this year, that has been challenging for so many people personally and professionally just walking through this. Uh COVID and just, um, just, just dealing with a lot, I think, risk and, and a lot of ambiguity in the market. So, you know, not sure who will be around in 12 months from now. I think just, just, just a lot of, uh, just a lot of uncertainty in the market. So what I've seen is a lot of people maybe that had one source that they look to have, um, you know, dual sources are, are the third, really doing a step back and saying, you know, how are they setting their team up for success as far as, you know, uh, managing risk? Do you have a proper amount of product?

Speaker 2 00:06:40 How about looking down the line? It's sometimes not just your product, but how about the byproduct? So there's a lot of things going on right now, but certainly this year has been a lot been very challenging for a lot of people, a lot of companies and whatnot. But I think if I had to, if I had to really pinpoint, I would just say risk is a, is a big thing. And, you know, it's always been a big thing for any company managing risk, but just a lot of ambiguity in the market, not knowing now looking at December of 2020, uh, is this company that I work with even going to be around in 12 months from now or six months from now. And if they're not, how am I going to handle that moving forward?

Speaker 1 00:07:20 So that risk and ambiguity. Um, and when you do, like when you're a business owner, you're worried about running your own business, you're not, you're not, well, maybe you are in a way looking down your supply chain at your customers, but how deeply can you look into what's going on with them to make sure that they are going to be around 12 months from now? And my question, I guess, to you, is how do you make that relationship with your supplier strong enough that you can get a sense of what is going on in their business to make sure that everything is okey-dokey there?

Speaker 2 00:07:59 Yeah. Uh, it's uh, another, just great question, Janet. I, I would say that, um, one thing, uh, just to kind of go back to the other question is having multiple sources is, is a big thing to kind of mitigate some of that, that risk, certainly, but as far as having these good supplier relationships, I think it's key. And you, you raised a great question there, uh, but I think you do that by having business reviews frequently and probably even more frequently than maybe what you've had in the past, ask questions, uh, uh, have expectations of what you want your supplier to cascade information to you about understanding, like you said, you know, not just, not just the, you know, maybe the paint that you buy, but what goes into that paint or how about the, can that, that paint comes in? Is there an issue with that?

Speaker 2 00:08:50 And I think having good communication and having that, I tell my suppliers all the time, I want you to be proactive, not reactive. So proactively tell me if there's an issue that I might need to be aware of, not as a way to kind of, you know, scare me a --

-- s a procurement person, but, but just so that we're on the same page so that if, if we have to make shifts that we're doing it in sync and, and again, just, just having partners and that's, I, you know, I like to have, uh, I like to have strategic partners and strategic vendors that I work with. Not just transactional, I'm just going to send a PO to you for this. I want to have vendors that, you know, we're in it together that we're talking that I, you know, I'd let them know about, Hey, our businesses, it's going to be on the upswing. We think we're, you know, we're seeing some more stuff coming down. The pipeline just wanted to get you ready, but also for maybe seeing a little bit of a trough in the market. So I think just having good communication, business reviews, uh, and just making for sure that you and your key suppliers and vendors have good and strong communication.

Speaker 1 00:09:59 So those suppliers, uh, no, let me step back. I think my question is up until COVID hit, did most manufacturers have those multiple suppliers of kind of the same thing in case that there was a problem, or is this something that they're totally having to go out there and find these new suppliers and make sure that they have sort of a stable of people to provide them with the same kind of thing, just in case they need it and how do you manage those relationships and their expectations if they know that they're also the same supplier?

Speaker 2 00:10:38 Yeah, I mean, that can be tricky. I would say, uh, the first question, uh, is prior to COVID, you know, did a lot of businesses have multiple sources and I would say some did, but most did not. And you know, you have a lot of businesses that have been around a long time and they've had a supplier that has provided them whatever material or whatever raw material, or are, you know, MRO product or anything like that for 20, 30 years. And they felt really secure in that. And they really haven't, you know, said, Hey, let's go out and find somebody to mitigate that risk. Well, now the game has kind of changed a little bit and now some of these companies have been hit or, you know what, whether it's a company, uh, either going out of business or they've had so many employees that have had, COVID where they haven't been able to make the demand.

Speaker 2 00:11:29 When, you know, if you've got 20 employees on your operations line and half of them go out for COVID, I mean, you're going to be hurting. So I think, uh, I think one thing is just to be transparent, uh, kind of on that second question, Janet, as far as, you know, I get it, uh, you know, I've been doing this awhile and I know that if I've been working with vendor A and I have to find somebody because whatever vendor A is, is a very key product, I have to go to vendor B and I had to find some. So as far as supplier A and B, I mean, we've got supplier A that you've bought from for a number of years, you feel confident that they're going to supply you, but it's a critical material. And that if this company something happens, you know, like what we've seen this year, Janet with, uh, COVID that if you don't have somebody as a backup or say this, this company, a vendor A say, they go on strike.

Speaker 2 00:12:22 They didn't expect that they didn't see it, but something like that happens, you know, you're, you could be in a lot of trouble as a business owner. So, but I think having these conversations, I'm just, uh, I'm just a big proponent of having good communication with your vendors and telling them, Hey, uh, we're at a point we have to make, for sure, we're mitigating our risk. I'm a business owner, I'm a procurement manager, uh, I'm an operations manager and I got to make for sure that I'm protecting my business. So therefore I am going to have to find somebody as a backup. Uh, and, and, you know, some, some vendors kind of interpret that if they're kind of the sole supplier or I'm going to lose all those business and whatnot, but, um, they may lose a little bit, but I think that most people understand the market now better than they did even 12, 18 months ago, knowing that as a business owner, your expectations are to run a business. And part of that is making sure that you have good employees, you have good supply, you have good product, you have good vendors, all these types of things. So I think having these communications and making for sure that you're, you're mitigating your risk, your unders --

-- tanding of the market and that you've got for your key products that you've got good backup suppliers in case something did happen down the road.

Speaker 1 00:13:38 And probably that other business owner who's your supplier is probably thinking the same thing. So, you know, lots of, lots of things have changed in the last year. So people are shifting and kind of going, yeah, like I probably needed a second supplier for that too. So I want to talk to you a little bit because I, you know, I don't know why, but I'd never thought about it before, but when people go on strike, like how do you mitigate your risk from that? How do you, how do you have an idea down the road less than three weeks time that yeah. These guys might go on strike? Like how do you know that?

Speaker 2 00:14:12 Yeah, I, I think, uh, I found that out in a very, um, uh, not good way years back and, uh, a company that supplied us a very key product at the time, uh, unbeknownst to us, uh, and really kind of caught this vendor off guard that they didn't expect it. They had good relationships. This company had never went on strike. Their union had never went on strike. Uh, and, and they did. And, um, luckily it was short-lived and they w they were able to kind of make, make mens and kind of ratify the agreement, whatnot with the reunion. Uh, but what that taught myself my team is that we had to look at all of our, all of our key vendors, Janet, and say, who are these vendors, uh, have union contracts? And if they do, I want to know when do they expire? So what we do is that we kind of had a big push, you know, sometimes it's, it's, you know, you're going to learn these types of, uh, things from, from not just trial and error, but sometimes something, something nipped in the bud and you have to make for sure that you're being proactive.

Speaker 2 00:15:22 So what we did is we reached out to all of our key suppliers. We said, do you have a union contract and agreement? And if so, we want to know when that is. And then every month we go in and we review, and if there was anything within 120 days of expiring, we're talking with our vendors and suppliers and saying, how's it look, and has the, has the communication started? Are you expecting any issues, anything like that? So I think being at the forefront are making for sure that we're having these conversations. And, um, and that also goes back to having dual sources too, that, that, you know, uh, as we were talking about earlier, Janet, that if, if you have two sources, you know, you've got, you've got some, uh, buffer there. You've got some opportunity that if something did happen, that you could rely on somebody else.

Speaker 2 00:16:11 But I think really just, that was kind of, uh, um, you know, fool me once type of situation, and now having a good plan moving forward and making for sure, we're kind of checking these boxes and making, for sure work, having these communications with our vendors and that we're talking to them about, you know, if you have any expectation of things that could go sour with your, you know, union agreement, let us know about that. If we need to bring in more material beforehand, just as a, could potentially happen, let us know that as well.

Speaker 1 00:16:43 Okay. Let's talk about, you know, what a sourcing strategy should actually encompass. And I know you've hit some of the high points here, but if, you know, if maybe if I'm young in the procurement game and I'm trying to figure all this out, right, what would you tell somebody who who's, you know, new at all of this? And it's like, okay, here's what you really need in that sourcing strategy for your purchase.

Speaker 2 00:17:07 Yeah. I, um, I would say, learn, learn your products. Well, I think that's, that's a big thing, not have the expectation that you're going to be an SME in every category, uh, and that, you know, a lot of what I've kind of bought in the past, I mean, has been anything from, you know, uh, a dollar MRO product to, you know, a half a million dollar piece of equipment. But I think knowing your product, understanding the expectations of operations, maintenance, I think having really good communication, not only I've been talking a lot about, uh, with the vendors, but also with your internal stakeholders, those are your operations team, your engineers, your maintenance, you know, is there a maintenance package that goes along with this piece of equipment? I th --

-- ink knowing, uh, what, what is the end goal? So if you're buying a piece of equipment, what is the end goal reaching out to the people who are going to be your end-users and say, what's your expectation for this product?

Speaker 2 00:18:10 What's your expectation for this piece of equipment? I think those are some big things. I think also from a strategy standpoint, I think there's a lot of, um, negotiation that can be learned. Uh, I think, I think knowing, you know, what's of the highest value for your company, you know, some it's all price, summits, all the terms, working capital, all that is a, is a, is a big, big, you know, uh, term now, as far as negotiation is concerned, but I think knowing your product, knowing, uh, what, what is going to make the most for your current company. And I think just playing a working hard, I just, uh, I can't even stress the importance of working hard and getting to know your vendors and having good communication. Um, my, my grandfather who is 88 and, uh, he served in the Korean war and, uh, love him to death.

Speaker 2 00:19:06 And he, he's shared a lot of just, just great quotes with me and one that I, that I still use today, uh, and I'll still use, you know, years down the road, as he says, do a job large or small, do it right. Or not at all. And, and I love that quote Ghana because it's just, it just really is telling me, and it's telling the people that I work with for, uh, that I want to make for sure that we're doing what's right. Not sometimes, but all the time. And, and I think whether that's a sourcing strategy, you know, strategizing for the future, I think it just making for sure that we are doing what's right and, and respecting people, having good communication and working really, really hard.

Speaker 1 00:19:50 Hmm. I'm wondering, I love that quote too. I'm going to, I've got to go back and listen to this and write that one down here and tell you, tell your grandfather, I love that. Why I'm wondering how negotiations have changed over the last, even I'm guessing six months because of COVID and the cashflow problems and what not, how have negotiations changed as to paying for what you're purchasing as from your suppliers?

Speaker 2 00:20:26 Yeah. Th there's there's been, um, there's been some changes, certainly I think in the last six to nine months as we've been hit with this pandemic COVID and, and, uh, I think that companies that, uh, you know, as, as a procurement person and then representing the company, I'm always wanting to push patrons out, uh, and they're wanting to do the opposite. So I think really, uh, I think just, just a lot more, um, I don't know, leniency, but just a lot more understanding each other, uh, understanding that, you know, we've been hit, you you've been hit. Uh, and I think just making for sure that you are, uh, having this communication with your vendor. And I think even from a bid standpoint, uh, one thing that I just, I preach all the time, Janet is maintain and be a person of integrity with your bids.

Speaker 2 00:21:18 And, uh, if, if, if I'm going out and doing the normal procurement function of, we need to buy this piece of equipment and I'm going to solicit three bids, and I want, you know, your best price, your best pay terms is that I never ever share another vendor's pricing. Um, and, and, and, and I think that's just so big and working that kind of coast back to my grandfather's quote, that, that it's just, you know, being a person of respect and integrity. Um, and, and knowing that, you know, um, that these are still people that you're working with. Yeah. I mean, we all have a role to play in our company, but at the end of the day, it just being a person of integrity and that, you know, I wanted to go C8. Uh, I've learned a lot over the last 10 years of how to do, uh, uh, and a lot of times what I've found too, Janet, as far as we all go into a bid and I had my expectations and they have direct expectations, and sometimes they don't, they don't know what mine really is.

Speaker 2 00:22:22 And I don't know what their is really is, but I think getting those out on the table and saying, you know, what's a takeaway what, what's something that you have to have vendor in the last, you know, and here's what we have to have. I think getting that out on the forefront can really eliminate a lot of back and forth. And lastly, I'll say this, that one of the hard things with COVID has been, u --

-- h, many things, uh, certainly, but, uh, just missing some of the face to face communication, I think, you know, uh, and, and Janet, and I think we talked about this a week or two ago, but just, uh, I'm a person that if I want to have, if I want to have a conversation, I want to sit across from you. I want to have that type of communication. Uh, and, and, and it's been, been a struggle.

Speaker 2 00:23:06 So I think, you know, uh, when, when things maybe do go sour, I think having those types of communications face-to-face is a big thing too. Like, I'm just, you know, if, if, uh, we've kind of been working with you vendor for, you know, four or five, six, seven years, and then all of a sudden it looks like we're going to go a different way. I want to call y'all to talk to you about what we're doing. I don't just want to just do it haphazardly and walk away because, you know, I've told people before, you never know when you could need someone, you never know when someone could come back in your life. So I think being a person of integrity and respecting the vendors, your supply base and the people that you work is really, really a big deal.

Speaker 1 00:23:48 I, I, I realize we're running short on time and I don't want to keep you too long cause I know you have work to do so, but I did want to ask you a couple of things. Um, I did talk to somebody recently, his name is Harry Moser about reassuring. And I'm wondering, are you thinking that we're going to see a lot more of that in the coming years, as people get concerned about the proximity of their suppliers so that they can get things right.

Speaker 2 00:24:14 Yeah, I think, I think, um, I think understanding the supply base has really, really shifted a lot this year. And I think a lot of people, I mean, even talking with some, some of my colleagues in the field or whatnot, uh, is, is, is protecting their supply base, but also understanding those supply base and say, if we're having issues internationally, whether it's issues at the port, uh, anything like that, I think having a good domestic source and a good international source is one of the best plans that you can have because it is, I mean, there's, there's there's issues. I mean, there's things where there's issues at the port where there's longshoreman strikes, there's things that can happen. And those are, you know, things that, I mean, I could have no, uh, I mean, I can't do anything about that. It's one thing to have a conversation with all my vendors about, you know, supply, it's another thing to have a strike at a major, you know, LA port or something like that, uh, or an East coast port or something like that. But I think making for sure that you've got good supply base internationally, locally, and that if issues do happen, that you've got the right people who can supply you when needed.

Speaker 1 00:25:24 Okay. I have one last question for you, Aaron. And we always ask our guests this, but a couple of key takeaways to leave with our audience for those that, um, you know, maybe are starting out on their procurement journey or just, just want some really good tips. What would you say to them?

Speaker 2 00:25:43 I love procurement Janet. I do. I mean, I just, I, I love the field. I, I, you know, having been in it now a number of years, it's just, I love the field because I think it's a great balance of, um, interpersonal, but analytical, uh, skillset. And I've certainly got a lot of opportunities to grow myself and, and, but I think, uh, really, if I could leave your listeners with anything, I think it's just having good communication, uh, thinking strategically about your supply base, um, knowing what negotiations should happen. And I think telling your suppliers and vendor base, I want you to be proactive. I want to know what's going on and I want to understand, uh, the market. So if there's analysis that that can be had, or if there's some sort of a, um, some sort of a forecast, anything like that, I think that that's really going to help you a lot, but I think just be passionate about what you do.

Speaker 2 00:26:43 And, and I can't say that enough. It's just, you know, at the end of the day, it's just like, I love procurement, uh, because I love working with people and I respect people genuinely and wholeheartedly, and I want to do what's best. Uh, and, and I think just, um, just working hard and, uh, because when you do that, it's just, uh, it can be su --

-- ch a game changer as opposed to just having a job, but when you're in a career and you're doing things and, you know, um, that, you know, that you're really making a change and, and, and you really want to do what's best, um, uh, for everybody involved. I think that that, that really, really makes it so, uh, those would be kind of some of the key things that I would share with your listeners as far as if you're wanting to get in the field or, uh, if, if you're wanting to kind of understand it from a procurement standpoint, I think just communication, I think is really, really key.

Speaker 1 00:27:37 Well, Aaron, you're a great communicator. I have to tell you that. And I think, uh, the, the manufacturing procure procurement guide podcast is going to do really well for you. I've learned some great things on it. So, uh, thank you so much for joining us and I hope you'll be our guest again.

Speaker 2 00:27:53 Absolutely. Janet, I appreciate the time and, and, uh, you're a fantastic host and person, and, uh, I've really enjoyed getting to know you these last couple of weeks and whatnot and you're, and you're doing a fantastic job, so, uh, appreciate everything. Thank you. Thank you

Speaker 1 00:28:06 Very much. Aaron Brimer is the host of the manufacturing procurement guy. And I do have a bit of difficulty saying procurement, but, um, you can check out his podcast, just look for it on Google. It's the manufacturing procurement guy that is our show this week. Thanks so much for listening. You can check out our Twitter and LinkedIn feeds that are on our podcast page, subscribe and share the podcast with friends and colleagues. If you'd like we're on iTunes, Google play Stitcher, Spotify on YouTube. And remember that the make it right. Podcast is brought to you by Kevin Snook. He's a leader, who's ship advisor and author of the bestselling book, make it right. Five steps to align your manufacturing business from the frontline to the bottom line. Aaron, thank you again. And we'll see you. We'll speak to you again soon. Thank you Janet until next time. I'm Janet Eastman. Thanks for listening to me,

Speaker 0 00:28:54 Right.

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