Guiding Principles: Trust and Treat Partners Like Family

By Tanner Ehmke

Bob Temple, general manager of WindRiver Grain in Garden City, Kan., likes to keep his business partners close. In fact, they're more like members of a family. "We want the best for them," Temple says of his relationships with crucial partners like the railroad or other transportation companies. "We brainstorm and communicate in a very transparent way to them just like we do our own team."

Seeing business partners as trusted members of an extended family is a principle crucial for risk management and building value in any supply chain regardless of the industry, says <u>Vincent Amanor-Boadu</u>, Kansas State University agricultural economist who specializes in business development and strategic management.

When players in a supply chain can come together and cooperate as a single unit, Amanor-Boadu says partners can agree to share the profits of success in unique ways that make the economic environment irrelevant to their success. This includes prices and competitors, and even public policy.

When bad economic times hit and competitors are struggling, supply chain partners leverage their built strength to sustain their performance and even grow. Each partner also has a new level of vision for the future and is keener on risk management.

"If you pay attention both upstream and downstream, you'll be able to see things before they happen," Amanor-Boadu says. "Things often happen all of a sudden in the supply chain. But in truth, things have been happening for a long time and we just weren't paying attention, like a major customer goes out of business or a major customer gets taken over by China and they change the rules of the game, or another player enters the market and disrupts everything. Being conscious of what is going on along your whole supply chain allows you the right strategies to minimize risks and accelerate your ability to seize opportunity."

The key ingredient to achieving that enviable level of success, Amanor-Boadu stresses, is trust. Without relationships grounded in trust, sustainable supply chain partnerships are impossible. "[Partnering] is the only way you can do it properly," he says. "You cannot play the new global game all by yourself."