



Move to another supplier management system  
without a hitch and increase suppliers' involvement

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A NORTH AMERICAN LEADER IN THE STEEL INDUSTRY

## OVERVIEW

After 8 years using a so-called “standardized” third-party supplier management system, this world leader in steel production and processing has adopted a new solution, migrating to Cognibox to facilitate and improve its suppliers’ prequalification experience and to take its risk management program to a higher level. As a result, it can better direct its OSH initiatives for workers reporting to its sites.

## WHY DECIDE TO CHANGE?

### **Improve suppliers’ prequalification experience**

The key to a successful risk management program is worker collaboration.

In this steelworks, suppliers’ negative experience with the former provider’s software and service had a direct impact on their involvement, their response speed and their willingness to maintain the expected compliance level. As a result, the company experienced major prequalification delays, work overloads and lots of wasted time in their projects.

## THE CHALLENGE

The irritants of the original software raised by suppliers were numerous and of varied causes.

- Heavy, complex and non-personalized process
- Solution unsuitable for inclusion of all types of outside workers (carriers, day labourers, etc.)
- Unhelpful support service where neither possible solutions nor advice were given to help suppliers comply
- No feedback from the provider in response to complaints and requests for improvement logged by suppliers
- Lack of flexibility in the solution, particularly due to the automatic document validation system
- High subscription costs.

## Switching to a more effective solution

Prequalification of suppliers is a key element in this steelworks' risk management program, but not an end in itself.

Executives wanted to move to a more effective, more flexible solution to address their suppliers' main complaints and get more out of their supplier management program.

Important requirements for a good risk management program are the ability to centralize all suppliers and to easily check their compliance by ensuring that the training, certifications and professional qualifications recorded in their files are valid, up-to-date and comply with conditions for outsourced work.

## 5 KEY FACTORS FOR A SUCCESSFUL TRANSITION

Cognibox experts, working with steelworks executives and suppliers, identified the elements that were crucial to a smooth, winning transition.

### 1. BETTER UNDERSTANDING THEIR NEEDS

A meticulous analysis was carried out to gain a thorough understanding of current and future needs, so that the solution could be tailored to the realities of the company's situation and its business objectives.

- Regain the trust and satisfaction of the main stakeholders, and successfully handle the changeover for internal users.
- Adopt a uniform centralized prequalification process for all types of suppliers, both high- and low-risk.
- Improve the document management and validation process without compromising rigour.
- Obtain a detailed view of the training, certifications and professional qualifications of each employee of each supplier reporting to the sites.
- Using the Cognibox platform and administrative support provided, ensure that all suppliers carrying out work on the company's sites meet corporate requirements regarding insurance, training, occupational health and safety, and the environment.

### 2. THE USABILITY

Two factors that make a big difference in the daily routine are the new platform's ease of use and the support provided.

Suppliers report that Cognibox is much simpler to use than the previous software.



*Navigation in Cognibox is user friendly. I was ready to hate the system, but I had a great experience! Thumbs up for the ease of uploading documents with the drag and drop.*

Supervisor



### **3. EASE OF SETUP AND IMPLEMENTATION**

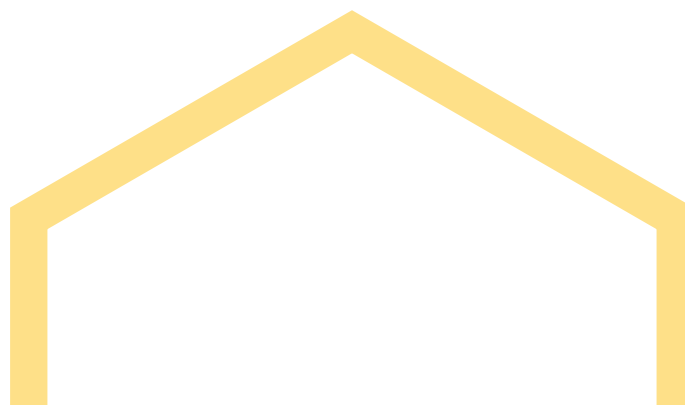
#### **Turnkey service**

Total handling of implementation, change management and personalized support by the Cognibox team proved to be a significant success factor in a context in which the company's internal resources were limited.

### **4. SWITCHING FROM A STANDARDIZED TO A FLEXIBLE APPROACH**

As set out in the table, there are two philosophies exhibit significant differences when choosing an external supplier compliance system.

After using a standardized solution for 8 years, the company realized a flexible vision best resonates with their company's management philosophy and the type of relationship desired with their suppliers.



<b>HIRING ORGANIZATION</b>	<b>PREVIOUS SOLUTION</b>	<b>COGNIBOX</b>
	<b>Standardized approach (One size fits all)</b>	<b>Flexible approach (Personalized)</b>
<b>Initial preparation</b>	<p>Client applies evaluation criteria of system supplier</p> <p>Requires less preparation on behalf of client</p>	<p>Client determines evaluation criteria together with supplier who advises of best practices</p> <p>Requires more preparation on behalf of client at outset</p>
<b>Supplier evaluation criteria</b>	Supplier evaluated based on predetermined, standardized criteria	Supplier evaluated based on company criteria and standards
<b>Implementation</b>	Implementation highly standardized and formatted based on industry-specific requirements (e.g. petroleum sector)	Client defines own requirements, standards and priorities based on company-specific needs
<b>Supplier engagement</b>	Supplier commits to honour evaluation criteria set out by system supplier	Supplier commits to honour evaluation criteria set out by company
<b>Quantity of data collected</b>	Often excessive and not always aligned with nature of work assumed by supplier	More specific based on work to be carried out and/or level of risk
<b>Time required to complete file</b>	Extremely demanding in terms of supplier hours	Adapted based on real needs of buyer
<b>Supplier contract cost</b>	Pricing based on the total number of employees in the supplier's business	Pricing based on number of employees reporting to the hiring client's sites
<b>Supplier adoption and participation</b>	Harder	Easier



THE NUMBER OF SUPPLIERS ON THE OLD PLATFORM HAS DOUBLED, RISING FROM 65 TO CLOSE TO 150 BUSINESSES, CONFIRMING THAT THE FLEXIBLE APPROACH IS MUCH MORE INCLUSIVE, MAKING IT POSSIBLE TO CENTRALIZE MANAGEMENT OF THE ENTIRE SUPPLY CHAIN.



## THE FLEXIBLE APPROACH: A SUCCESS STORY

### Document validation

Analysis of questionnaire responses and documents is a huge improvement for suppliers. The Cognibox customer service team takes the time to read every document and analyze the submitted information.



Document approval is based on its quality and not solely on the presence or absence of keywords.

### Prequalification questionnaire

The ability to adapt questionnaires according to supplier type allows the steelworks to integrate, on a single platform, all types of suppliers performing work on its sites.




The company identifies, assesses and manages risks in a centralized manner.

## 5. IMPORTANCE OF TRAINING

Internal users' ability to navigate the system and find the information they need for their work is a key success factor in the move to a new system.

To ensure a harmonious transition and minimize internal resistance from both the client corporation and suppliers, Cognibox experts held a number of information and training sessions. These meetings addressed the main issues that each stakeholder had to deal with.




***Since suppliers had had a poor experience with the other provider, it was very important to us to give personalized support through information sessions and training workshops, and to be responsive—in short to make the transition smooth and enjoyable.***

Annie Riopel-Meunier  
Implementation Project Manager, Cognibox




All users can at all times, even after implementation, count on the support of a dedicated account manager and on the Cognibox customer service team to provide guidance on the platform and help them achieve compliance.








***Our company is a member of multiple supplier management solutions and the simplest and more user-friendly option is, by far, Cognibox. Their customer service team provides excellent service and are fun to deal with. If only all corporations would use Cognibox!***

Maria Zajac,  
Zelus Material Handling Inc.





## TRANSITION FROM THE OLD TO THE NEW SYSTEM

				
145 suppliers were transferred to Cognibox, whereas the original project covered 65 businesses. – A 225% increase!	Positive adherence to the new system from suppliers. – Over 87% attained the required compliance level.	The transition was made over the course of 1 year, with no resistance whatsoever.	Knowing that the supplier cooperation would be improved was enough to motivate all users to move to the new system.	Training, communication and integration: the Cognibox team took charge of every step of the transition.

### Transition to the new solution for suppliers

Transfer of all suppliers was spread over a year in order to avoid duplicating effort and incurring additional costs. As their subscription to the old system expired, suppliers completed the qualification process in Cognibox.

### Regarding the prequalification questionnaire

The initial assessment of the client's needs, combined with Cognibox's expertise, resulted in a sharing of industry best practices and the development of a prequalification questionnaire tailored to the various types of suppliers, based on the nature of the work to be performed and the specific needs of the steelworks' various sites.

***Subscribing to Cognibox encountered no resistance. Suppliers collaborated very well. They were already familiar with concept, completing the prequalification process using one system or another was not an issue for them. They were in fact happy to leave the old system.***

Annie Riopel-Meunier  
Implementation Project Manager, Cognibox





## PERFORMANCE AND RESULTS

The success of the transition to Cognibox has led to:

- A document validation process focused on an understanding of the information submitted
- Centralization of all information on all supplier types
- Lower pricing for suppliers and a lower total cost for the client
- Greater rigour in the monitoring of critical documents, namely the WSIB clearance certificate and insurance certificates
- Improved collaboration from suppliers during the prequalification process, thanks to the consulting services provided by the Cognibox team
- An instant overall view of the compliance level of every supplier reporting to the sites
- A positive adoption and low resistance to change from users

Changing to a new system was a major decision, but the outcome more than repaid the effort.

The migration to Cognibox has allowed suppliers to complete the prequalification process more quickly. Since then, the steelworks has observed fewer work delays. With Cognibox, the company has been able to achieve its ambitious goals for the management of supplier compliance risks, with the opportunity to develop the tool in accordance with its longer-term goals.

## ABOUT COGNIBOX

Since 2005, Cognibox has provided comprehensive supplier management, worker compliance and learning solutions that support organizations in their drive towards a safer and more efficient work environment. It offers expert professional services to accompany corporations through their supply chain safety and risk control processes. Guided by its core values of transparency and excellence, Cognibox's flexible, client-centric approach is paramount to the customer experience, and serves over 290,000 members. To find out more, visit [www.cognibox.com](http://www.cognibox.com).



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