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Supplier Portal Strategy for American Family Insurance

Project Sponsor

American Family Insurance

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Project Report
(Abridged Version)

Executive Summary

The goal of this project was to research and compile leading practices for supplier portals and assist American Family Insurance in developing their supplier portal strategy. The student-team interviewed five UWEBC member companies and conducted research to learn about supplier portals. Areas of research included what types of supplier portals exist, how they can be used, what information is on a portal, what major benefits companies are seeing after implementation, organizational challenges, and future portal trends and upgrades. After the results were compiled, the team worked with American Family to analyze their current situation, assess the applicability of the research insights to their context, and develop recommendations.

Insight was gained through best practice research articles, mainly from Forrester and Aberdeen. These articles provided background information on supplier portals including typical modules and functionalities in a portal, comparison of third-party portal vendors, and general benefits seen by companies following portal implementation. Typical supplier portals often help to streamline the sourcing and procurement process, assist in demand planning, increase supplier performance, and enhance information exchange through the different portal modules and functions.

To further investigate specific examples of how companies are using supplier portals, we interviewed five companies who currently use a portal. The company research revolved around four key areas: introduction and portal background, processes and functionalities of the portal, performance, and organizational issues. The first section helped to set the context within each company as well as define the main purpose and type of each company's portal. The second section focused on the portal details – what functionalities and business processes are associated with the portal and how the portal is used and maintained on a daily basis. The performance section concentrated on internal and external metrics that are tracked in addition to the overall benefits of using a portal. Finally, the organizational section delved into the issues that were prevalent at each company before, during, and after the design and implementation of their portal.

Because portal design and implementation can often be more difficult from a business side than from a technological perspective, we also researched articles on change management. These articles provide a background on corporate culture change and then dive into the issues surrounding internal and external portal training.

Considering the current situation at American Family and the insights gained from other companies and articles, we recommend that several ideas be kept in mind during the pre-design, design, and implementation phase of a supplier portal. Before a supplier portal strategy can be developed, it is necessary for American Family to establish benchmark metrics for their current processes and secure upper management sponsorship. When designing a portal it is important to plan ahead for desired functionality, and keep the portal simple to ensure usability. During implementation, consistent, timely, and appropriate communication during training is essential to the success of the portal. By planning ahead and taking steps to ensure a smooth design and implementation, American Family has the potential to streamline their procurement process, creating tangible and intangible benefits for their suppliers as well as themselves.

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Thank you,

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