



Funded by
UK Government

Supply Chain Playbook

How to buy smart, manage suppliers and build resilience

Quick Summary

Your supply chain is invisible when it works, but catastrophic when it fails. Customers don't care whose fault it is - if you can't deliver, they walk. Independents often underestimate their buying power, yet professional supply chain management is what separates thriving retailers from those constantly firefighting.

From picking the right suppliers, to negotiating terms, to managing lead times and delivery windows - every decision ripples through cashflow, margin, and customer trust. Global trade shocks, tariffs, and freight costs have proven that disruption is the new normal. Independents can't just rely on "cheap" - they need flexible, resilient supply chains that keep shelves stocked and promises kept.

This playbook gives you the tools: how to buy smarter, negotiate with confidence, balance cashflow, diversify risk, and turn your supply chain into part of your story. Customers buy trust as much as product. Manage your supply chain well, and you'll sell both.

How to use this Playbook

Use this playbook as both a workbook and a reference guide. Work through each step in sequence the first time, filling in the tables as you go. Then, return to specific steps whenever you're preparing for a buying trip, reviewing performance, or planning a new season. Keep the worksheets handy - you'll use them again and again. Optional worksheets can be downloaded and 5 minute videos are linked throughout.



Funded by
UK Government

At a glance

Contents

[Step 1 – Selecting the right suppliers](#)

[Step 2 – Managing supplier relationships](#)

[Step 3 – Negotiation skills for independents](#)

[Step 4 – Managing lead-times, MOQ's and cashflow](#)

[Step 5 – Building supply chain resilience](#)

[Step 6 – Physical Logistics – transport, storage, delivery and returns](#)

[Worksheets & Templates](#)

[Wrap-Up Checklist](#)

[Next Steps / Further Learning](#)

What you'll achieve

- Know how to select the right suppliers balancing cost, quality, reliability and shared values
- Negotiation technique to help secure fair terms
- Tools for managing lead times, minimum order quantities and cashflow to maintain stock availability without overcommitting
- Improved supply chain resilience so that you can adapt quickly when things go wrong (or when sales take you by surprise)
- Understanding on where you can optimise logistics whether fulfilment or returns
- Practical ways to track performance, benchmark suppliers and to establish regular reviews



Funded by
UK Government

Step 1 – Selecting the right suppliers

Supplier selection is about more than price. The right supplier helps you deliver on your service promise - the wrong one leaves you with empty shelves, unhappy customers, and wasted cash.

Action: Build a supplier checklist - judge them on fit, not just cost.

How To

- Ask: Can they deliver the right product, on time, in the right volumes?
- Do they align with your values (sustainability, ethical sourcing, local-first for example)?
- How do they support their retail customers?
- What's their reputations? Check reviews, references and industry chatter.
- Do they have the infrastructure to scale with you?
- Look beyond the cost price. Are there indicators of hidden costs that could destroy margin or reputation? (E.g. late delivery, poor quality of products, inflexible terms).

Example

A gift shop sourcing candles has three options:

- Wholesaler: Fast delivery, small MOQs, but higher unit cost.
- Direct manufacturer (China): Cheaper, but 10-week lead times.
- Local artisan: Highest cost, but fast lead time and a "Made Local" story that sells.

The sourcing decision depends on a balance of margin, risk, and their brand story.

Workbook Exercises

- * Complete the worksheet 1. Selecting the Right Suppliers, to compare supplier options
- * Watch the 5 minute [webinar](#).



Funded by
UK Government

Step 2 – Managing Supplier Relationships

Supplier collaboration beats adversarial haggling. Share information and you both win. Poor communication = both sides holding excess stock “just in case” - tying up cash.

Action: Collaborate with suppliers with insights and forward planning and monitor performance. Build partnerships, not transactions.

How To

- Share upcoming promotions, sales patterns and planned launches.
- Track their performance – on-time delivery, accuracy and quality.
- Ask them for insights into the market, consumers and trends.
- Ask them about their plans.
- Forecast sales together.
- Keep a “supplier scorecard” to hold them to account.
- Build trust.

Example

A ladieswear boutique shares monthly sales data with a jewellery supplier. The supplier uses this to forecast demand, and to give indications to the boutique on how they are performing versus the rest of the market. Using this sales data, the supplier can more accurately forecast manufacturing requirements, therefore delivering cost benefits and faster replenishment. Both sides win - better availability, less tied-up cash and shared insights into sales performance.

Workbook Exercises

- * Complete 2. Managing Supplier Relationships, the supplier score card for key product ranges.
- * Watch the 5 minute [webinar](#).



Funded by
UK Government

Step 3 – Negotiation Skills for independents

Negotiation isn't about winning - it's about finding terms that work for *both* sides. As an independent, you might not have the buying power of a chain, but you do have flexibility, loyalty, and speed of decision-making on your side.

Action: Know how to prepare for meeting to help negotiate terms that support your business goals.

How To

- Understand the full cost picture – inclusive of delivery.
- Discuss minimum order quantities – do you have space to hold the stock and the cashflow to support it?
- Weigh up the benefits of pre-orders.
- Negotiate for flexibility in order scheduling.
- Agree payment terms in advance and work out what is most important to you – a little more margin, or longer payment terms to aid cashflow?
- Negotiate for retail support such as sale or return or discounts for ordering ahead of promotions.
- Make sure you understand returns procedures and costs.
- Use smart negotiation tactics including bundling orders, understanding spend thresholds, listening to selling cues, and looking at the entire package.
- Make sure agreements are in writing.

Example

Emma runs an independent healthcare shop. A new supplier requires a £1,200 minimum order with 30-day payment terms. Emma wants to trial the range but doesn't want to tie up too much cash. Emma explains she's testing the range in one location before committing to full rollout. She offers to pay pro forma (upfront) for an initial £600 mixed-SKU trial, with a promise to place a £1,200 follow-up order within 8 weeks if sell-through is good. The supplier agrees - Emma gets flexibility with reduced risk, and the supplier secures a potential long-term customer.

Workbook Exercises

- * Complete worksheet 3. Supplier Negotiations, on preparing for supplier meetings.
- * Watch the 5 minute [webinar](#).



Funded by
UK Government

Step 4 – Managing Lead times, MOQ's and Cashflow

Lead times and minimum order quantities (MOQs) can make or break cashflow. "Little and often" orders keep cash liquid, but too many micro-orders create admin overload. Bulk buys save cost per unit but risk overstock. Balance is key.

Action: Match buying patterns to cashflow, storage, and sales cycle

How To

- Review lead-times and reorder points
- Understand your display space capacity and storage capacity.
- Consider splitting orders into multiple deliveries by weighing up impact on cost price (and therefore margin) and cashflow
- Use historical sales data (or sales data from similar products with similar characteristics) to forecast when to schedule orders and deliveries to avoid overstocks or stockouts.
- Use stock budgets, sales and margin budgets and cashflow forecasts to balance minimum order quantities and cashflow.

Example

- A haberdashery has a product with
- MOQ of 500 units
 - £2.00 cost price.
 - Forecast sales of 100 units per month
 - Cash needed: £1,000
 - Leadtime from the supplier is 8 weeks

Problem:
Stock would last 5 months - tying up £800 unnecessarily, slowing cashflow.

Solution:
Negotiate split deliveries - 250 now, 250 in 2 months with shorter payment terms and set an alert to re-order when forward stock falls below 10 weeks.

Workbook Exercises

* Use worksheet 4. Leadtime MOQs and Cashflow, to balance minimum order quantity, lead-times and cashflow

* Watch the 5 minute [webinar](#).



Funded by
UK Government

Step 5 – Building Supply Chain Resilience

Disruption is the new normal. Tariffs, pandemics, and shipping delays can all knock your plans sideways. Build resilience, not excuses.

Action: Diversify suppliers, near-shore when possible, and keep stock deeper on critical lines.

How To

- Build contingency plans – alternative suppliers and alternative products.
- Forward buy on cash-cows that should never be out of stock if you have storage capacity and confidence in sales forecast.
- Buy direct for better costs but potentially longer lead-times and higher MOQs. Look at distributors for lower commitments.
- Nearshoring – UK or European based suppliers may cost more but offer shorter lead-times, more flexibility to respond to sales peaks and a sustainable story.
- Use your data – slow movers tie up cash as much as stuck containers.
- Measure your suppliers – spot declining services levels and act on it.
- Look at whether you need flexible, additional storage at key selling periods.

Example

A health food shop has a contingency plan to buy an alternative brand of supplements if their preferred supplier has a crisis. They chose to buy another product from this contingency supplier so that they already have a relationship and terms agreed.

A bike shop stocks two brands of road bikes to mitigate risks of late shipping from the Far East to their suppliers' European warehouses. They monitor supplier performance against expected delivery dates.

Workbook Exercises

- * Use the worksheet 5. Supply Chain Resilience template, to review assess risk and plan contingency actions.
- * Watch the 5 minute [webinar](#).



Funded by
UK Government

Step 6 – Physical Logistics – Transport, Storage, Delivery, Returns

Logistics is where promises meet reality. Get transport, storage, and returns wrong and you lose sales and trust. Pick, pack and dispatch of online orders should be systemized to ensure strong customer service.

Action: Map your end to end logistics and look at reverse flow

How To

- Review inbound logistics. Who places orders? Do they have order guidelines? Who tracks deliveries?
- Review storage. Who books in stock? Have you got stock rotation processes established? How often do you reconcile stock inventory with stock counts? Who plans storage capacity by seasons and sales peaks? Do you have options for additional storage ahead of peak sales periods?
- Have you reviewed your own pick, pack and despatch processes for online orders? Where can you streamline processes?
- Have you reviewed couriers for your outbound logistics. Review their performance and costs to ensure you're on the best package. Are you large enough to outsource to a third party?
- Review your internal returns process so that the team know how they should be processed and what happens to the return products.

Example

A sports shop has a list of minimum order values by supplier so that when the team orders a special order colour way they can avoid the additional postage and packing by only ordering special orders twice a week and by topping up the order with best sellers.

A gift shop started selling online a year ago with slow results and less than 10 orders dispatched each month. They have now relaunched their website and activated google shopping resulting in higher sales. They are now dispatching 10 orders per week. They reviewed their carriers and switched to a different courier that gave better prices based on volume.

Workbook Exercises

* Use the 6. Physical Logistics template worksheet to map out your inbound and outbound logistics.

* Watch the 5 minute [webinar](#).



Funded by
UK Government

Webinars

You can find all our supply chain webinars on [YouTube](#).

Part 1: [How to select the right suppliers](#)

Part 2: [Retail Supplier Negotiation & Relationship Management: Win-Win Strategies](#)

Part 3: [How to Balance Buying, Lead Times & Cashflow](#)

Part 4: [Build a Resilient Retail Supply Chain: Plan for Disruption & Thrive](#)

Part 5: [Retail Logistics & Home Delivery: Where Promises Meet Profit](#)

Worksheets and Templates

Take a look at the worksheets and templates designed to help complete actions in this Playbook. Follow the links to [Retail Accelerator Programme](#) for full size worksheets.

1. [Selecting the right suppliers](#)
2. [Managing supplier relationships](#)
3. [Negotiation skills for independents](#)
4. [Managing lead-times, MOQ's and cashflow](#)
5. [Building supply chain resilience](#)
6. [Physical Logistics – transport, storage, delivery and returns](#)



Funded by
UK Government

Worksheet 1. Selecting the right suppliers

Supplier selection is about more than price. The right supplier helps you deliver on your service promise - the wrong one leaves you with empty shelves, unhappy customers, and wasted cash.

Action: Build a supplier checklist - judge them on fit, not just cost.

Trait	Supplier A	Supplier B	Supplier C
Annual Forecast Spend			
Annual Forecast £ Sales			
Annual Forecast £ Margin			
Lead-time			
Minimum Order Quantities			
Payment Terms			
Brand Fit			
Reputational Checks			
Retail Support Programme			



Funded by
UK Government

Worksheet 2. Managing supplier relationships

Supplier collaboration beats adversarial haggling. Share information and you both win. Poor communication = both sides holding excess stock "just in case" - tying up cash.

Action: Collaborate with suppliers with insights and forward planning and monitor performance. Build partnerships, not transactions.

Supplier	On time %	Errors	Out of stocks	Quality issues	Responsiveness	Overall Score



Funded by
UK Government

Worksheet 3. Negotiations

The best negotiation outcomes are built on preparation.

Action: Use this worksheet to assess your current supplier terms, identify improvement opportunities, and plan your next negotiation strategy

Topic	Where I am now	Where I want to be	How important this is to me	What I can offer to get there
My sales performance				
Supplier KPIs				
Unit Cost				
Minimum Order Quantity				
Payment Terms				
Lead-Times				
Returns Policy				
Marketing Support				
Account Manager Support				
Exclusivity				
Logistics				
Relationship				



Funded by
UK Government

Worksheet 4. Lead-times, MOQs and Cashflow

Lead times and minimum order quantities (MOQs) can make or break cashflow. "Little and often" orders keep cash liquid, but too many micro-orders create admin overload. Bulk buys save cost per unit but risk overstock. Balance is key.

Action: Match buying patterns to cashflow, storage, and sales cycle

Product	Cost £	Weekly Rate of Sale	Volume sales trend versus last period	Forward weeks stock	Lead-time	Re-order Point	Notes

Worksheet 5. Supply Chain Resilience

Disruption is the new normal. Tariffs, pandemics, and shipping delays can all knock your plans sideways. Build resilience, not excuses.

Action: Assess risk for key products and develop contingency plans. Have a new line for every risk (and remember there could be multiple risks)

Category / Product	Supplier	Risk	Likelihood	Impact	Contingency	Notes



Funded by
UK Government

Worksheet 6. Physical Logistics

Logistics is where promises meet reality. Get transport, storage, and returns wrong and you lose sales and trust. Pick, pack and dispatch of online orders should be systemised to ensure strong customer service.

Action: List your logistics processes and policies. Review one area each month by mapping the process and reviewing policies. Implement improvements, and don't forget to communicate with stakeholders and train staff.

Do policies align with new legislation, best practice, supply agreements and your brand policies? Can processes be automated, improved or refined? Are risks identified and planned for? How will you implement actions for change?

Area	Policy Review	Process Review	Risk Register	Actions	Next Review date
Order Process					
Supplier Tracking					
Storage					
Stock Reconciliation					
Seasonal stock planning					
Pick, Pack and Dispatch					
Courier Review					
Returns					



Funded by
UK Government

Wrap Up Checklist

Tick the actions as they are completed.

- Create a supplier checklist and apply it to all new partners
- Prepare for every supplier meeting
- Track supplier performance with a scorecard
- Negotiate terms that balance margin and cashflow
- Manage MOQs and lead-times with forecasts

- Diversify sourcing to spread the risk
- Build resilience by contingency planning on key lines
- Map your ordering processes
- Review your book in processes
- Review your outbound service partners
- Review your pick, pack and despatch processes

Next Steps & Further Learning

- Explore related playbooks, worksheets and webinars at our [Retail Accelerator Programme](#)
- Contact your local Growth Hub Adviser via <https://www.businesslincolnshire.com/contact-us>