

Supplier Price Increase Workflow

- Buyer receives notification of Price Increase
- Buyer to send response email with attachments (Supplier Price Change Escalation Template, SCCL CBW User Guide, SCCL CBW User Example, SCCL CBW Template & Shipping – Obtaining Alternative Quotations doc) - Where the annual cost pressure is **over £10K pa**, the supplier is required to complete the **Cost Breakdown Worksheet (CBW)**, (latest versions are within Sharepoint in the CTSP Template Catalogue)
 - **If the increase is temporary the supplier is also not required to complete a CBW.**
- Buyer to refer to useful tools within Supplier Price Increase SOP to support with next steps of the process.
- Using Cognos/PRDB buyer to create an analysis of the Impact the Price increase will have should this go ahead.
- Record the potential price increase within OEC so CTSP are aware should they need to liaise with Trusts regarding the price increase.
- Raise a Price Increase record on OEC (to enable our Finance team to pick up any revised forecast)
- Record the request on T1 & T3 internal price increase log - [..\..\Finance\Price Increase Log\Price Increase Log - T1 & T3.xlsx](#)
- You should also review the Price Increase Log for the same supplier to check if there are any other increase requests for possible cross CTSP negotiation opportunities or to agree a common approach.
- If the price increase is not withdrawn, further engagement with the supplier may be required, to discuss what Supplier has done in their business to mitigate the increase/share costs/impact.
- Include the Senior Buyer and Head of Category to discuss potential mitigating options with the supplier and include colleagues from supply chain if any changes in purchase arrangements are being discussed.
- Consider carrying out research in relation to Suppliers completed documents – Are the Increases genuine, have you received similar requests from other Suppliers.
- Look at alternative products/Delisting, value engineering opportunities – Clinical/regulatory requirements in line with spec.
- Keep Electronic notes of all records/correspondence
- Review the monthly exchange rate and commodities reports. This report is sent out monthly by the Business Support team and the latest copy can be found via the following file path:-

[Business Support Programmes\Supplier Engagement\Project and workstream docs\Workstream 2 - Supplier Intelligence\Exchange Rates and Commodity Report](#)



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- Inform CTM via email of a possible price increase and details of any negotiations that have commenced with the Supplier. CTM will then support with notifying top 3 potential impacted Customers.
- Download the SCCL574 Price Increase Escalation Form from SharePoint (in the CTSP Template Catalogue)
- Complete relevant sections of the form as per SCCL574 Guidance for CTSPs document under the headings 'Supplier Price Increase Requests' and 'Price increase reversals plan (for price increases over £10K annual impact)
- Continue discussions with Supplier and Senior manager before any further escalation. If mitigated – Buyer to save all correspondence and documents in the relevant category folder.
- Refer to Strategic Supplier Reports – to show the performance and balance sheet position of the supplier.
- [N:\5.0 SLT\2.0 Supplier Engagement Meetings\01 - 2022](#)
- If the request is approved - Submit SCCL574 Price Escalation form to the CTM for evaluation.
- Update SCCL 574 Price Escalation form with the action taken, update the Pricing Increase log (P:\DHL\Finance\Price Increase Log) and log in the Mid Framework Change Approval Log (allocate a reference number) send for approval
- Update OEC record confirming this has been approved.
- Create an OEC request:- New Product pricing and delists and attach add both your SCCL547 and the Price Escalation form.
- Update all necessary logs with confirmation of approval and continue to monitor the market for any price increase reversal opportunities.
- If the request is rejected, inform the supplier that the request has been rejected and any reasoning as to why this has not been accepted.
- Arrange a call with the supplier to discuss their options should they wish to pursue the request.

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