



Better Buying Partnership Index™ Report, 2023

Partnership Quality in Global Supply Chains



INTRODUCTION

This report presents findings from the second annual Better Buying Partnership Index™ (BBPI). This short, anonymous survey of the quality of buyer-supplier relationships launched in 2021 after a successful pilot in 2020. It consists of just 12 subjective measures and 3 open-ended questions where suppliers can share more in-depth feedback on their buyer's

partnership. The BBPI provides buyers with a unique understanding of the stresses their purchasing practices place on suppliers and provides a snapshot of the quality of their supplier partnerships across multiple supply chain tiers, including what is working well and where there are opportunities for improvement. To learn more about the BBPI, visit our Guide to the Better Buying Partnership Index™ [here](#).

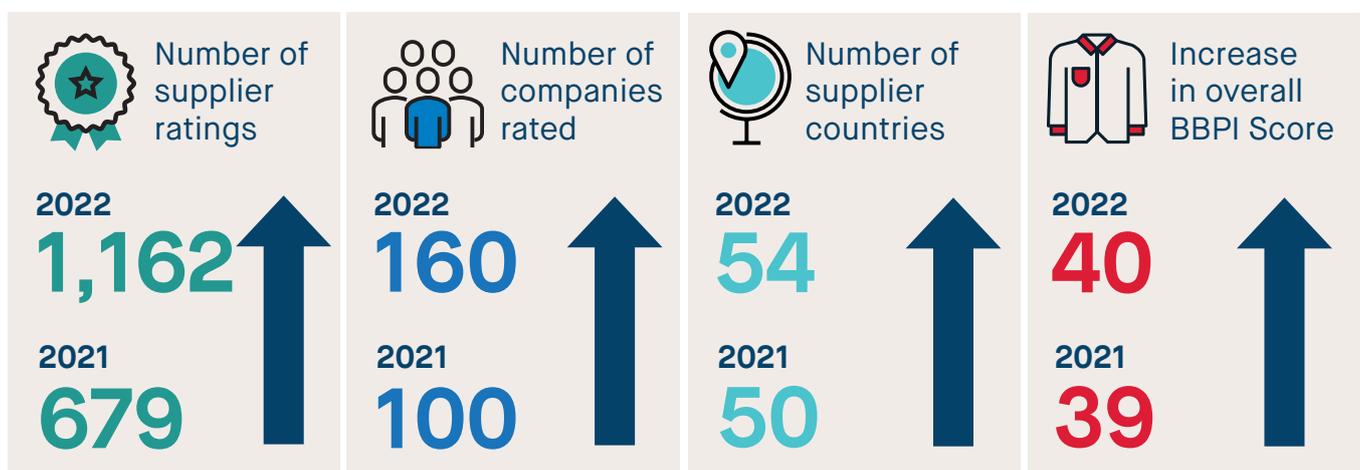
RECOMMENDATIONS FOR BUYERS

1. Maintain focus on strong communication with suppliers as the industry continues to ride out the aftershocks of Covid-19. The decline in business stability compared to last year demonstrates why returning to a pre-pandemic “normal” and falling back into outdated communication patterns with suppliers should be avoided - the inventory challenges being experienced today demand much better communication than what has been the industry norm.
2. Subscribe with Better Buying™ and take advantage of disaggregated reporting to dig deeper into your company’s partnership quality with suppliers in different regions, product categories, and other segments of your business.
3. Engage internal and external stakeholders to identify opportunities for implementing technologies that could strengthen your company’s supplier partnerships.

KEY TAKEAWAYS

1. The overall BBPI score for softgoods increased by one point from last year (40 in 2022, compared to 39 in 2021). The share of True Partner, Collaborator, and Detractor ratings stayed roughly the same.
2. Scores improved compared to 2021 in areas including: buyers making efforts to reduce duplicative audit requirements (4.2%); fairness of buyers’ financial practices (4.1%); buyers’ efforts to improve working conditions in supply chains (3.3%); and whether a buyer was a preferred partner (2.1%).
3. Scores fell compared to 2021 in areas including business stability (6.7%) and visibility (2.4%).
4. There were significant differences in BBPI scores by region, with suppliers in China/Hong Kong and South Asia experiencing better partnerships compared to the six other regions in Better Buying’s analysis.

Supplier participation increased substantially compared to last year, with 1,162 suppliers from 54 countries rating 160 buyer companies in 2022, compared to 679 suppliers from 50 countries rating 100 buyer companies in 2021.



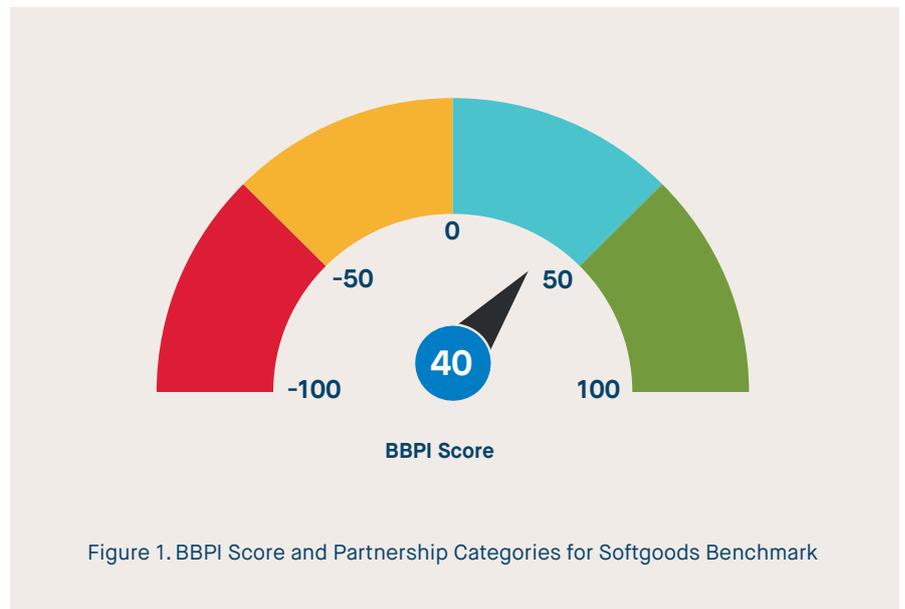
A quarter of the ratings were from supplier companies headquartered in China (24.1%), with other large contributors being Bangladesh (8.7%), Hong Kong (7.8%), and Turkey (6.7%). Most of the 2022 ratings (96.8%) were for softgoods buyers (compared to 76.4% in 2021), a category that includes things like apparel, footwear, and household textiles. The remaining 3.2% of the ratings were for hardgoods buyers (compared to 23.6% in 2021) who sell products such as toys, electronics, furniture, kitchenware, home appliances, sports equipment, and others. Due to the heavy representation of softgoods ratings in this year's data, this report covers only softgoods findings.

Of the suppliers that rated softgoods buyers, most (78%) received orders direct from the buyer.

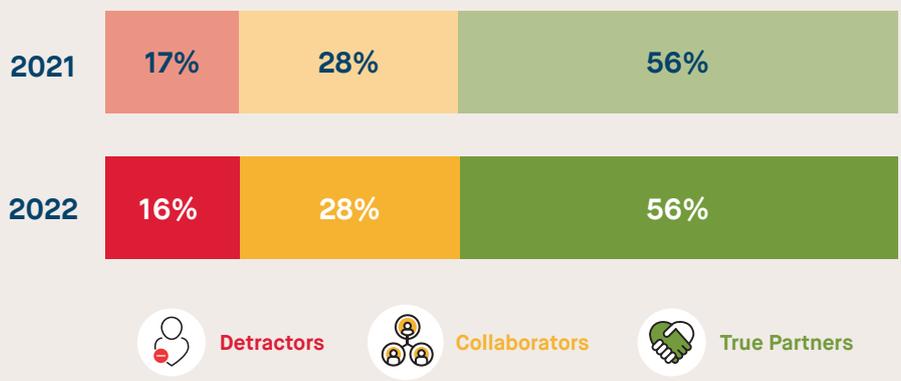
Of the suppliers that rated softgoods buyers, most received orders directly from the buyer (78.0%). In response to an optional question about their companies' gross revenue, 62.8% of suppliers reported revenue of \$49 million or less, with another 30.1% reporting revenue between 50 and 499 million. Suppliers represented a range of business types, including finished goods/

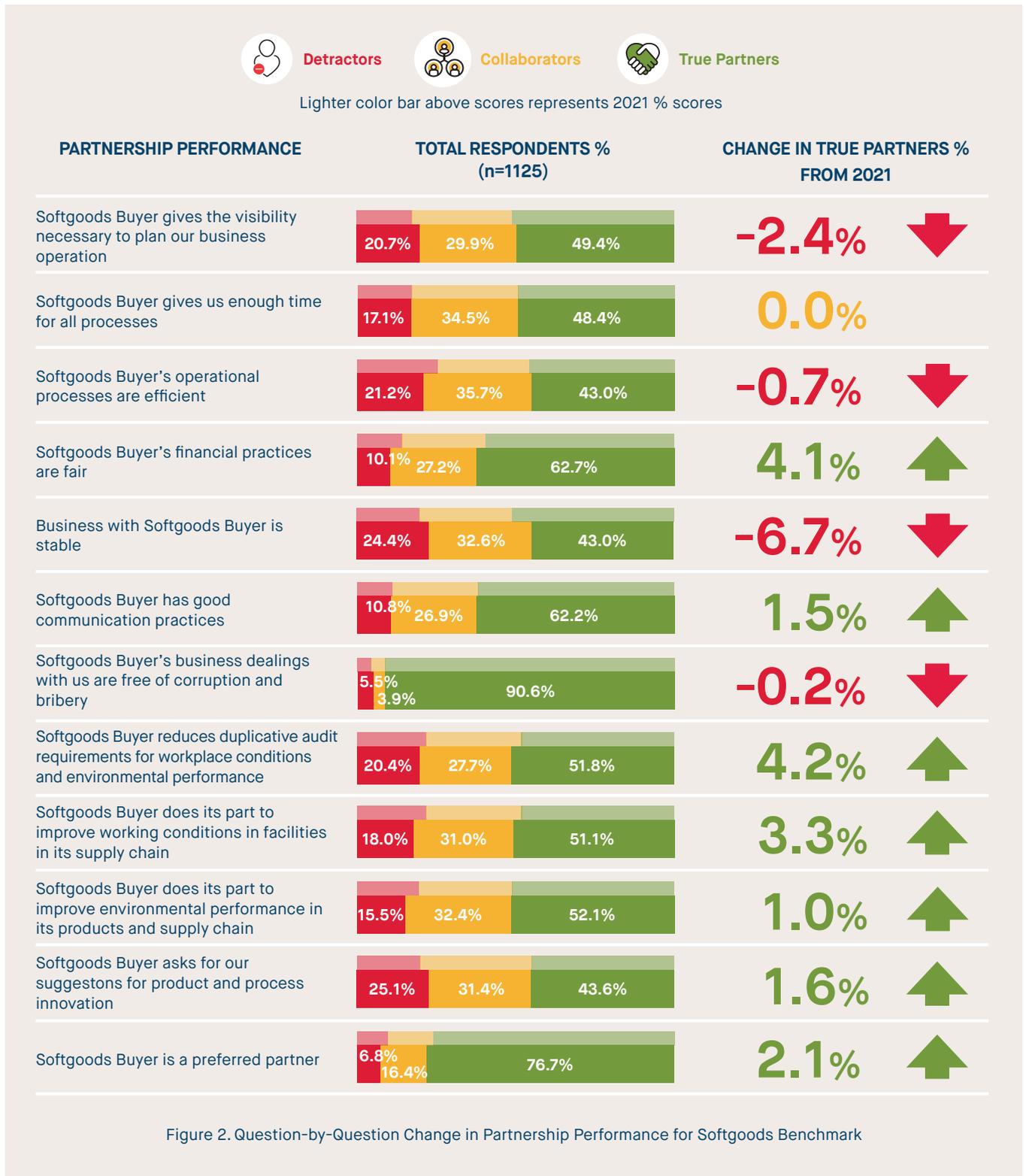
whole package producers (50.5%), finished goods/CMT (25.5%), Raw materials processors (18.7%), and Intermediaries (5.3%).

Softgoods buyers scored 40 on the BBPI scale of -100 to +100, one point higher than they scored in 2021. The share of True Partners, Collaborators, and Detractors also stayed roughly the same as in 2021.



PERCENTAGE SHARE OF TRUE PARTNERS, COLLABORATORS AND DETRACTORS





Note: When responding to the BBPI questionnaire, suppliers are instructed to respond based on a specific customer's practices - the individual buyer company they produce orders for and whose practices they are rating. The report of that customer's practices includes the name of the customer that was rated, whereas this report uses "Softgoods Buyer" to share the aggregate BBPI findings.

KEY FINDINGS



Softgoods had the largest year-over-year gains in the percentage of True Partners when it came to reducing duplicative audit requirements (4.2%), using fair financial practices (4.1%), and buyers doing their part to improve working conditions in facilities in their supply chains (3.3%). It's possible that increased focus on these areas over the past few years, as well as the dedicated work of groups like the Social and Labor Convergence Program targeting specific problem areas, have

One Better Buying™ repeat subscriber's share of True Partner ratings increased by 21.1% in relation to the visibility they provide to suppliers.

helped to bring about these changes. Compared to 2021, declines were seen primarily in terms of the stability of buyers' business with suppliers (-6.7%) and the visibility they provided to suppliers (-2.4%). Given continued fluctuating consumer demand and the inventory challenges that have plagued the industry in the wake of Covid-19, these declines in stability and visibility are not surprising.



BETTER BUYING™ INSIGHT



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REPEAT BETTER BUYING™ SUBSCRIBERS

Better Buying™ repeat BBPI subscribers increased their overall score since last year by an average of 3 points.

Four of the softgoods buyers that subscribed with Better Buying™ in 2021 participated again in 2022. For these repeat subscribers, the overall BBPI score increased by an average of 3 points. The largest increase in any repeat subscriber's overall score was 10 points, while one repeat subscriber's overall score decreased by 6 points. Positive developments include three of the four subscribers improving their score on the visibility they provide to suppliers, with one subscriber's share of True Partner ratings increasing by an impressive 21.1% on this measure.

Improved visibility is one of the most frequent requests from suppliers due to its pervasive impact on all aspects of business. Without knowing what orders will be coming from a buyer in the future, suppliers are not able to plan production or utilize their capacity efficiently. This can lead to higher costs, disruptions to workers' schedules, and increased difficulty complying with codes of conduct. Three of the four subscribers also improved on the measure of fair financials, with the increases ranging from 1.9% to 17.4%. Following the trend for the softgoods benchmark, the percentage of suppliers rating their buyer as a True Partner on business stability declined for three of the four repeat subscribers. The reductions in repeat subscribers scores ranged from 4.1% to 12.2%, while one subscriber's score improved by 11.0%.

BETTER BUYING™ INSIGHT



VISIBILITY.

Poor visibility on the part of buyers negatively impacts all aspects of a supplier’s business. By providing greater visibility to suppliers, brands and retailers can help suppliers to plan production or utilize their capacity efficiently, reducing costs and disruptions to workers’ schedules, and supporting suppliers to comply with buyer codes of conduct.

BETTER BUYING™ INSIGHT



Of the 11 Better Buying™ subscribers, four were repeat subscribers in the softgoods category. Three of these improved in eight or more of the 12 measures compared to last year, showing that the BBPI is an effective tool for measuring partnership quality, identifying areas of improvement, and tracking performance over time.

REGIONAL DIFFERENCES

This year there were significant regional differences in BBPI scores. Suppliers headquartered in China/ Hong Kong experienced better overall partnerships, with an average score of 56 points, as well as South Asia, with

an average score of 41. Suppliers in the other regions experienced worse partnerships, but the differences between them were not statistically different. Suppliers in Asia Pacific reported their buyers had the lowest partnership score averaging just 8 points (Figure 3).

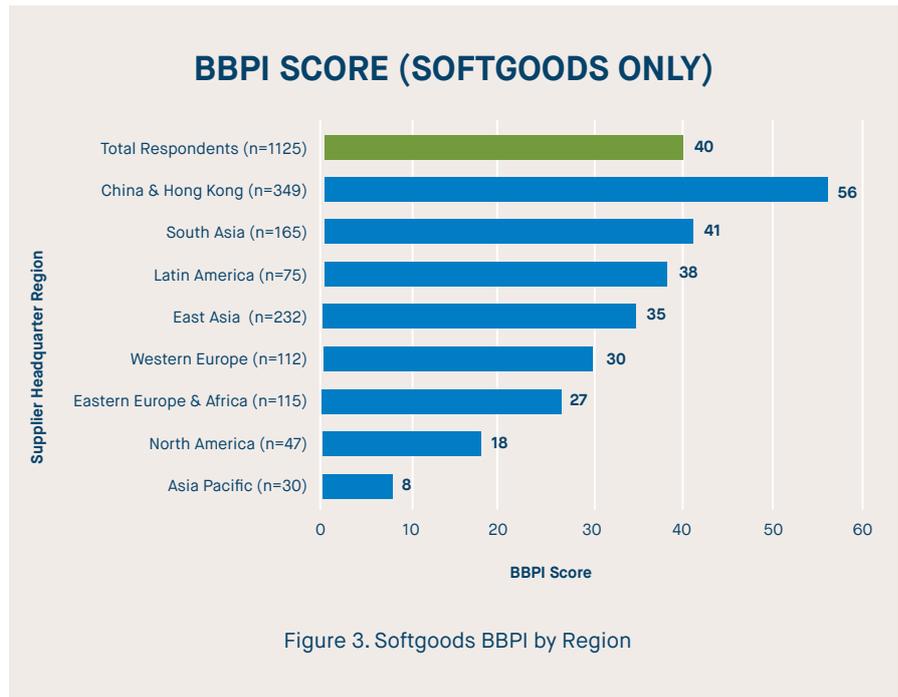


Figure 3. Softgoods BBPI by Region

China/Hong Kong and South Asia had the largest percentage of suppliers reporting “all of the time” on the measures “Buyer’s financial practices are fair” (77.6% and 73.9%, respectively)¹ and “Business with the buyer is stable” (55.3% and 48.5%)². Suppliers in China/Hong Kong, South Asia, and Latin America also had stronger partnerships compared to the other regions on the measure “Buyer does its part to improve environmental performance in its products and supply chain” (65.0%, 53.9%, and 54.7%)³. Not surprisingly, China/HK and South Asia also had the largest percentage of suppliers reporting that their buyer was a preferred partner “all of the time” (85.7% and 78.2%).

BETTER BUYING™ INSIGHT



Suppliers in China/Hong Kong, South Asia, and Latin America reported stronger partnerships compared to other regions in relation to their buyers’ efforts to improve environmental performance in their products and supply chains.

¹Chi-Square = (7, n = 1125) = 49.804, p <0.001

²Chi-Square = (7, n = 1125) = 37.976, p <0.001

³Chi-Square = (7, n = 1125) = 45.505, p <0.001

SUPPLIER BUSINESS TYPE BEST PRACTICES



Ratings from suppliers of raw materials and those who are finished products/whole package producers were highest, with average BBPI scores of 48 and 41, respectively, compared to overall scores ranging from 30 to 36 for other business types (intermediaries and finished goods/CMT, respectively). These types of suppliers more often rated their buyers as always providing enough time⁴, using good communication practices⁵, taking their suppliers' suggestions for product and process innovation⁶, and acting as a preferred partner⁷.

SUPPLIER BUSINESS REVENUE

BBPI scores were higher among supplier companies within three revenue categories: \$25 to \$49 million (50), \$50 million to \$249 million (47), and \$5 to \$24 million (43). The smallest and largest revenue categories both experienced worse practices compared to the suppliers in these other revenue categories (the smallest and largest revenue categories each had a BBPI score of 32). These lower scores were driven by buyers' poor performance on providing the visibility necessary for suppliers to plan their business⁸, the efficiency of operational processes⁹, and on buyers doing their part to improve working conditions at the facilities in their supply chains¹⁰.

The 2021 BBPI report highlighted the supply chain risks that result from poor partnership quality between buyers and suppliers. Each buyer company's approach to addressing these risks and improving their partnership quality will depend on the company's size, business model, supply strategy, and other factors. However, suppliers have a unique perspective on risk mitigation due to their work with multiple customers and the opportunities they have to see what works well and what doesn't. Each year in the BBPI questionnaire, suppliers have the option to share the best practices they've witnessed buyers using - these ideas can be adopted by buyer companies and adapted to fit their unique business context.

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Along with overarching themes of best practices related to the 12 BBPI measures, open-ended comments indicated an emerging trend of buyers taking advantage of innovation, proper training, and opportunities to improve the quality of their business relationship for the long term, particularly in terms of communication where 2-way, easy, quality, open, and honest dialogue was noted. Buyers are also recognizing the importance of fair financials and keeping their suppliers in the loop with timely forecasting, two areas that contributed to the increases seen in this year's BBPI.

BETTER BUYING™ INSIGHT



Many suppliers reported buyers are improving buyer-supplier partnerships by taking advantage of modernization through innovation, proper training, frequent and open communication, and transparency in reliably forecasted capacity to enhance the quality of the relationship.



⁴Chi-Square = (3, n = 1066) = 9.155, p < 0.05

⁵Chi-Square = (3, n = 1066) = 12.349, < 0.05

⁶Chi-Square = (3, n = 1066) = 7.928, < 0.05

⁷Chi-Square = (3, n = 1066) = 8.815, < 0.05

⁸Chi-Square = (4, n = 875) = 15.052, < 0.05

⁹Chi-Square = (4, n = 875) = 11.702, < 0.05

¹⁰Chi-Square = (4, n = 875) = 11.005, < 0.05

THEME (from supplier suggested best practices)	# OF MENTIONS	SAMPLE QUOTES
Valued Partnership		
Company Partnership	39	<p>“Great company and more importantly great people to work with, we work with various departments and all staff are amazing.”</p> <p>“[We] trust [Buyer] and have an incredible partnership. [Buyer] stands behind their commitments.”</p>
Long-Term Relationship	32	<p>“Long-term designation of suppliers is a kind of encouragement and recognition for suppliers, thereby promoting suppliers to continuously improve in order to achieve standards.”</p> <p>“They really care for long term partnership and the payment procedure is smoother than other brands.”</p>
Incentivized Programs/Training	27	<p>“Promote women empowerment and collect workers' voices.”</p> <p>“[Buyer] provides Living Wages to improve our workers living standards and also to improve our workers morale.”</p>
Open to Solving Problems/Changes	15	<p>“They understand the difficulties we are going through and give suggestions.”</p> <p>“[Buyer] is very supportive and quick to respond to urgent production related problems”</p>
Quality/Open Communication		
Order placement	35	<p>“Constant communication and honesty when doing business. We are constantly considered for the inclusion of new programs, demonstrating partnership not only in normal times but also in difficult periods such as the pandemic.”</p> <p>“Frequently communicate so we understand each other's needs as much as possible to build a good business relationship.”</p>
Two-way Communication	22	<p>“Listen to supplier's suggestion and ready for meeting when necessary with supportive attitudes and actions”</p> <p>“Always a 2 way conversation during costing negotiations. Open and honest dialogue.”</p>
Fair Financial Practices		
Advanced/Prompt Payments	35	<p>“[Buyer] settles payment promptly and they are willing to take the responsibility of any order cancellation.”</p> <p>“When we agree on prices, orders are passed quickly. If [Buyer] places fabric commitment with us usually they use it.”</p>
Regularity of Pricing/Updates	15	<p>“Responding to request for unit price increase due to increase in energy cost”</p> <p>“When we have the cash flow issue, [Buyer] released the payment earlier than the payment terms.”</p>

THEME (from supplier suggested best practices)	# OF MENTIONS	SAMPLE QUOTES
Shared Sustainability Behaviors		
Order placement	27	<p>“Using BCI cotton and recycled polyester on all styles.”</p> <p>“Buying team is working with us for more sustainable & recycled fabrics.”</p>
Ethical/Forward Thinking Buyers	22	<p>“[Buyer] has asked us for 10 years to be certified in BSCI or SA8000 for social issues, and in terms of safety and environmental respect.”</p> <p>“Helped stay updated with rules and regulations in order to stay compliant.”</p>
Visibility of Business/Enough Information to Act		
Transparency/ Capacity	47	<p>“Provide the forecast plan and be transparent with future plans in all areas.”</p> <p>“Sharing useful information to suppliers and value the voice of the supplier.”</p>
Timely Forecasting/ Projections	41	<p>“Provide forecasts routinely to allow suppliers to have visibility for future planning.”</p> <p>“Sharing projection for better planning visibility.”</p>
Reduce Redundancy/ Frequently Update	38	<p>“Continuously update the forecast quantity and delivery date.”</p> <p>“We can review visibility for a plan for business operations like a demand order and we can propose our capacity.”</p>
Stability/Steady Work Across the Year		
Advance Orders/ Flexible Schedule	28	<p>“We deliver detailed schedules such as order quantity, products, and shipment schedule in advance. It allows me to plan production schedules in advance and always listens to my opinions.”</p> <p>“The timeline for each activity is fixed in the scheduled Calendar and is followed every time in true spirit.”</p>
Stability/Steady Work Across the Year		
Capacity Planning	19	<p>“The planning over multiple buys allows us to manage our yarn and knitting machines effectively.”</p> <p>“Regularly share the brand strategy and future outlook, so we can make business-related planning based on the information shared, prepare in advance or adjust business plans/arrangements.”</p> <p>“Provide an order plan for the whole year so the manufacturer can plan ahead for the production for the year.”</p>
Innovation/Use of Technology		
Use of Innovation to Speed Efficiency	17	<p>“They are more innovative and supportive all the time.”</p> <p>“Improve efficiency through system docking data.”</p>
Use of Technology/ Automated Systems	15	<p>“[Buyer] now is using a software program - [Software] to simplify communication for different stages of sample development.”</p> <p>“Development - Digitization Production -Process improvement , we saw the process keep on upgrading.”</p>

Table 1. Comments from Suppliers Related to Supply Chain Risks

CONCLUSIONS AND RECOMMENDATIONS

The findings from the 2022 BBPI can be understood within the context of Better Buying’s [Five Principles of Responsible Purchasing™](#), which focus on the buyer purchasing practices that we know, from our research, have the biggest impact on

suppliers’ businesses and their ability to provide good working conditions and improve their environmental performance. The Five Principles are Visibility, Stability, Time, Financials, and Shared Responsibility. This year’s data demonstrate that while suppliers saw small gains toward the Financials and Shared Responsibility principles,

buyers’ performance declined when it came to the Visibility and Stability principles. BBPI subscribers who also subscribe to the [Better Buying Purchasing Practices Index™](#) will gain valuable insights for how to improve in all areas of purchasing practices and are likely to see the most improvements.

CONCLUSION	RECOMMENDATION
Business stability declined compared to 2021, suggesting that supply chain disruptions are far from over even two years out from the onset of the Covid-19 pandemic.	Buyers cannot let up their focus on maintaining stable business relationships with suppliers - strong communication practices will continue to be a key tool in buyer-supplier partnerships as the industry continues to ride out the aftershocks of Covid-19.
CONCLUSION	RECOMMENDATION
Regional differences in BBPI scores highlight how important it is to understand partnership quality across a buyer’s full supplier base. Problems that aren’t apparent in one segment might be heavily influencing supplier relationships in another.	Buyers that subscribe with Better Buying™ can take advantage of disaggregated reporting to dig deeper into their partnership quality with suppliers in different regions, product categories, and other segments of their business.
CONCLUSION	RECOMMENDATION
A small but emerging trend in the use of technology to improve operational efficiency, communication, and other aspects of buyer-supplier partnerships suggests suppliers’ expectations for how they engage with their buyers might be changing.	Buyers should engage internal and external stakeholders to identify opportunities for implementing technologies that could strengthen their supplier partnerships.

METHODOLOGY

This was the second annual BBPI ratings cycle that ran from October 4, 2022 through an extended deadline of November 14, 2022. Data were collected from the suppliers of Better Buying’s subscribers, Better Buying’s supplier database, and Multi-Stakeholder Initiative (MSI) outreach via [The Industry We Want](#) (hosted by Fair Wear, Ethical Trading Initiative and Sustainable Apparel Coalition).

This short (less than 5 minute) web-based survey was translated into 11 languages (English, Bengali, Chinese (simplified), Japanese, Korean, Spanish, Turkish, Vietnamese, French, Italian, and Portuguese) with 4 email campaigns for participation sent to suppliers. Suppliers were encouraged to submit ratings for each of the buyers they work with and to forward the survey link with to their colleagues so they could submit ratings as well.

This year there were 11 BBI subscribers, 5 of which participated in last year’s cycle of the BBPI (4 softgoods companies and 1 hardgoods company). Ratings received for Better Buying’s subscribers were aggregated to prepare company-specific BBPI reports (with requested demographic and strategic breakouts unique to each subscriber company’s requests).

SUBSCRIBER	HEADQUARTER COUNTRY	SUBSCRIBER	HEADQUARTER COUNTRY
Birger Christensen	Denmark	lululemon	Canada
Boohoo Group	United Kingdom	Patagonia	United States
Brooks Running	United States	Popsockets	United States
Fanatics, Inc.	United States	Reformation	United States
Fast Retailing	Japan	Under Armour	United States
LT Apparel Group	United States		

Table 2. List of Subscribing Buyers who have Agreed to be Named

Adidas AG	DICK'S Sporting Goods	Living Crafts GmbH	Ralph Lauren Corporation
Aerie	Dillard's	Macpac	Rapha Racing Ltd
Amazon	Engelbert Strauss	Mads Nørgaard - Copenhagen	Sainsbury's
Amer Sports	Everlane	Mammut	Salewa
American Eagle Outfitters	Fenix Outdoor AG	Marks & Spencer (M&S)	SanMar
Arc'teryx	FirstCry	Miranda	Schöffel Sportbekleidung GmbH
Ardene	Fjällräven	Montane	Seidensticker
Argos Ltd	Gap Inc.	Mothercare	Shoppers Stop
B&C	Garcia	Mountain Equipment Co-op	Silver Jeans
Bamboo Clothing Ltd	George Clothing	New Balance	SOL'S
Bass Pro Shops	H&M	New Look	Stadium
Bel&Bo	Haglöfs	Next Plc	Stanley/Stella
Bel-Confect	HAVEP	Nike	Takko Fashion
Belk	Hessnatur	NN07	Target Corporation
Bershka	IDKIDS	Norwegian Concept AS	The Cato Corporation
Big W	Inditex	Nudie Jeans Co	The White Company
BizzBee (BZB)	Intersport	Nutmeg at Morrisons	Tricorp
Blutsgeschwister	IRIEDAILY	Oliver Bonas	US Polo Assn
Boden	JC Penney Purchasing Corp	Olsam Group	Varner
BP	Jack Wolfskin	Olympia	VAUDE Sport GmbH & Co. KG
The Buckle, Inc	JBC	On Running	VF Corporation
C&A Sourcing	JOG Group	Ortovox	W.A.R.D. GmbH
Carrefour	Kappa	Outdoor & Sports Company	Walmart
Celio	KIK	OVS	Waschbär
Columbia Sportswear	King Louie	Pajamagram	Wilson Sporting Goods
Continental Clothing	Kmart	Paul Smith	Zara
Costco	KONG	Peak Performance	Zeeman
Decathlon	L.L.Bean	Primark	
Destination Maternity	Lidl	Prosport	
Deuter Sport GmbH	Lindex	PVH Corp	

Table 3. List of Other Rated Brands and Retailers

Note: Ratings were also received for other buyers, including manufacturers, raw materials, and intermediaries.