

# Guide to the Better Buying Partnership Index™



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## Introduction

The Better Buying Partnership Index™ (BBPI) measures the partnership quality of buyers and suppliers in global supply chains. This versatile tool bridges the gap between Better Buying's detailed annual Better Buying Purchasing Practices Index™ (BBPPI) survey in April, allowing buyers to monitor their relationships with suppliers and identify potential problem areas that could benefit from deeper investigation.

The BBPI is a result of the candid feedback obtained from our network of suppliers after our first BBPPI data collection in 2017. They wanted to provide quick input on how they perceive the quality of their business relationships with buyers. For some suppliers, sharing detailed information about their business relationships makes them nervous. For others, the time required to complete an in-depth survey is more than they can spare.

Better Buying™ worked with suppliers to create the BBPI, which meets both of these needs by allowing suppliers to share their honest opinions and concerns about how their buyers operate in a very short amount of time – making it possible to rate not just one buyer, but all of the buyers with whom a supplier has a business relationship. This amplifies the power of

each supplier's voice and enables them to take a more substantial part in the drive toward responsible purchasing practices.

Better Buying™ piloted the BBPI with a consumer packaged goods (CPG) company and with a group of suppliers in the denim industry in 2020. The results demonstrated that this flexible tool can be used in varied consumer goods supply chains – not just with apparel and footwear – and across multiple business relationships comprising supply chains. After refining the tool based on the pilot results, Better Buying™ launched the first annual BBPI ratings cycle on October 1, 2021.

The BBPI includes 12 key measures of partnership performance. Suppliers rate one of their customers (a brand or retailer) at a time and respond to each subjective statement using a 5-point scale. Topics covered include a range of key purchasing practices that Better Buying's research has shown to have the greatest impact on suppliers' financial, social, and environmental responsibility: supply chain visibility and stability, use of time, operational efficiency both internally and with factory audits, and financials. General support for sustainable business includes topics related to communications practices and inclusion of supplier insights and innovation.

The BBPI also touches on the customer’s role in supporting better workplace conditions and improved environmental performance, and whether corruption and bribery is present, thus providing a broad overview of a company’s ESG practices as related to their business relationships with suppliers.

In addition, the BBPI asks suppliers to help direct their buyers toward specific opportunities for improvement by sharing best practices, identifying supply chain risks, and providing suggestions for how their customers’ can improve.

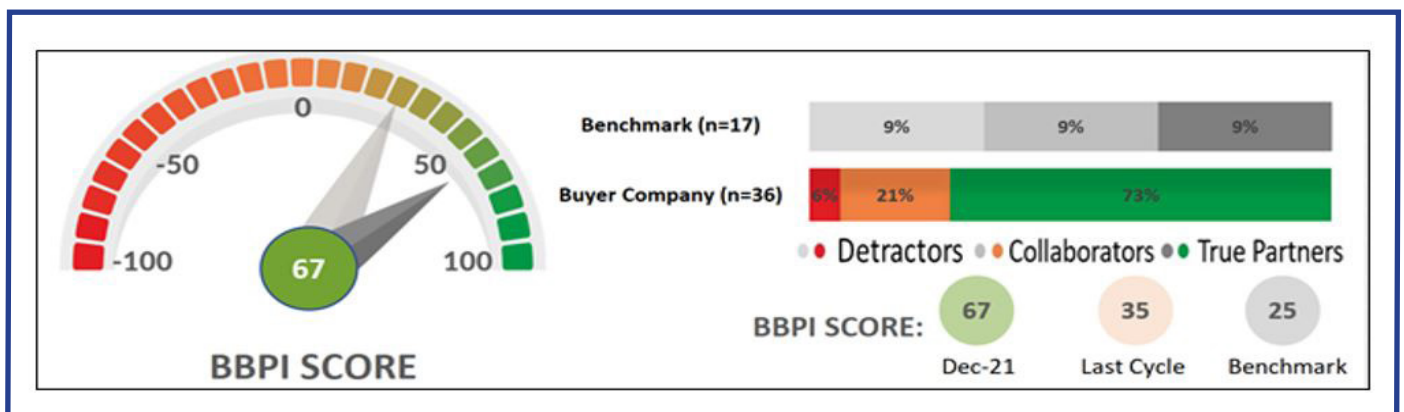
These open-ended responses provide actionable insights the buyer can use to make improvements and scale those across multiple departments and to a greater percentage of their supply chains.

## Better Buying Purchasing Practices Index™ (BBPPI) vs. Better Buying Partnership Index™ (BBPI): What’s the Difference?

Better Buying’s two indices complement each other by capturing different aspects of the business relationship between a buyer and a supplier. The BBPPI is a detailed questionnaire about objective business data that can point to the precise practices that need improvement and track improvements as they are made over time. The BBPI expands opportunities for understanding the impacts of purchasing practices by allowing buyers to quickly check in with their suppliers in between BBPPI ratings cycles, enabling them to stay on top of emerging issues and trends and provide direction for future, more detailed investigation with the Better Buying Purchasing Practices Index™.

Better Buying Purchasing Practices Index™ (BBPPI)	Better Buying Partnership Index™ (BBPI)
Deep-dive into 45+ objective business questions	Short and accessible with just 15 subjective questions
30 minutes to complete, excluding cross-department information gathering	10 minutes to complete
Designed for Tier 1 suppliers supplying apparel, footwear, household textiles, homegoods, and hardgoods	Applicable to multiple industries across multiple tiers of the supply chain
One response per supplier company to holistically and factually evaluate all aspects of the business relationship	Quickly obtain feedback at scale with multiple responses allowed per company, capturing varied perceptions held across the supplier company
Ratings cycle runs April-May	Ratings cycle runs during October

Figure 1. A Sample Company’s BBPI Score and a Comparison Against the Industry Benchmark on each of the BBPI Partner Categories



## The BBPI Score

The questions used in the BBPI are combined to measure partnership quality using Net Promoter type scoring (NPS) - a widely used market research metric to measure customer experience. Suppliers respond to the statements in the BBPI questionnaire using a 5-point scale ranging from “All of the time” (5), to “Never” (1). Using this scale, Better Buying™ then classifies each response into one of three categories of partnership: True Partners, Collaborators, and Detractors.

**True Partners** understand and embody their role in creating mutually beneficial and sustainable partnerships. They seek input from suppliers through two-way dialogue and work closely with suppliers toward shared objectives and win-win solutions. Their work and use of time and resources is efficient and non-duplicative; their partnerships are marked by fairness, risk-sharing, and a long-term focus. Responses of “All of the Time” (5) belong to the True Partners category.

**Collaborators** strive toward improved communications with their partners and increasing levels of collaboration, transparency, and responsibility in their partnerships with suppliers. Collaborators are better partners than Detractors, as their practices frequently, but not always, reflect a win-win mentality. Responses of “Often” (4) belong to the Collaborators category.

### How to interpret the BBPI Score

A score of 100 means that all suppliers responded “All of the time” to every question on the BBPI, whereas a score of -100 means that all suppliers responded “Sometimes,” “Rarely,” or “Never” to every question. A BBPI score of zero means the buyer received an equal number of True Partner and Detractor ratings. Therefore, the more suppliers that report the buyer satisfies the BBPI measure “All of the time,” the better that buyer’s BBPI score will be.

**Detractors** demonstrate a lack of trust in and respect for their suppliers by limiting the amount of information-sharing and not making efficient use of time and resources. Practices reflect a primary focus on achieving their own objectives and margins (often at the expense of suppliers), and this prevents open dialogue and blinds Detractors to opportunities for shared benefit. Responses of “Sometimes” (3), “Rarely” (2), “Never” (1) belong to the Detractors category.

For each measure in the BBPI, the percentage of True Partners, Collaborators, or Detractors can be determined by dividing the number of responses received in each partnership category by the total number of responses received overall. To determine the company’s overall performance, the number of True Partner, Collaborator, and Detractor responses are averaged across the 12 measures in the BBPI.

Finally, the percentage of Detractors are subtracted from the percentage of True Partners to calculate the company’s overall BBPI score (shown in Figure 1), using a range of -100 to +100.

### About the Annual BBPI Ratings Cycle

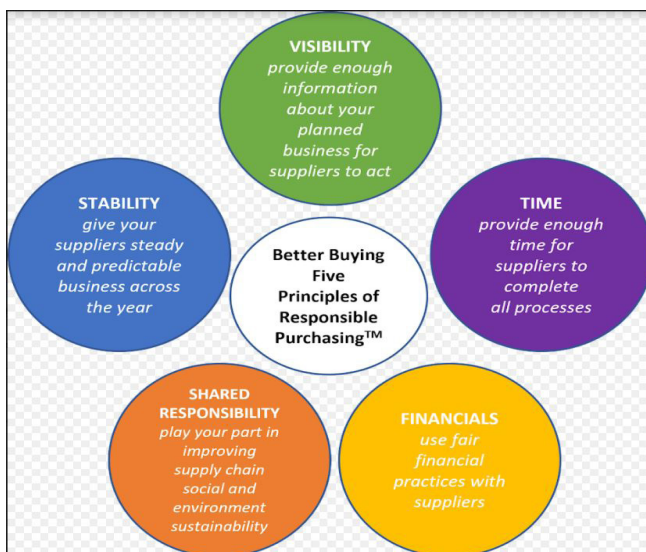
The BBPI ratings cycle takes place during the month of October each year. Better Buying™ invites suppliers from around the world to rate their buyers, and buyers from a broad range of consumer goods industries can subscribe with Better Buying™ to obtain a company-specific report. Reports include an overall BBPI score, comparison to the relevant industry benchmark, question-by-question partnership performance, year-over-year comparisons, an overview of supplier participation, open-ended comments from suppliers, and comparative findings for specific breakouts of the data (such as by product category or region) if requested.

## Partnership Quality and the Five Principles of Responsible Purchasing™

All of Better Buying’s research tools, including the BBPI, capture data on the purchasing practices that have the biggest impact on suppliers’ businesses and their ability to provide good working conditions and improve their environmental performance. These practices fall into five key areas - the Five Principles of Responsible Purchasing™ - that make up a sustainable buyer-supplier partnership: Visibility, Stability, Time, Financials, and Shared Responsibility (Figure 2).

The Five Principles provide a simple, high-level framework for brands to adopt and publicly commit to, thus supporting integration and advancement towards more responsible and sustainable practices. They are aspirational, and aimed at encouraging brands and retailers who want to show leadership on purchasing practices to strive for best practice, and excellence, in each of the key areas. They provide a simple, high-level framework for brands to adopt and publicly commit to, thus supporting integration and advancement towards more responsible and sustainable practice, and an easy way for buyers to sense check whether their actions and decisions are likely to negatively impact suppliers, workers, and their own businesses.

Figure 2: Better Buying Five Principles of Responsible Purchasing™



### About Better Buying™

Better Buying Institute reimagines supply chain sustainability, leveraging data to strengthen supplier-buyer relationships and improve purchasing practices that drive profitability while protecting workers and the environment. Our goal is to accelerate industry-wide transformation of buyer purchasing practices so that buyers and suppliers create mutually beneficial business relationships that achieve shared goals of profitability and social and environmental sustainability. Better Buying’s programs provide retailers, brands, suppliers, and industry with data-driven insights into purchasing-related activities. The transparency we deliver to supply chain relationships promotes sustainable partnerships and mutually beneficial financial and other outcomes.

Visit our website: [www.betterbuying.org](http://www.betterbuying.org). For general inquiries, contact [info@betterbuying.org](mailto:info@betterbuying.org)