

Edition 28: News from the Adjudicator

Welcome from the Groceries Code Adjudicator

A highlight of the GCA year is the launch of my annual survey, which is one of the most important ways for suppliers to tell me what they are experiencing. The 2022 survey opened on 17 January and, as in previous years, it is being run by the independent polling organisation YouGov so suppliers can respond frankly in confidence about any issues they are facing.

Last year I received a tremendous response with record numbers of suppliers sharing their views and experiences. I hope that by the time this year's closes on 27 February the response will have been equally enthusiastic. Remember that taking part can help your business.

I cannot over-emphasise how valuable the information you provided in my first survey was to my work. Your responses helped me when I discussed the Code with the senior leadership of the retailers and their Code Compliance Officers, highlighting issues such as delisting, forecasting and suppliers' concerns about the increasing numbers of inexperienced buyers they are encountering. As a result, I have been strongly encouraging the retailers to ensure they have the right training and support in place to help these new buyers build strong and effective relationships with their suppliers so that they have deeper understanding of the businesses they are working with.

Much of the 2022 survey mirrors previous surveys and will allow me to measure progress and to rank retailer compliance with the Code. However, I have also added topical questions about retailer responses to supplier requests for cost price increases – more of this below – and about how the designated retailers react to mentions of the Code. Suppliers will also have the opportunity again to give positive feedback on retailer behaviour.

The survey is available on www.yougov.com/gca and the results will be announced in a special edition of this newsletter as well as on the [GCA website](#) in late Spring/early Summer 2022. YouGov will also repeat the practice I began last year of conducting follow-up interviews with a select group of respondents to explore supplier concerns in more depth. Any suppliers interested in taking part in these interviews should please provide contact details at the end of the survey. As with survey responses, I will treat information from these follow-up interviews in complete confidence.

I urge suppliers to continue their support for the annual survey. The previous eight surveys have been powerful in securing continued improved Code compliance from retailers, and this ninth survey will be the same. Your responses are particularly valuable as the sector is experiencing such fast-paced change and the information they contain can give me early intelligence of any major issues emerging. Please complete it to make sure I, and the retailers, know how you feel.

Cost Price Increases

With rising inflation, the retailers that I regulate are receiving unprecedented numbers of requests for cost price increases (CPIs) from their suppliers. The outcome of such requests is a commercial matter for retailers and suppliers, not a Code issue. But I am conscious of the pressure that the scale of CPI requests creates for both suppliers and retailers, and of the need for a redoubled focus on maintaining and building strong relationships. As I have discussed this issue with suppliers and with the retailers' Code Compliance Officers, I have observed some differences between a good, fair CPI process, and one that could undo the work that has been hard won during the pandemic to build relationships. These are the 7 golden rules I have seen retailers following in the examples where they have dealt with CPI requests best:

1. Clear communication from the outset by retailers about the process and how long it will take;
2. Awareness, and prioritisation, of the possible greater impact on smaller suppliers;
3. Support for buyers from colleagues who have experience of dealing with CPI requests;
4. Only asking for the specific information from suppliers that is needed to make a CPI decision;
5. Clear communication of the outcome, so there can be no grey areas;
6. No automatic delists or fixed delist notice periods following CPI negotiations;
7. Reminding buyers about abiding by competition law e.g. never asking suppliers about other retailers' plans or retail prices.

I am looking forward to receiving comprehensive information about this issue from the results of the survey but in the meantime any suppliers who have concerns about the way their requests are being handled should contact me – details below. I would be particularly interested in hearing about any examples of unfounded claims that the Code requires suppliers to give fixed notice of any CPI.

Mark White

Meet the CCO – Max Gillibrand, CCO for Marks and Spencer

Please introduce yourself to readers of News from the Adjudicator, including telling them something about yourself as a person. Why did you want to become a Code Compliance Officer and what experience do you bring to the role?

I'm Max Gillibrand the CCO at M&S, and I've worked in a variety of roles across the company for over 35 years. I've had previous experience in both the Trading and new business development functions so I understand what's important to suppliers and how we can best work together. I've been the CCO since the introduction of the Code and I'm passionate about ensuring strong, transparent relationships with our valued supplier partners and seeking ways to continue to improve the way we do business.

How do you work with suppliers and how should they contact you if they have an issue to raise?

I want to encourage an open dialogue with suppliers where they have the confidence to raise a matter if they have concerns or just aren't sure how to approach a situation. The majority of supplier queries are best raised directly through their regular M&S contacts, but I know sometimes there might be an issue that they'd rather discuss confidentially, and I can assure our suppliers that I will always act discretely and will never share any information without their permission. My email address to contact me directly is Max.Gillibrand@marks-and-spencer.com.

What is your biggest ambition as Code Compliance Officer?

My biggest ambition is that I hear from suppliers at the time something is concerning them rather than they sit on it and get frustrated. We take the GCA survey results very seriously but it's always regrettable to read comments from suppliers about a situation that we could have engaged on and tried to resolve several months previously.

When you look back at how your company works with suppliers what are you most proud of?

M&S has a long history of working closely with our supplier partners and as a majority own label business, our fortunes and those of our suppliers, are even more aligned. The last two years during Covid-19 has been one of the best examples of close collaboration and we've worked tirelessly together to find ways around the challenges we've both faced. We must continue to use this energy and understanding to ensure that we are stronger together as we go forward into 2022 and beyond.

Where has the Groceries Supply Code of Practice had its greatest impact? What contribution do you believe the Groceries Code Adjudicator has made? How do you work with the GCA?

The Code has undoubtedly improved ways of working between the regulated retailers and their suppliers, with the GCA Annual survey clearly demonstrating these changes over the last eight years, and it's been great to see that sustained improvement. The Groceries Code Adjudicator has provided a clear platform for suppliers to address their concerns to, and equally the GCA has worked collaboratively with the retailers to explore issues and provide clear guidance and best practice insight. Our regular contact with the GCA allows us to readily understand his priorities and the types of issues he's hearing about, so we can consider how we will continue to make further improvements.

Where would you like to see further improvements in the relationship with suppliers?

I acknowledge that there will be occasions where we have diverging paths from a supplier, and we need to part company or reduce their business. These situations can be difficult, and we commit to deal with them fairly and

compliantly, but I understand that it's not always easy to accept the outcome. As CCO, I'm here to ensure that our teams follow the prescribed delisting process and I'm always available to discuss this with suppliers if needed.

Finally, as I said earlier, I'd really like the opportunity to understand any issues as they happen so that we can try to find prompt solutions. Nothing is too small to matter, so do please reach out if something is on your mind.

You can contact Max via Max.Gillibrand@marks-and-spencer.com.

The CCOs of the designated retailers have produced new videos introducing themselves and describing how they work with suppliers. These are now all available on the [GCA YouTube channel](#).