

Supplier Innovation Day: deliberately involving suppliers in product development

The Supplier Innovation Day is an organised event format in which companies enter into a structured innovation dialogue with selected suppliers and potential suppliers. Buyers and technical departments present development tasks, problem statements and technology trends, while suppliers present solutions, process ideas and material innovations. The format combines procurement marketing, supplier development and early involvement in product development, making it an effective instrument of strategic procurement.

Key facts

- A Supplier Innovation Day involves suppliers early and in a structured way in innovation and development processes.
- Typical formats include themed days, technology showcases, speed-dating appointments and challenges followed by prototype procurement.
- Participation is selective: frequently ten to thirty suppliers are selected according to technological capability and strategic relevance.
- An essential prerequisite is a clearly formulated specification so that suppliers can contribute solutions in a targeted manner.
- Success is measured using metrics such as qualified idea proposals, completed follow-up projects and shortened development times.
- The Supplier Innovation Day complements, but does not replace, ongoing instruments such as negotiation management and framework agreements in procurement.

Definition: Supplier Innovation Day

A Supplier Innovation Day is a planned event day on which a company deliberately involves suppliers in its innovation and development agenda. At the centre are technical problem statements, defined by the buyer together with the functional departments, and solution offerings from suppliers. The format is related to the competitive dialogue but goes beyond individual projects and addresses a broad technology and supplier pool.

Distinction from classic supplier days

Classic supplier days serve primarily for information, relationship maintenance and general communication. A Supplier Innovation Day, by contrast, is results-oriented: the focus is on concrete technical issues, evaluated idea proposals and subsequent projects such as prototype procurement or joint development contracts. While the supplier day usually invites all suppliers, the innovation day is selective and thematically focused.

- Results orientation instead of a pure information event
- Selective invitation according to capability profile

- Binding follow-up processes with clear deadlines

Role allocation within the company

The Supplier Innovation Day is typically driven jointly by strategic procurement, research and development and, where applicable, product management. Procurement takes process responsibility, supplier selection and follow-up; the functional departments contribute the specification, technical requirements and evaluation schemes. This dual structure prevents the event from ending up as general networking without professional benefit.

Typical occasions

Common triggers are new product platforms, material or process issues, supply gaps caused by offshoring strategies, sustainability requirements or increasing demands on process capability and quality. Regulatory changes, such as new packaging regulations, can also be a reason to obtain supplier solutions early.

Methods and procedure of a Supplier Innovation Day

The success of a Supplier Innovation Day is decided in the preparation. According to practical experience, the format follows a multi-stage process ranging from topic definition via supplier selection to the systematic tracking of results.

Preparation and topic definition

The starting point is an internally agreed set of challenges, formulated as technology-open tasks with clear boundary conditions. For each task, there should be a rough specification-approach outlining requirements, interfaces, volume framework and deadline schedule. A structured invitation-to-tender questionnaire can serve as a template here, even though the innovation day is not a formal tendering process.

Supplier selection and invitation logic

The invitation list is generally composed of a mix of preferred supplier entries, qualified new providers from procurement marketing and targeted scouting candidates. Criteria are technological fit, development capacity, depth of manufacturing and risk profile in the sense of supplier risk management. An upstream VAT ID check and a positive initial assessment finding are part of due diligence before confidential information is shared.

Format design on the event day

Alternating elements have proven effective: keynote presentations by the inviting company, short supplier presentations, moderated speed-dating rounds between the functional departments and suppliers, and an idea-oriented challenge session. Presenting one's own parts catalogue or a structured requirements list helps suppliers identify suitable contributions concretely. Ideally, the day ends with agreed next steps and a fixed follow-up date.

Follow-up and tracking

After the day, all proposals are documented, evaluated and assigned to projects. Procurement then follows up with classic instruments: targeted enquiries, framework agreements in procurement for later series volumes or defined prototype projects. A functioning exception management ensures that no commitments or open points are lost.

Key KPIs for success measurement

Like any procurement measure, the Supplier Innovation Day should follow measurable objectives. In practice, metrics that capture both the quantity and quality of results and remain comparable across multiple events have proven effective.

Metrics at event level

At event level, what counts in particular are the number of qualified idea proposals per challenge, the share of invited suppliers with completed qualification and the satisfaction of the functional departments with the approaches presented. Discussion quality can also be operationalised, for example via the share of suppliers who submit a concrete solution concept within a defined deadline.

- Qualified idea proposals per topic block
- Share of suppliers with follow-up commitment
- Share of solved or taken-up challenges

Metrics at project level

In the long term, what counts are derived projects and their returns: reduced development time, cost savings through value analysis, improved process capability of new processes or reduced procurement costs. The share of innovation-day results that flow into series products or new processes is a meaningful success indicator.

Metrics at supplier level

At supplier level, success is shown by whether new providers are admitted to the qualified supplier base and whether existing preferred suppliers demonstrate new competences. Responsiveness to subsequent enquiries and adherence to deadlines in follow-up projects are also suitable indicators.

Risks and controls in the Supplier Innovation Day

The format carries specific risks, especially in handling confidential information, in expectation management and in the legal treatment of idea proposals. Without clear rules and controls, the innovation day can cost trust rather than create it.

Confidentiality and intellectual property

Before technical details are shared, a uniform NDA standard should apply. Participants must understand in advance which information may be disclosed and how unsolicited proposals are handled. A clear regulation on usage rights to submitted ideas is essential; legal and tax questions must be examined on a case-by-case basis.

Expectation management and fairness

Suppliers invest time and confidentiality. To avoid disappointment, the company should communicate transparently what kind of cooperation may follow and what may not. A documented, comprehensible evaluation of the proposals creates fairness and strengthens the credibility of procurement.

Operational controls

Important controls include a documented supplier selection, the inclusion of supplier risk management criteria, clear contracts for subsequent projects including relevant Incoterms FCA provisions for sample deliveries and, where applicable, a performance bond for higher advance services. If prototypes are

delivered, goods receipt with quality inspection and a goods-receipt inspection plan should be defined at an early stage.

Typical sources of error

In practice, events often fail due to vague topic definitions, lack of involvement by the functional departments or absent follow-up. A further mistake is conducting the innovation day in isolation without integrating it into existing processes such as negotiation management and supplier evaluation.

Current developments and outlook

Supplier Innovation Days are evolving: digitalisation, sustainability requirements and shortened product life cycles are changing format and content. Companies that professionalise the format achieve tangible advantages in time-to-market and supplier retention in practice.

Digital and hybrid formats

Many companies combine in-person events with digital preparation and follow-up: online idea platforms, virtual technology presentations and digital scouting searches expand the supplier pool beyond one's own region. This also facilitates the involvement of international suppliers, for example in the context of offshoring or nearshoring strategies.

Sustainability as a thematic focus

Sustainability and circular economy topics are now among the most frequent agenda items: recyclable materials, low-emission processes and adapted packaging regulations. Suppliers often bring ready-made solution approaches here that would otherwise remain unused without early dialogue.

Integration into the procurement strategy

Innovation-oriented procurement functions integrate the Supplier Innovation Day into a year-round innovation pipeline: from a one-off event to a recurring process with fixed review dates, clear responsibilities and interlinking with value analysis workshops. This creates a continuous innovation flow instead of a one-off event.

Typical metrics

Qualified idea proposals: typically 5–15 per challenge

Indication of participation quality; varies by industry

Follow-up rate: > 50%

Share of suppliers who submit a concrete concept after the day

Derived projects: frequently 2–5 per event

Projects such as prototypes or value analyses that emerge from the day

Project success rate: > 30%

Share of derived projects that are transferred to series production or processes

Practical example

A mid-sized mechanical engineering company planned the new development of a product series and had open questions regarding lightweight components and surface technology. Strategic procurement,

together with the development department, organised a Supplier Innovation Day with around twenty invited suppliers from metalworking, plastics and finishing. In advance, each department defined two challenges with technical boundary conditions; participants received an anonymised requirements list. On the day, around fifty solution ideas were discussed in speed-dating rounds.

- NDA in advance and a uniform invitation-to-tender questionnaire for all participants
- Three challenges with an agreed specification-approach per department
- Evaluation of all proposals within four weeks by procurement and development
- Start of two prototype procurements and one value analysis, each with a preferred supplier

Conclusion

The Supplier Innovation Day is a field-proven format for integrating supplier knowledge into product development early, in a structured way and with a results orientation. Its value arises not on the event day itself but through careful preparation, clear challenges and consistent follow-up. Those who integrate the format into existing procurement processes such as negotiation management, supplier evaluation and framework agreements in procurement turn a single appointment into a sustainable innovation pipeline. Prerequisites are clear rules on confidentiality and intellectual property as well as measurable objectives. Under these conditions, the Supplier Innovation Day counts among the most effective instruments of strategic supplier management.

Frequently asked questions

What is a Supplier Innovation Day?

A Supplier Innovation Day is an organised event-day format in which a company deliberately involves suppliers and potential suppliers in its innovation and development agenda. Technical challenges are presented and suppliers present proposed solutions. Unlike the classic supplier day, the format is selective, thematically focused and results-oriented.

How do you organise a Supplier Innovation Day?

First, procurement together with the functional departments defines concrete challenges, ideally using a specification-approach. This is followed by selective supplier selection based on technological fit and risk profile, the invitation with NDA and a structured invitation-to-tender questionnaire, and the execution with presentations and speed dating. Crucial is the follow-up: evaluate proposals, assign projects and monitor deadlines.

Which suppliers should be invited?

A proven approach is a mix of established preferred suppliers and carefully scouted new providers with suitable technological competence. Selection criteria are capability, development capacity, depth of manufacturing and risk profile in the sense of supplier risk management. Before the invitation, basic checks such as a VAT ID check are part of due diligence.

What is the difference between a supplier day and a Supplier Innovation Day?

The supplier day serves primarily information, relationship maintenance and strategic communication with a broad participant circle. The Supplier Innovation Day is small, selective and results-oriented: the focus is on concrete technical issues, evaluated solution proposals and subsequent projects such as prototype procurement or joint development. Follow-up processes with clear deadlines are mandatory for the innovation day.

Which KPIs are suitable for a Supplier Innovation Day?

At event level, what counts are qualified idea proposals per challenge, the share of suppliers with follow-up commitment and the share of processed challenges. At project level, relevant measures are derived development projects, cost savings through value analysis and shortened development times. The admission of new providers to the qualified supplier base is also a good success indicator.

Is a Supplier Innovation Day worthwhile for SMEs?

Yes, SMEs in particular benefit because they can supplement development capacity through supplier knowledge without driving up their own research costs. Decisive factors are a clear choice of topics, involvement of the functional departments and manageable participant numbers. Even a single event with ten to twenty carefully selected suppliers can deliver tangible results in practice.