Building fair and transparent FMCG supplier–retailer relationships

Salitix

What you'll get inside this guide

Salitix

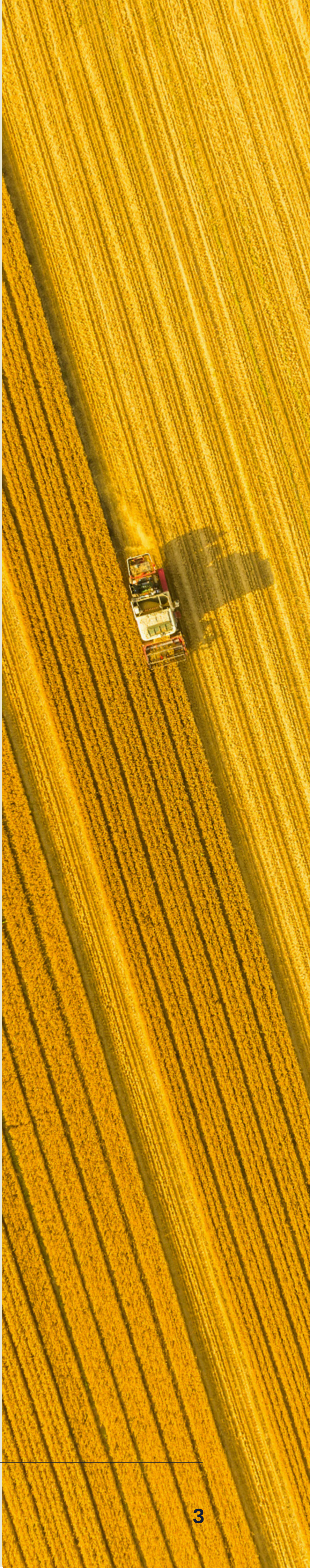
Clarity, confidence, and stronger partnerships

In the UK retail market, margins are tight, agreements are complex, and both suppliers and retailers are under pressure. Even small errors in funding or deductions can quietly erode profits and damage trust.

This guide explores how transparency and frictionless reconciliation can reduce that risk. It explains the hidden costs of opacity in agreements, highlights the common points of sensitivity, and shows how independent reconciliation helps both sides move forward with confidence.

You'll also see real-world examples — including Asda's renewed focus on supplier partnerships — that reveal how both parties want to build stronger, fairer practices that create more resilient relationships.

If you don't have time to read the full guide, here's the takeaway: frictionless profit recovery isn't about redefining how you trade. It's about making sure agreements are delivered as written, errors are resolved quickly, and partnerships stay focused on growth.



Why fairness and transparency matter now

The UK retail market is evolving rapidly. Sales are growing across many categories, but margins remain tight.[1] In this environment, clarity and collaboration between suppliers and retailers are essential to protect profits and maintain resilience.

Complex agreements can make this difficult. Even when both sides act in good faith, unclear terms, complicated promotions, and hurried deductions often create misunderstandings and financial leakage. These issues might not be deliberate, but their consequences are real: wasted investment, eroded profits, and strained relationships.

The good news is that these challenges aren't inevitable. With clearer terms, better visibility, and fair reconciliation, what could become a dispute can instead be resolved cleanly — reducing friction and supporting stronger long-term partnerships.

"Suppliers don't need to accept leakage. They can do something about it – without damaging commercial relationships."

Ben Lewis, Chief Revenue Officer, Salitix

The hidden costs of opacity in trade agreements

When agreements lack clarity, or when execution is buried in spreadsheets and inboxes, both sides lose.

For suppliers, marketing or promotional spend may not deliver the returns expected.

For retailers, sales forecasts may prove inaccurate, creating costly inefficiencies in stock or funding.

For both sides, trust is undermined when numbers don't add up and there is a general feeling that profits are missing.

Take deductions:

if they aren't clearly validated, suppliers may pay for activity that never happened, while retailers face slower payment cycles and wasted bandwidth. In short, opacity creates risk, slipping margins, and more time spent on disputes than growth.

Points of sensitivity in supplier–retailer agreements

Perfect accuracy is rare in a fast-moving sector like FMCG. Forecasts shift, promotions underperform, and teams are stretched too thin to validate every detail. Problems such as promotional funding that doesn't match sales, deductions that are hard to verify, or accruals that don't align with outcomes can occur again and again.

These points of sensitivity don't reflect bad practice — they reflect real-world complexity.

It's important to remember that both sides generally want the same things:

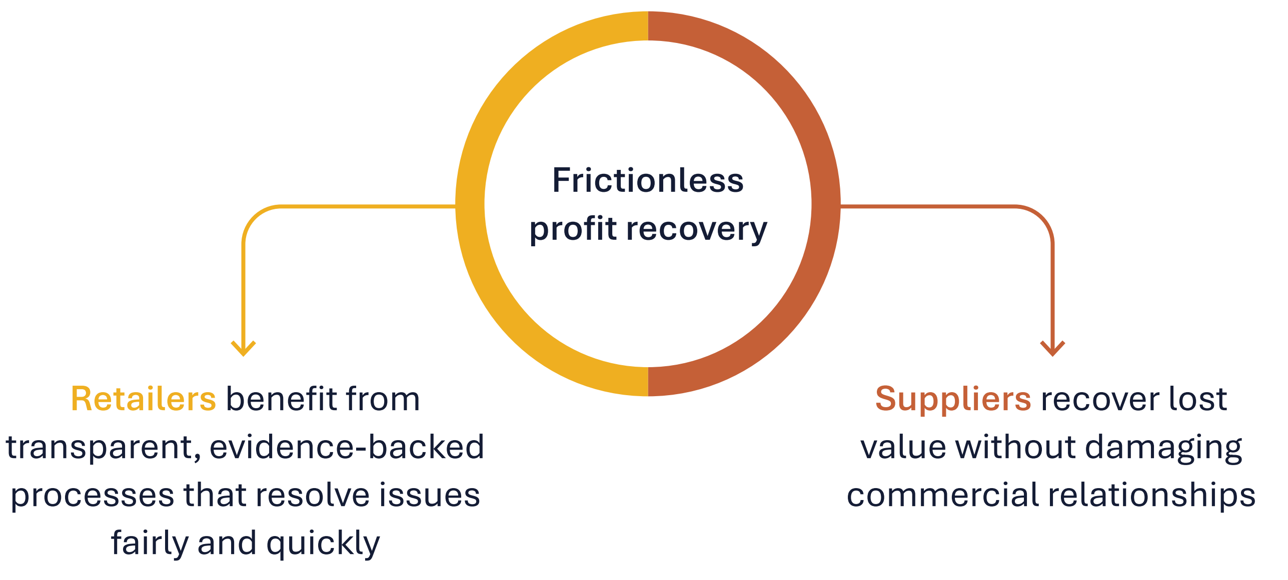
- Clear agreements
- Access to accurate data
- Processes that ensure accountability

But without independent reconciliation, human error creeps in and suspicion grows. Salitix's role isn't to redefine what fair trading should look like, but to bring clarity to what has already happened. By reconciling agreements as written, we help reduce friction and create confidence for future collaboration.

The role of frictionless profit recovery

Independent, evidence-based reconciliation is one of the most effective ways to maintain trust while ensuring suppliers recover what they are owed. This is the principle behind frictionless profit recovery. By working through finance and audit channels — not the trading dialogue — discrepancies are resolved discreetly and based on evidence, not opinion.

The benefits are twofold:



What could otherwise become a dispute instead becomes an opportunity to improve accuracy and trust.

Building stronger supplier–retailer partnerships

Successful trading relationships depend on confidence. When agreements are transparent and reconciled fairly, both sides can spend less time on disputes and more time on growth.

For suppliers, this means investments are protected and executed as intended. For retailers, it means stronger supply chains and smoother collaboration. The result is fewer disputes, faster resolutions, and more open communication — creating partnerships that are resilient, practical, and built to support long-term performance.

"The best relationships come down to people. Collaborative buyers and collaborative teams that work well with their suppliers – and vice versa – and tend to increase availability, reduce waste, and serve shoppers better; while adversarial relationships tend to end in poor service and disappointed shoppers."

Guy Cuthbert,
GM, Crisp

Asda doubles down on supplier partnerships to restore growth

Asda's 2024 results revealed a sharp fall in profits — down to £599m, from £1.8bn the year before — alongside a 3.7% decline in like-for-like food sales.[2] Rising costs, weak availability, and pricing pressures all contributed.

Instead of retreating into short-term measures, Asda has chosen to lean into collaboration with its suppliers. Through its *Project Future* turnaround plan, the retailer is emphasising suppliers as "partners for growth," with:

An "always-on" communication model

A dedicated supplier portal and regular conference

Independent supplier surveys feeding into workshops

A strong GSCOP record, with 95% of suppliers rating compliance as consistent or mostly consistent

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We don't know how effective this project will be, or whether it will adequately meet suppliers' needs. But by its very existence it shows that retailers recognise that trust and transparency are the foundations of recovery. It's a positive sign that retailers are advocating the types of working relationships we believe are created through frictionless profit recovery.

How Salitix supports fairness and transparency

Salitix has recovered over £100 million for suppliers through evidence-based reconciliation. In doing so, we've helped protect and strengthen countless supplier–retailer relationships along the way. That's because our process is designed to avoid disruption. By working independently from the commercial dialogue, we help resolve discrepancies without creating tension in day-to-day negotiations.

Our role isn't to define what trading should look like. It's to make sure that agreements are executed as written, and that money flows fairly on that basis. In doing so, we help suppliers understand where leakage occurs, so they can strengthen their processes for the future. And by outsourcing reconciliation to our specialist team, suppliers gain accuracy, transparency, and time back to focus on growth.

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A fairer future for retail partnerships

In FMCG, complexity makes perfect accuracy hard to achieve. Errors are inevitable — but they don't need to escalate into disputes.

Frictionless profit recovery offers a discreet, evidence-based way to resolve issues without disrupting the commercial dialogue. For suppliers, it means confidence that agreements are executed as intended. For retailers, it means fewer disputes interrupting trading.

The result is simple: a practical process that reduces friction and helps keep relationships on track.

Book an assessment with our team to discuss your specific situation and how Salitix can help you uncover your hidden profits.

Chat with an expert

Calculate how much profit you could recover with Salitix today with our easy-to-use calculator.

Calculate your profit recovery

See how we've already helped suppliers like you recover hidden profits.

Read success stories

About Salitix

Salitix

Salitix offers a managed frictionless profit recovery service that helps suppliers maximise their net margins. Its trade spend reviews uncover hidden profits and recover revenue owed, ensuring fair trading relationships with retailers. With no upfront fees and a contingency-based model, Salitix's service is risk-free and delivers measurable results.

References

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