



**GROWTH
BYTES**

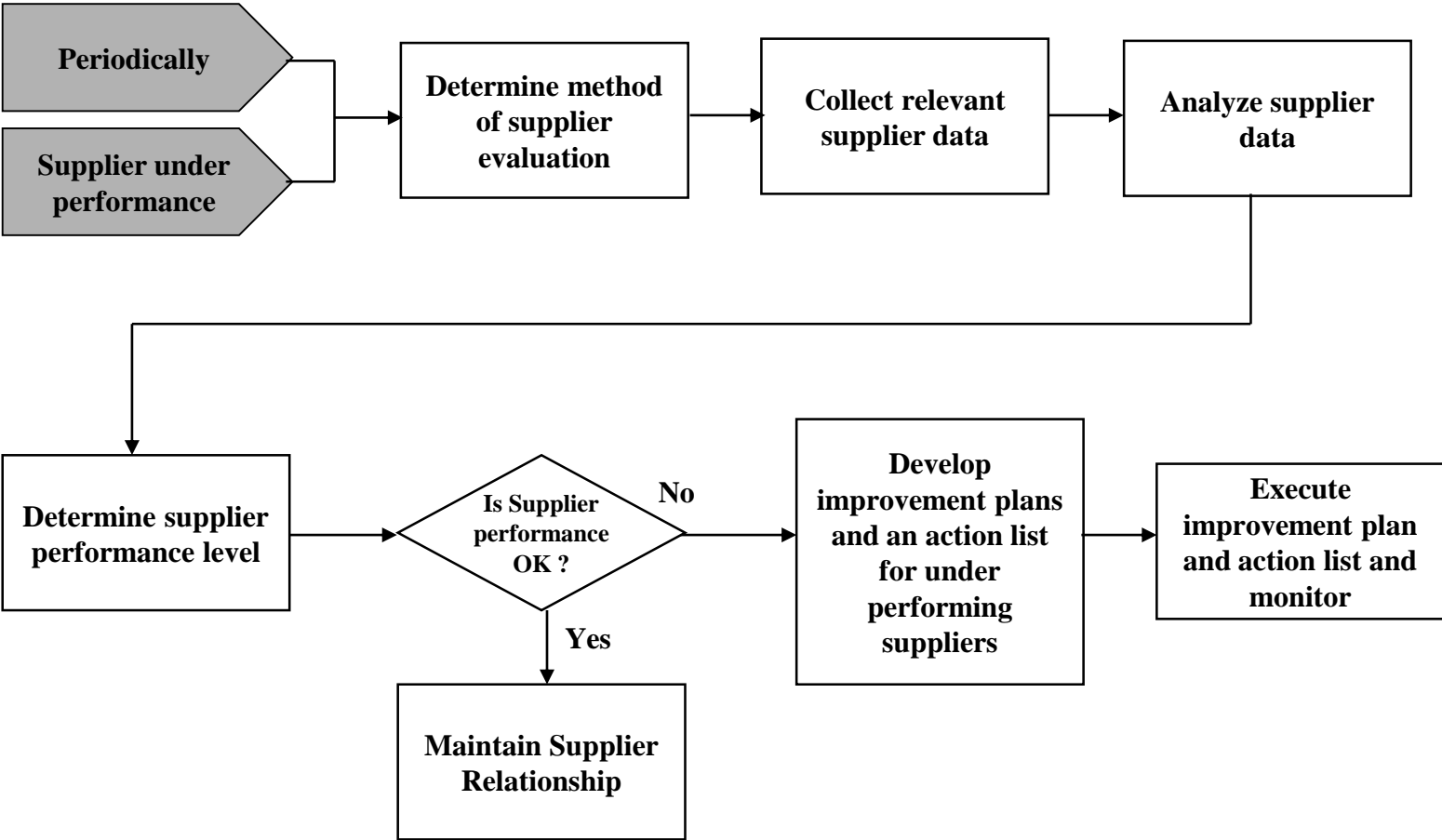
Evaluate Suppliers

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Objective

- **To evaluate the supplier on the agreed terms in the contract and to identify appropriate actions for continuous improvement.**

Evaluate Suppliers




Questions to Consider

Evaluate Suppliers




Processes

- Which key criteria do we wish to measure (criteria, weight, etc.)?
- Do the current measures and rewards correctly emphasize with supplier performance?
- Are we able to objectively assess the competitiveness of the prices of our suppliers?
- Is the performance tracked against the targets?
- Should suppliers be classified based on their performance?
- Are suppliers exceeding expectations rewarded for their outstanding performance?
- Is supplier performance measured from a total cost perspective and the added costs of use or on the variation in purchase price.
- What should be the role of auditing in the supplier evaluation process?
- Which standard certificates would be sufficient/acceptable for a supplier (e.g. ISO)?



Organizational

- Are the key performance measures communicated with the supplier?
- Which people should execute and which people should be responsible for the supplier evaluation and assessment?
- Is a formal feedback and review procedure with the supplier concerning the performance in place?
- Is a formal reporting procedure on supplier performance in place?
- Are performance measure linked to the strategic sourcing strategy per category?
- Are appropriate actions taken in case of significant under performance of a supplier?
- Is supplier performance compared to potential suppliers' capabilities?
- How can we sustain cooperation from local operations in executing our requirement regarding vendor evaluation?



Technology

- Is supplier performance measured and stored in a system?
- If a system is used for supplier performance monitoring, which people should be involved in data gathering?
- From which systems is performance data currently retrieved?