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**Monitoring Performance of Vendors/Suppliers and Out-Sourced Partners Periodically**

**1. Introduction**

Ongoing monitoring of vendor and supplier performance is critical for maintaining the quality, consistency, and cost-effectiveness of food manufacturing operations (NIC Code 10101). This document outlines a process for the periodic monitoring of vendors, suppliers, and outsourced partners.

**2. Key Performance Indicators (KPIs)**

Establishing clear KPIs is crucial for effective monitoring. These should align with the overall goals and objectives of the food manufacturer. Examples include:

* On-time delivery: The percentage of orders delivered on time and in full.
* Product quality: Defect rates, rejection rates, and compliance with specifications.
* Cost: Pricing, cost of materials, and overall cost-effectiveness.
* Communication responsiveness: Timeliness and clarity of communication.
* Flexibility: Ability to adapt to changing demands.
* Compliance: Adherence to regulatory requirements and company policies.
* Sustainability: Environmental and social responsibility.

**3. Monitoring Methods**

**Several methods can be used to monitor vendor and supplier performance:**

* Regular performance reviews: Scheduled meetings to discuss performance against established KPIs.
* Data analysis: Using data from various sources, such as order fulfillment records, quality control reports, and financial statements, to track key performance metrics.
* Supplier scorecards: A visual tool to summarize supplier performance across several key metrics.
* Site visits: Periodic on-site audits to assess operations and compliance.
* Feedback mechanisms: Regular surveys and feedback forms to collect input from internal stakeholders and customers.
* Technology-enabled monitoring: Using software and systems to track shipments, quality data, and other relevant metrics in real-time.

**4. Reporting and Corrective Actions**

Monitoring results should be documented and communicated to relevant stakeholders. This includes:

* Regular reports: Periodic reports summarizing performance against KPIs.
* Corrective action plans: Developing and implementing corrective action plans to address identified deficiencies.
* Performance improvement plans: Working collaboratively with vendors and suppliers to develop plans for improving performance.

**5. Compliance Notes**

Accurate and timely monitoring of vendor and supplier performance is essential for complying with food safety regulations. Detailed documentation of monitoring activities, including reports, corrective actions, and performance improvement plans, is necessary for audits and regulatory inspections. Maintaining a system for tracking and addressing non-conformances is crucial for demonstrating compliance.