



# HOW SUPPLIERS & CUSTOMERS WORK TOGETHER? PART 01

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| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 |    |    |    |    |    |

# HOW SUPPLIERS & CUSTOMERS WORK TOGETHER?

**COMPANIES NEED TO ALTER THEIR RELATIONSHIPS WITH THEIR SUPPLIERS TO FOLLOW JIT PRODUCTION SYSTEM**

**TO MAKE JIT SUCCESSFUL, A PARTNERSHIP HAS TO BE ESTABLISHED BETWEEN BUYERS & SUPPLIERS**

**PRICE SHOULD NOT BE THE ONLY CRITERIA TO SELECT A SUPPLIER**

**QUALITY ASSURANCE AND RELIABLE SUPPLY ARE RELEVANT FACTOR FOR THE SELECTION OF A SUPPLIER**

**FOCUS OF THE JIT SYSTEM REMAINS ON WASTE REDUCTION**



# **HOW SUPPLIERS & CUSTOMERS WORK TOGETHER?**

**FOCUS OF THE JIT SYSTEM REMAINS ON WASTE REDUCTION**

**THIS RESULTS IN:**

- **REDUCED INSPECTIONS**
- **MINIMIZED FREIGHT COST**
- **BOTH PAPERWORK AND SUPPLIER SELECTION COSTS ARE AVOIDED**

**THE GOAL OF THIS CRITERION IS TO HAVE ONLY ONE SUPPLIER FOR EACH TYPE OF MATERIAL**

**QUALITY ASSURANCE IS AN IMPORTANT PREREQUISITE TO ESTABLISH A RELATIONSHIP WITH A COMPANY**

# HOW SUPPLIERS & CUSTOMERS WORK TOGETHER?

**SAFETY OR PROTECTIVE STOCKS ARE ELIMINATED**

**HENCE, DEFECTIVE MATERIALS CAN BRING THE PRODUCTION SYSTEM TO HALT**

**THIS MAY CAUSE DELAY IN THE PRODUCT DELIVERY TO CUSTOMERS**

**QUALITY MATERIAL ENSURES:**

- **FINISHED GOODS AND SERVICES COMPLY WITH CLIENT SPECIFICATIONS**
- **NOT EVEN A SINGLE PRODUCT UNDERPERFORMS**

**A SUPPLIER NEEDS TO SUPPLY THE MATERIAL IN THE RIGHT QUANTITY & AT THE CORRECT TIME**