**Strategic Performance Measurement of Suppliers at HTC**

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I don’t think HTC should reduce its number of suppliers because they have maintained good relations and they have 4 teams that keep up with its suppliers and two steps in its supplier selection and management process. They monitor and score them to make sure they are performing optimally. For a device that has over 250 components, HTC uses over 1000 suppliers to manufacture their devices. In comparison to a car that also has many components, the smart phone has more volume in sales so many suppliers are necessary. They have 5 manufacturers for their batteries alone.

Supplier A’s orders should get a slight increase to 55% because they scored well and go above and beyond supplying, by developing new designs and products for HTC. Supplier B should get a decrease to 10% because they may not be able to keep up with the orders, since they cut labor significantly. Supplier C should remain the same at 15% because even though they have improving by introducing new technology, they cut their delivery team so they may not be able to meet demand. Supplier D should remain at 10% because they are still adjusting to breaking off from its parent company and HTC needs to monitor for future increases. Although Supplier E is new and did not score the best, they are seen as rising stars so they should be increased to 10% so they can gradually grow and perform up to HTC’s expectations.