

PURCHASE OVERVIEW

Overview

Vendor Analysis

Insight & Recommendation

Average Lead Time

19.45

On-time delivery

100%

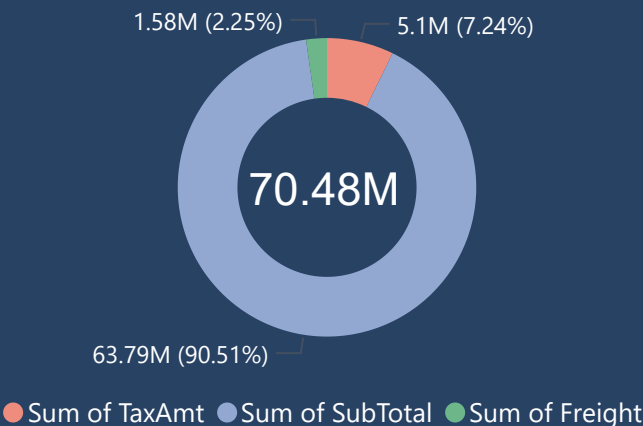
Total Shipping Cost

1.58M

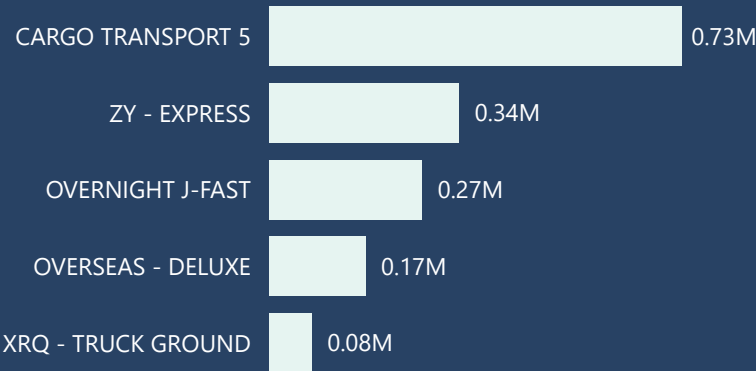
Total Order

4012

Breakdown of Total Due



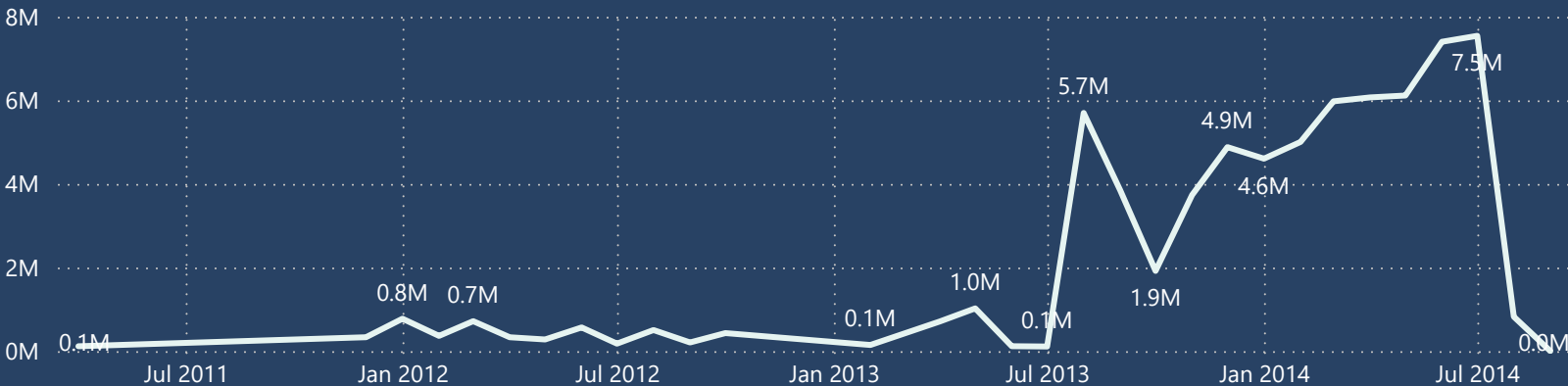
Shipping costs of Companies



Rejection Analysis by Product

Name	Received Qty	Rejected Qty	%Reject
Metal Sheet 1	8250	852	10.3%
Paint - Black	3699	330	8.7%
Flat Washer 1	177	15	8.5%
Flat Washer 6	177	15	8.5%
Thin-Jam Hex Nut 10	72	6	8.3%
Thin-Jam Hex Nut 9	72	6	8.3%
Paint - Red	3777	288	7.6%
LL Crankarm	43262	3102	7.1%
Hex Nut 5	90	6	6.7%
Hex Nut 6	90	6	6.7%
Lock Washer 4	45	3	6.7%
Lock Washer 5	45	3	6.7%
Metal Tread Plate	8250	550	6.7%
ML Crankarm	43784	2805	6.4%
Lower Head Race	153	9	5.9%
Thin-Jam Lock Nut 10	102	6	5.9%
Thin-Jam Lock Nut 9	102	6	5.9%
LL Mountain Pedal	55362	3102	5.5%
LL Spindle/Axle	55362	3020	5.4%
Touring Rim	54648	2938	5.3%
Total	2327299	72700	3.1%

Total Due by Year



VENDOR ANALYSIS

Total Vendor
104

Total Active
100

No Active
4

Prefer
93

No Prefer
11

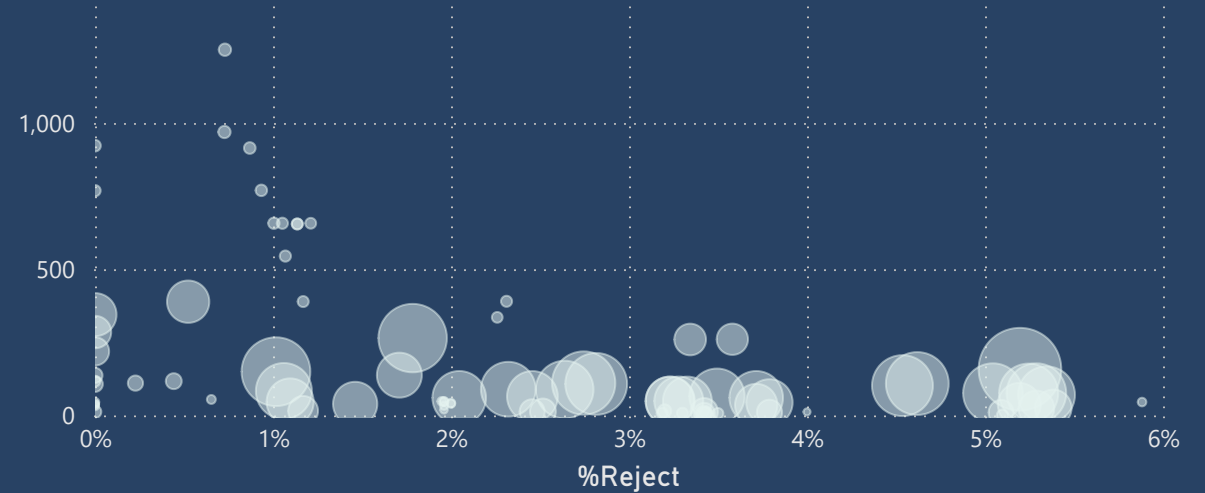
Vendor name	SubTotal
Superior Bicycles	4555898
Professional Athletic Consultants	3058775
Chicago City Saddles	3029109
Jackson Authority	2553243
Vision Cycles, Inc.	2513742
Sport Fan Co.	2421619
Proseware, Inc.	2347422
Crowlev Sport	2237801
Total	63791995

Overview

Vendor Analysis

Insight & Recommendation

Rejection Rate vs Standard Price & Subtotal



Vendor Details

Advanced Bicycles

Total Due
28.5K

% Price Difference: Last vs Standard
5%

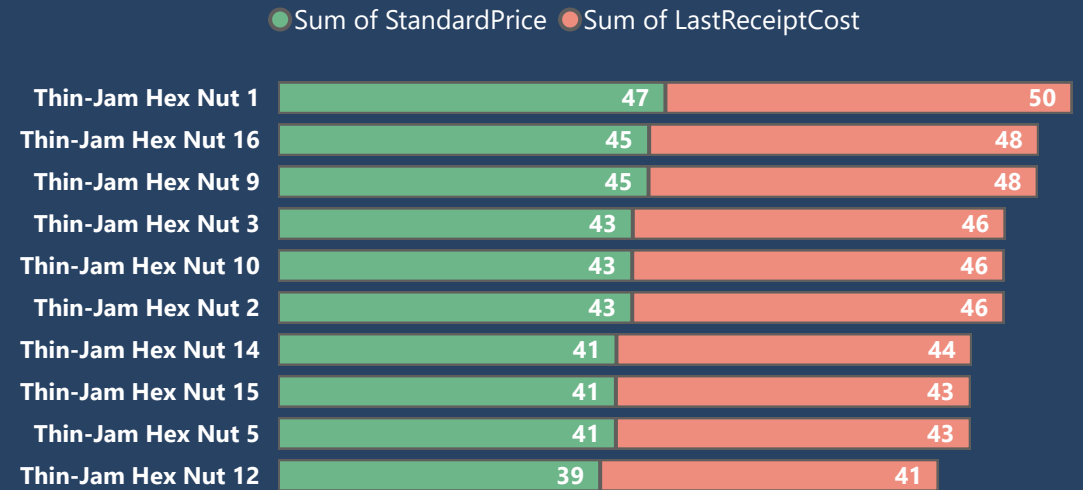
Rating
Superior

On-time delivery rate
100%

Prefer Status
**Preferred over other vendors
supplying the same product**

Active
**Vendor is actively
used.**

Standard price and Last Receipt Cost of this Vendor product



Insight & Recommendation

1. Optimize Purchasing Process & Order Processing Time

Reduce order processing time (19.45 days) to ~15 days by:

- Implementing long-term contracts with reliable suppliers to reduce negotiation time.
- Using purchase automation to speed up approval and order processing.
- Integrating inventory management systems to forecast demand and enable proactive ordering

2. Control Shipping Costs

Review Cargo Transport 5's contract (\$0.73M) and consider alternatives:

- Compare costs among shipping providers and explore lower-cost alternatives.
- Negotiate discounts with Cargo Transport 5 if their shipping volume remains high.

3. Reduce Product Rejection Rates

Improve quality control for incoming goods:

- Enhance inspection for high-rejection products like Metal Sheet 1 (10.3%) and Paint - Black (8.7%).
- Collaborate with suppliers to improve manufacturing processes and minimize defects.
- Develop a reliable supplier list, eliminating vendors with consistently high rejection rates.

4. Optimize Vendor Portfolio

Remove inefficient vendors:

- Phase out or reduce reliance on non-preferred vendors (11 vendors), focusing on suppliers with better quality and pricing.
- Negotiate long-term contracts with vendors achieving 100% on-time delivery.

5 Manage Purchase Price Volatility

Minimize price fluctuations (5% variance):

- Establish price ceilings for each product based on historical data.
- Negotiate stable long-term pricing with suppliers.
- Regularly monitor the difference between standard and actual purchase prices to prevent unnecessary cost increases.