



Supplier Assessment & Performance Measurement

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Procurement
Supply Chain
Distribution
Time to Market

Supplier Assessment & Performance Measurement

Introduction:

Many organizations today have over half of their revenues or operating budgets paid to their contractors and suppliers in the acquisition of goods, equipment, and services. As a result the supplier assessment, selection, performance measurement and obtaining compliance of all contract provisions are being recognized as critical processes where high management and professional competencies are required. This fast paced seminar provides both strategic and practical insights into:

- Steps in achieving total quality from suppliers
- Supplier qualification practices
- Quality classifications
- Collection and performance rating methods
- Supplier assessment methods
- Contract compliance

Who should attend?

Contracts, Purchasing, and Project Personnel, Engineering, Operational, and Maintenance Personnel, Project and Contracts Management Professionals, Tendering, Purchasing, Contract Administration Professionals and Personnel, Engineering, Operational, Finance, Maintenance Professionals, Managers and executives in the procurement, finance, legal, risk and supplier relations department, Business Managers, Commercial staff, Project Engineers, Procurement staff, Legal staff, Contracts analysts & Officers, Contract Leaders & Engineers, Cost & Planning Engineers, Contract Administrators,

Contracting Unit Supervisors, Claims Managers and Business Audit Officers, Contract Strategists, Project Managers, General Managers involved in contract negotiation and disputes, Commercial Managers, Buyers, Purchasing Managers, Tenders Managers, Supply Chain Managers & Executives, Procurement Managers & Personnel, Construction Managers, those involved in the planning, evaluation, preparation and management of tenders, awards and contract performance that cover the acquisition of materials, equipment and services.

Course Objectives:

By the end of this course, delegates will be able to:

- Benefit from hearing the practices and experiences of others
- Cover the many steps in a proper supplier evaluation
- Gain insights into supplier segmentation
- Develop performance weightings
- Learn how to use performance results for improvement
- Explore various rating systems
- Discuss methods of collection and reporting data
- Be presented with assessment forms
- Understand how to prepare scorecards

Course Outline:

Achieving Supplier Total Quality

- How are we doing in supplier assessment and performance measurement?
- Elements of a good procurement and competitive bidding process
- Steps in achieving total quality from suppliers

- Achieving total quality from suppliers - what will not work!
- Objectives of performance measurement
- Best practices in supplier qualification
- Letting the supplier measure you

Supplier Assessment and Qualification

- Developing the qualification process
- ABC analysis
- Conducting risk assessment
- Supplier segmentation
- ISO 9000 Quality Standards
- The preliminary supplier assessment
- The supplier site assessment
- Who participates in supplier qualification
- The supplier evaluation forms
- Qualified supplier list

Supplier Performance - What to Measure

- Key elements of supplier performance measurement
- Common performance categories
- Category weighting
- Deciding which suppliers to measure
- Supplier scorecards as strategic sourcing tools
- Receiving, inspection, rejection clauses
- The difficulties of measuring supplier performance
- Quantitative vs. qualitative data

Collecting, Rating and Reporting Supplier Performance

- Collecting the data
- Rating methods - basic points
- Rating systems options
- Developing performance standards
- Measuring indirect material suppliers and service
- Establishing performance based service contracts
- Applying supplier performance in total cost of ownership
- Performance indexing
- Supplier provided performance data

How to Use Performance Measurements

- Benefits from measuring and analyzing supplier performance
- Establishing expectations
- Sharing the information
- Corrective action plans
- When contractors fail to do what was promised
- Liquidated damages
- Force majeure delays
- Holding supplier recognition events
- Motivate supplier with performance measurements
- Expectations from the supplier's view point