



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore – 641 107

An Autonomous Institution

Accredited by NAAC – UGC with 'A' Grade

Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai

DEPARTMENT OF COMPUTER SCIENCE AND TECHNOLOGY

COURSE NAME : 19OE114 –TOTAL QUALITY MANAGEMENT

III YEAR / VI SEMESTER

Unit 2- TQM PRINCIPALS

SUPPLIER PARTNERSHIP

Supplier Partnership

Partnering is a long-term commitment between two or more organizations for the purpose of achieving specific business goals & objectives

The relationship of customer and supplier should be based upon trust, dedication to common goal and objective, and an understanding of each party's expectation and values

Benefits of Partnering

- Improved Quality,
- Increased efficiency,
- Lower cost,
- Increased productivity
- Increased opportunity for innovation, &
- Continuous improvement of products and services
- Increased market share

Japanese View on Partnering

- The Japanese partnering concept is **keirestu**
- The key point is developing a long term relationships with a key suppliers rather than having a short term relationship with many suppliers.

key elements of Partnering

The three key elements of partnering are:

- » Long-term commitment.
- » Trust.
- » Shared vision.

Long-term commitment

- Long-term commitment provides the needed environment for both parties to work toward continuous improvement.
- Total organization involvement is necessary, CEO to the workers.
- Each party contributes its unique strengths to the process.
- A supplier may only take risks in a long-term commitment.
- Dependency appears as a natural consequence in a long term commitment, it is not a sign of weakness, but a sign of strength of the relationship and is necessary for competitive advantage.

Trust

- The strength of Partnering is based on fairness and parity.
- Trust enables the resources and knowledge of each partner to be combined to eliminate an adversarial relationship.
- Mutual trust forms the basis for a strong working relationship.
- Open and frequent communication avoids misdirection, disputes and strengthens the relationship.
- The parties may share or integrate resources such as training activities, administrative systems and equipment.

Shared Vision

- Each of the partnering organizations must understand the need to satisfy the final customer.
 - There should be an open and candid exchange of needs and expectations.
 - Shared objectives and goals ensure a common direction aligned with each parties' mission.
 - Partners must understand each other's business so that equitable decisions are made.
 - These decisions must be formulated and implemented as a team.
- SUPPLIER PARTNERSHIP/TOTAL QUALITY MANAGEMENT /NANDHINI.D/AP/CST

SOURCING

There are three types of sourcing:

❖ **Sole sourcing**

- o Organization is forced to use only one supplier.
- o Technical specifications, patents, raw material location, etc. cause this kind of sourcing.
- o Partnering is a natural consequence, to benefit the end user.

❖ **Multiple sourcing**

- o Two or more suppliers for an item are used.
- o Competition will result in better quality, lower costs and better service.
- o It eliminates disruption of supply due to strikes etc.

❖ Single sourcing

- o A planned decision by the organization to select one supplier for an item when several sources are available.
- o Advantages for the organizations include reduced cost, complete accountability, supplier loyalty, partnering and a better end product with less variability.
- o Advantages for the supplier include new business from the customer, reduced cost of the business and production processes.
- o It has allowed organization to reduce their supplier base.