



# **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 SELECTION AND SUPPLIER RATING**

# Stages in Supplier Selection and Evaluation

- Survey stage
- Enquiry stage
- Negotiation and selection stage
- Experience stage

# ishikawa's 10 conditions for selection and evaluation of suppliers

1. Supplier **knows management policy** of the organization.
2. **Stable management system** of supplier , respected by others.
3. Supplier has the **capability of dealing with technological innovations.**
4. Supplier can **supply material meeting quality specifications.**

5. Supplier has capability to **meet the amount of production.**
6. Supplier can **breach corporate secrets.**
7. The supplier is easily **accessible in terms of transpiration and communication.**
8. The supplier is **sincere in implementing the contract provisions.**
9. The supplier has an **effective quality system** and improvement program.
10. The supplier has a **track record of customer satisfaction** and organization credibility.

# Supplier Certification

- The supplier certification process starts only after the supplier begins shipment of the product to the organization

## Some benefits are

- Elimination of receiving inspection
- Creation of customer and supplier partnership
- Reduced the number of suppliers that reduces the overhead costs

# Supplier Certification Criteria

1. Customer and supplier shall have agreed on specifications which are mutually developed, justifiable, and not ambiguous.
2. Supplier shall have no product-related lot rejection for a significant period of time.
3. Supplier shall have no non-product related rejections for a stated period of time.

4. Supplier shall have no negative non-product related incidents for a stated period of time.
5. Supplier shall have a fully documented quality system. (ISO 9000)
6. Supplier shall have successfully passed an on-site system evaluation.
7. Supplier must make inspections and tests. (Laboratory results & SPC are used)
8. Supplier shall have the ability to timely provide inspection and test data.

# Supplier Rating

- A supplier rating system also referred as a Scorecard system, which is used to obtain overall rating of suppliers performance
- Usually suppliers rating is based on quality, price, performance and production capability



# Objective of Supplier Rating

- ✓ To obtain an overall rating of supplier performance.
- ✓ To ensure communication with suppliers in the areas of quality, service, delivery and other desired measures.
- ✓ To provide supplier with a detailed and factual record of problems for corrective action.
- ✓ To enhance the relationship between the customer and the supplier.



**SUPPLIER PERFORMANCE**

**REPORT 1**

**PRODUCT / SERVICE DETAILS**

Product / Service Codes for this feedback (Supplier must be registered for these codes)

Product / Service Description

Delivery Date or Review Period Start Date  Review Period End Date (if applicable)

Order / Contract No (Optional for own use)  Value for period  Under £50,000  £50,000-£300,000  £300,000-£1 million  Over £1 million

**SCORES**

ELEMENT	SCORE										Applicable	Disagree	
	POOR		MEDIOCRE		ADEQUATE		GOOD		EXCELLENT				
	1	2	3	4	5	6	7	8	9	10			
1. Product Quality													
2. Service Quality													
3. Project Management													
4. Documentation													
5. Planning and Delivery													
6. Supplier Management													
7. Installation and Commissioning													
8. Health and Safety													
9. Environment													
10. Competence and Training													
11. Innovation and Improvement													
12. Organisation													
13. Facilities													
14. Commercial Management													
15. Customer Interfaces													

**JOINT AGREEMENT**

# Relationship Development

- It refers to maintaining and improving the growth of the customer-supplier relationship
- It can be developed through
  - » Inspection
  - » Training
  - » Team approach