

It makes no difference what business you are in, suppliers and vendors play a key role in your company's success. Having a formalized system in place to track and evaluate supplier and vendor performance is essential to the smooth operation and profitability of your company.

Successful companies embrace their suppliers and vendors, viewing them as partners in helping to grow the business. Making sure that this is a mutually beneficial partnership will impact the price you are negotiating today and the quality of service you get in future. If a supplier/vendor is a key part or service to your operation invite that supplier or vendor to strategic meetings that involve the product they work with.

Here are some tools we consider while rate your suppliers and vendors, track their performance, and ultimately increase your company's overall productivity.

1. Establish Performance Indicators
2. Classify Multiple Suppliers and Vendors
3. Devise an Evaluation Method
4. Determine Who's Calling the Shots
5. Maintain Good Relationships
6. Decide When to Issue a Red Flag
7. Cut Loose Weak Links

#### Process

Supplier evaluation is a continual process and forms part of the pre-qualification step within the purchasing process. We are experienced in collecting supplier evaluation information prefer doing so using five-step processes for determining which to approve.

Our processes often take the form of either a questionnaire or interview, sometimes even a site visit, and includes appraisals of various aspects of the supplier's business including capacity, financials, quality assurance, organizational structure and processes and performance. Based on the information obtained via the evaluation, a supplier is scored and either approved or not approved as one from whom to procure materials or services.

