

# Lacks – SupplyWEB Supplier Performance Review

## 10.0 Supplier Performance Review

SupplyWEB allows Lacks to periodically evaluate their Supply Base with defined metrics. Through this measurement, both, Lacks and the suppliers can recognize areas for process improvement. The Supplier Performance module is based on tests that are grouped into related categories. Each test and category is customer-configurable to provide a performance evaluation based only on issues important to Lacks. After generating a supplier performance report, it would be published for suppliers to view. Each supplier will be able to review their performance ratings only. Lacks will be publishing two reports every month. One report will be for the prior month and the other will be a Year-To-Date report.

### 10.1 Categories

The Supplier Performance module is broken into several categories, each comprised of various tests. Lacks can turn on/off metrics at the test or category level as well as customize the weight or importance assigned to each test.

#### 10.1.1 Schedule Adherence by Quantity

The “Schedule Adherence by Quantity” category rates how well suppliers meet the requirement demand. Relying on fulfilled schedules (those shipped against), the metric tests compare the quantity ordered to the quantity shipped by the supplier. The Schedule Adherence by Quantity tests are “On Schedule”, “Under Schedule”, and “Over Schedule”. At this time, Lacks will not be using this Category for rating Suppliers.

#### 10.1.2 Schedule Adherence by Date

The “Schedule Adherence by Date” category rates how timely the Suppliers fulfill the demand. Relying on ASNs for ship-based requirements and receipts for delivery-based requirements and fulfilled schedules, the metric tests compare the due date to the ship date or receipt date. The Schedule Adherence by Date tests are “On Time”, “Late”, and “Early”. The following picture shows the test ranges that are set for the

three tests mentioned.

Schedule Adherence By Date Test Ranges				
Test	At Risk	Acceptable	Good	Excellent
On Time Excellent - Higher Percentage	0 to 74 Percent	75 to 84 Percent	85 to 94 Percent	95 to 100 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Late Excellent - Lower Percentage	100 to 31 Percent	30 to 16 Percent	15 to 6 Percent	5 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Early Excellent - Lower Percentage	100 to 50 Percent	49 to 31 Percent	30 to 21 Percent	20 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.

Overall Scores - Schedule Adherence By Date	
Excellent	16 to 18
Good	12 to 15
Acceptable	6 to 11
At Risk	0 to 5

### 10.1.3 Receiving Accuracy

The “Receiving Accuracy” category rates the accuracy of supplier sending ASNs. Relying on ASNs and receipts, the metric tests compare quantities and dates. The “Receiving Accuracy” tests are “ASN Accuracy” (matching quantities), “ASN Timeliness” (ASNs published before receipt), and “Receipts without ASN” (no ASN sent).

Receiving Accuracy Test Ranges				
Test	At Risk	Acceptable	Good	Excellent
ASN Accuracy Excellent - Higher Percentage	0 to 74 Percent	75 to 89 Percent	90 to 97 Percent	98 to 100 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
ASN Timeliness Excellent - Higher Percentage	0 to 74 Percent	75 to 89 Percent	90 to 97 Percent	98 to 100 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Receipts with no ASN Excellent - Lower Percentage	100 to 11 Percent	10 to 6 Percent	5 to 2 Percent	1 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.

Overall Scores - Receiving Accuracy	
Excellent	16 to 18
Good	12 to 15
Acceptable	6 to 11
At Risk	0 to 5

### 10.1.4 Premium Freight Charges

The “Premium Freight” category rates how well suppliers are able to fulfill demand without the need to expedite shipments. To appropriately track expedited costs, either the AETC module, Premium Freight module, or both must be used. Relying on ASNs, the metric tests check for AETC numbers and responsibilities. The excess transportation cost tests are “Expedited Shipments” and “Supplier Responsibility”.

Premium Freight Charges Test Ranges				
Test	At Risk	Acceptable	Good	Excellent
Expedited Shipments Excellent - Lower Percentage	100 to 11 Percent	10 to 6 Percent	5 to 1 Percent	0 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Supplier Responsibility Excellent - Lower Percentage	100 to 21 Percent	20 to 11 Percent	10 to 1 Percent	0 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.

Overall Scores - Premium Freight Charges	
Excellent	<input type="text" value="12"/> to <input type="text" value="12"/>
Good	<input type="text" value="8"/> to <input type="text" value="11"/>
Acceptable	<input type="text" value="4"/> to <input type="text" value="7"/>
At Risk	<input type="text" value="0"/> to <input type="text" value="3"/>

### 10.1.5 Parts Per Million (PPM)

The “PPM” category rates how well suppliers deliver defect-free materials. To appropriately include parts per million metrics and include them in supplier ratings, the PPM module must be used. Relying on imported PPM files, the sole metric test tracks the number of defective parts.

Parts Per Million Test Ranges				
Test	At Risk	Acceptable	Good	Excellent
Parts Per Million Excellent - Lower Amount	1,000,000 to 501 PPM	500 to 51 PPM	50 to 1 PPM	0 to 0 PPM
	0 Pts.	10 Pts.	15 Pts.	20 Pts.

Overall Scores - Parts Per Million	
Excellent	<input type="text" value="16"/> to <input type="text" value="20"/>
Good	<input type="text" value="11"/> to <input type="text" value="15"/>
Acceptable	<input type="text" value="6"/> to <input type="text" value="10"/>
At Risk	<input type="text" value="0"/> to <input type="text" value="5"/>

### 10.1.6 Defective Material Notice (DMN)

The “DMN” category rates how well suppliers deliver defect-free materials and how well they respond to notices of defects. Relying on DMNs, the metric tests track the number of DMNs and how often suppliers respond with appropriate containment and corrective responses. The DMN tests are “Issued” (number of DMNs), “Containment On Time Responsiveness”, “Containment Rejections”, “Corrective On Time Responsiveness”, and “Corrective Rejections”. A DMN also could be issued by Lacks if the Supplier uses wrong label information on the shipment (For ex: Wrong Part Number).

Defective Material Notice Test Ranges				
Test	At Risk	Acceptable	Good	Excellent
Issued <b>Excellent - Lower Demerit</b>	1,000,000 to 4 Occurrences/Month	3 to 2 Occurrences/Month	1 to 1 Occurrences/Month	0 to 0 Occurrences/Month
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Containment On Time Responsiveness <b>Excellent - Higher Percentage</b>	0 to 79 Percent	80 to 89 Percent	90 to 94 Percent	95 to 100 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Containment Rejections <b>Excellent - Lower Percentage</b>	100 to 5 Percent	4 to 4 Percent	3 to 1 Percent	0 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Corrective On Time Responsiveness <b>Excellent - Higher Percentage</b>	0 to 79 Percent	80 to 89 Percent	90 to 97 Percent	98 to 100 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Corrective Rejections <b>Excellent - Lower Percentage</b>	100 to 5 Percent	4 to 3 Percent	2 to 1 Percent	0 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.

Overall Scores - Defective Material Notice	
Excellent	<input type="text" value="26"/> to <input type="text" value="30"/>
Good	<input type="text" value="20"/> to <input type="text" value="25"/>
Acceptable	<input type="text" value="10"/> to <input type="text" value="19"/>
At Risk	<input type="text" value="0"/> to <input type="text" value="9"/>

### 10.1.7 Delivery Performance Report (DPR)

The “DPR” category rates how well suppliers deliver. Relying on DPRs, the metric tests track the number of demerits generated by DPRs and how often suppliers respond with appropriate responses. The DPR tests are “Demerits Assessed” (number of demerits created by DPRs), and “On Time Responsiveness”. A DPR will

be issued to the Supplier if the right labels (labels not meeting Lacks label specs) are not used on the box. For instance, Supplier’s own Label Spec.

Delivery Performance Report Test Ranges				
Test	At Risk	Acceptable	Good	Excellent
Demerits Assessed <b>Excellent - Lower Demerit</b>	1,000,000 to 5 Demerits/Month	4 to 3 Demerits/Month	2 to 1 Demerits/Month	0 to 0 Demerits/Month
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
On Time Responsiveness <b>Excellent - Higher Percentage</b>	0 to 79 Percent	80 to 89 Percent	90 to 97 Percent	98 to 100 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Rejections <b>Excellent - Lower Percentage</b>	100 to 11 Percent	10 to 6 Percent	5 to 2 Percent	1 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.

Overall Scores - Delivery Performance Report	
Excellent	<input type="text" value="16"/> to <input type="text" value="18"/>
Good	<input type="text" value="12"/> to <input type="text" value="15"/>
Acceptable	<input type="text" value="6"/> to <input type="text" value="11"/>
At Risk	<input type="text" value="0"/> to <input type="text" value="5"/>

### 10.1.8 Production Part Approval Process (PPAP)

The “PPAP” category rates how well suppliers provide acceptable material for approval. Relying on PPAPs, the metric tests track how often materials are accepted/rejected for manufacture during the approval process. The PPAP tests are “Accepted”, “Provisional”, and “Rejected”.

Production Part Approval Process Test Ranges				
Test	At Risk	Acceptable	Good	Excellent
Accepted <b>Excellent - Higher Percentage</b>	0 to 79 Percent	80 to 89 Percent	90 to 99 Percent	100 to 100 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Provisional <b>Excellent - Lower Percentage</b>	100 to 21 Percent	20 to 11 Percent	10 to 1 Percent	0 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.
Rejected <b>Excellent - Lower Percentage</b>	100 to 21 Percent	20 to 11 Percent	10 to 1 Percent	0 to 0 Percent
	0 Pts.	2 Pts.	4 Pts.	6 Pts.

Overall Scores - Production Part Approval Process	
Excellent	<input type="text" value="16"/> to <input type="text" value="18"/>
Good	<input type="text" value="12"/> to <input type="text" value="15"/>
Acceptable	<input type="text" value="6"/> to <input type="text" value="11"/>
At Risk	<input type="text" value="0"/> to <input type="text" value="5"/>

### 10.1.9 Custom Metrics

The “Custom Metrics” category is Lacks-defined. There are no limits to the number of tests that can be created. The supplier performance in the custom tests can be imported or manually entered. Lacks will be using two tests. One is Cost Savings offered by the Suppliers to Lacks and the other is Continual Improvement Plan with quality of products, process and system. At this time, Lacks will manually enter information into this category, as needed.

Custom Metrics Test Ranges		
Test	Good	Excellent
Additional Points for Cost Savings	4 Pts.	6 Pts.
Continual Improvement Plan	4 Pts.	6 Pts.

Overall Scores - Custom Metrics	
Excellent	<input type="text" value="12"/> to <input type="text" value="12"/>
Good	<input type="text" value="8"/> to <input type="text" value="11"/>

The chart below provides the complete picture of the scoring parameters that Lacks will utilize in rating the Suppliers. These categories will be modified accordingly, if and when necessary and will be communicated to Suppliers.

Category Scores					
Edit	Category	At Risk	Acceptable	Good	Excellent
	Schedule Adherence By Date	0-5	6-11	12-15	16-18
	Receiving Accuracy	0-5	6-11	12-15	16-18
	Premium Freight Charges	0-3	4-7	8-11	12-12
	Parts Per Million	0-5	6-10	11-15	16-20
	Defective Material Notice	0-9	10-19	20-25	26-30
	Delivery Performance Report	0-5	6-11	12-15	16-18
	Production Part Approval Process	0-5	6-11	12-15	16-18
	Custom Metrics	Not Available	Not Available	8-11	12-12

Overall Scores				
Edit	At Risk	Acceptable	Good	Excellent
	8-87	88-113	114-126	127-146

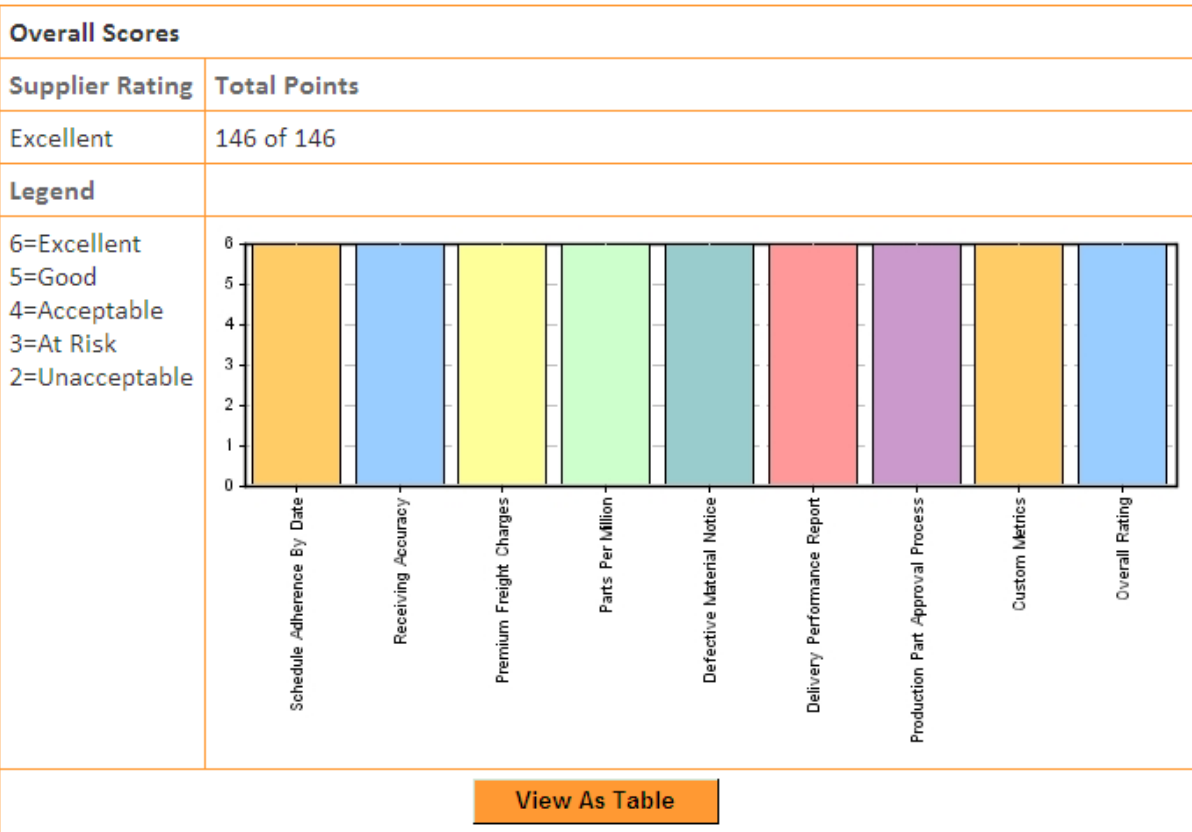
## 10.2 Review Metrics Report

On the home screen, select the appropriate Business Unit on the tab to review metrics. To review the report card, click **Supplier Performance → Report Card** on the menu. A screen with the drop down menu for report card with a date range will be available. Select the appropriate date range for the report and click “continue”. A typical report card would look like the following two pictures. A report card could be viewed as a table or as a graph.

Supplier Report Card			
SWSupplier		Rating Date: 03-21-2012	
Address	No Street Address	Primary Contact	None
City	Not Real City	Phone	
State/Province	MI	Fax	
Postal Code	49512	Cell	
Overall Scores			
Supplier Rating		Total Points	
Excellent		146 of 146	
View	Category	Points	Rating
	Schedule Adherence By Date	18	Excellent
	Receiving Accuracy	18	Excellent
	Premium Freight Charges	12	Excellent
	Parts Per Million	20	Excellent
	Defective Material Notice	30	Excellent
	Delivery Performance Report	18	Excellent
	Production Part Approval Process	18	Excellent
	Custom Metrics	12	Excellent
<a href="#">View as Chart</a>			
Report Card Filter			
Part No.	< All >	Facility	< All >
Ship From	< All >	Ship To	< All >
<a href="#">Update View</a>			

**Supplier Report Card**

<b>SWSupplier</b>		<b>Rating Date: 03-21-2012</b>	
<b>Address</b>	No Street Address	<b>Primary Contact</b>	None
<b>City</b>	Not Real City	<b>Phone</b>	
<b>State/Province</b>	MI	<b>Fax</b>	
<b>Postal Code</b>	49512	<b>Cell</b>	



**Report Card Filter**

<b>Part No.</b>	< All >	<b>Facility</b>	< All >
<b>Ship From</b>	< All >	<b>Ship To</b>	< All >

[Update View](#)

A report card filter is available to view the report card based on four filters if desired. Available filters include “Part No.”, “Ship From” locations, “Facility”, and “Ship To” locations. Select the suppliers for whom a report need is to be generated. Click “Generate”. Click “Update View” once filters are applied.



The Report card also provides detailed ratings when the eye glass icons, next to each category, are clicked. For instance, if the eye glass icon next to “Custom Metrics” is clicked, the chart shown below, in this example, will be displayed.

Supplier Report Card			
SWSupplier		Rating Date 03-21-2012	
Address	No Street Address	Primary Contact	None
City	Not Real City	Phone	
State	MI	Fax	
Postal Code	49512	Cell	
Custom Metrics Details			
Supplier Rating		Total Points	
Excellent		12 of 12	
Tests	Points	Rating	
Additonal Points for Cost Savings	6	Excellent	
Warranty	No Activity		
Continual Improverment Plan	6	Excellent	

Date	Revision Level	Modified By	Change Description
11-16-2011	A	Shesh Madhokar	Initial Release
03-21-2012	B	Shesh Madhokar	Updated Overall Scores