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Optimize & Effectively Manage Your Suppliers

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Effectively Manage

- ◆ Performance Management
- ◆ Select on *Total Cost*
- ◆ Minimize number of suppliers



Performance Management

- ◆ Need objective data
- ◆ Measure what counts
 - On-time Delivery
 - Quality
 - Accuracy (Delivery, PO, & Invoice)
 - Service
- ◆ Give them a Report Card
- ◆ Utilize technology to help you



Select on Total Cost

- ◆ Not “Purchase Price”
- ◆ Other “costs” that you are paying for
 - Incoming Inspection
 - 3 R’s
 - Extra Handling
 - Transportation
 - Management Time
 - Excess Inventory
- ◆ Outsource if not core competency



Minimize Number of Suppliers

- ◆ Eliminate Non-Performers
- ◆ Reward the best suppliers
- ◆ More than one on critical items only
- ◆ Why?
 - Lowers managing cost
 - Leverages buying power
 - Simplifies Accounts Payable
 - Lowers transportation costs through consolidated deliveries



Optimize

- ◆ Location - Buy closer to home
- ◆ Think “collaborator” not “adversary”



Buy Closer to Home

- ◆ Reduces Total Cost
 - Reduce transportation costs
 - More deliveries of smaller quantities
- ◆ Facilitates face-to-face interaction
 - Easier to see capabilities
 - Easier to resolve issues
- ◆ Keeps it in the Florida Family



Collaboration

- ◆ Adopt a collaborative philosophy
- ◆ Share design applications
- ◆ Work on cost reductions together
- ◆ Share your “win” by giving more business to them



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