



Supplier Rating - Explanation

BE4030 Version 5

Valid from: March / 2015

- > Procedure award points / ranking
(Schema Punktevergabe / Einstufung)

- > 1) Price (Preis)
 - Price level (Preisniveau)
 - Price behavior (Preisverhalten)

- > 2) Quality (Qualität)
 - Incoming inspection (WE-Prüfung)
 - Rejection / complaint (Reklamation)
 - Audit (Audit)

- > 3) Delivery (Lieferung)
 - On-time delivery (Wunschtermintreue)
 - Quantity reliability (Mengentreue)
 - Adherence to confirmed delivery date (Bestätigungs-Termintreue)

- > Criteria Delivery:
 - » A new sub criteria has been introduced:
„Adherence to confirmed delivery dates“
 - » Accordingly adaption in balance scheme of criteria delivery
 - » Adaption of ranking scheme in sub-criteria “On Time Delivery” as we have seen that pervious version was oversensitive and did not match with practical experiences.

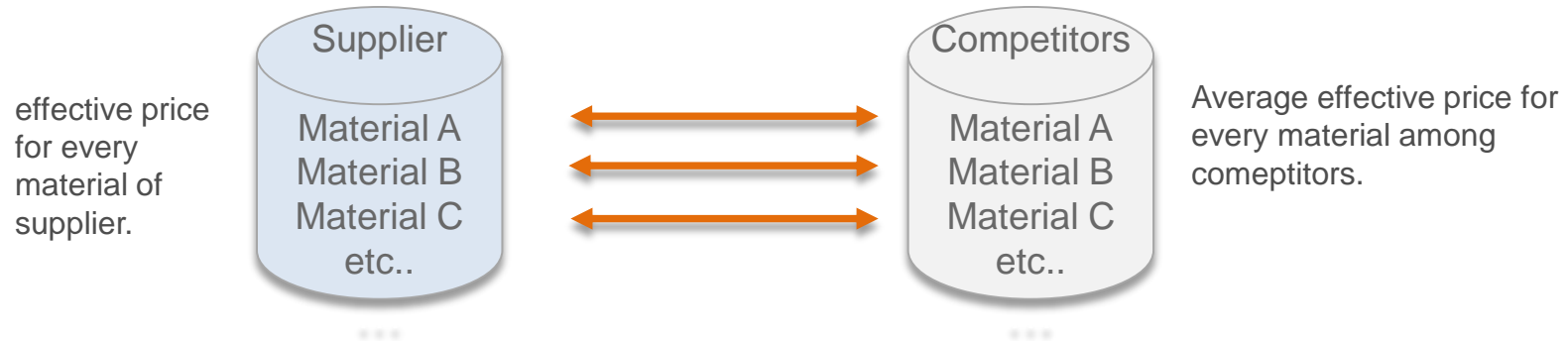
PROCEDURE AWARD POINTS / RANKING

- > Overall there are 100 points to reach.
- > Classification in 4 steps (A, A/B, B, C)
- > The 100 points are put together by 3 main ratios.
 - » (Price – 30%, Quality – 40%, Delivery – 30%)

overall estimation

ranking	from	to	points
A	100	86	points
A/B	85	76	points
B	75	51	points
C	50	0	points

1) PRICE – PRICE LEVEL



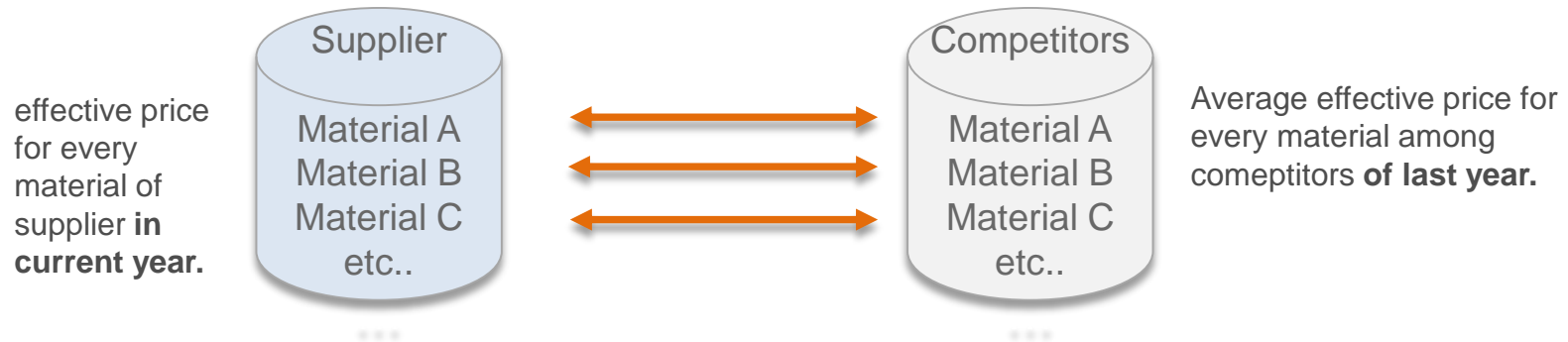
Based on delta between market and supplier's price for each material a respective score will be determined.

$$score = \sum_k^n (supplier's\ price^k - market\ price^k)^{weighted}$$

Delta (%)	-20	-10	-5	0	5	10	15
score	100	80	70	55	20	10	1

Resulting score is average for all scores determined on material level.

1) PRICE – PRICE BEHAVIOR



Based on delta between market of **last year** and supplier's price of **current year** for each material a respective score will be determined.

$$score = \sum_k^n (supplier's\ current\ price^k - last\ year\ market\ price^k)^{weighted}$$

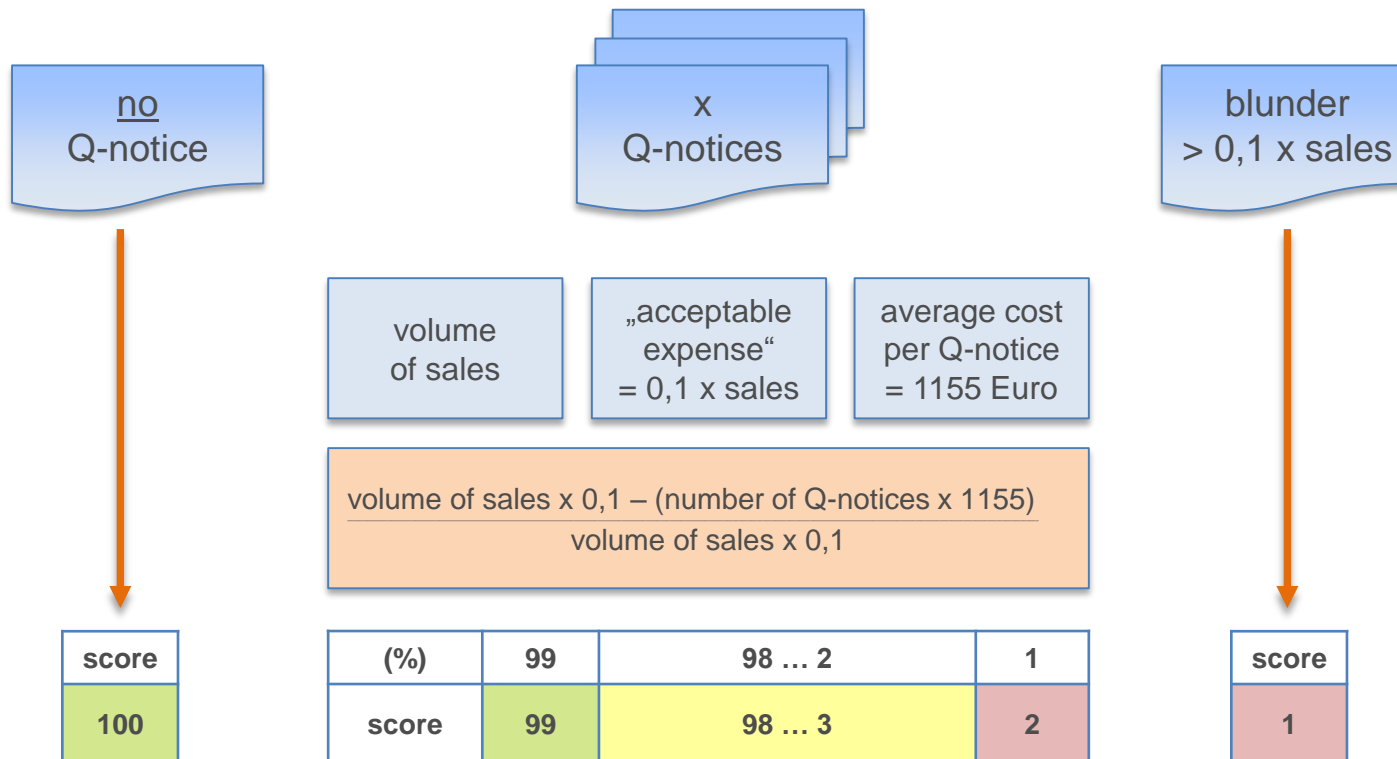
Delta (%)	-10	-5	-3	-1	0	+1	+3	+5
score	100	85	75	65	55	35	25	5

Resulting score is average for all scores determined on material level.

2) QUALITY – INCOMING INSPECTION

Sub criteria „incoming inspection“
is not rated at the moment!

2) QUALITY – REJECTION / COMPLAINT



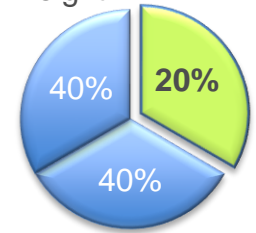
Resulting score is dependent on number of quality notices according to volume of sales („acceptable expense“ percentage of sales) .

2) QUALITY – AUDIT

Sub criteria „audit“
is not rated at the moment!

3) DELIVERY – ON-TIME DELIVERY

Weight:

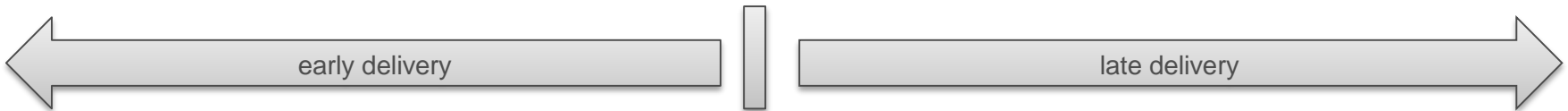


Deviation of actual delivery date from desired delivery date.

$$\text{delta} (\%) = \left(\frac{\text{delivery date} - \text{desired delivery date}}{\text{max deviation}} \right) * 100$$

max deviation = 10 days

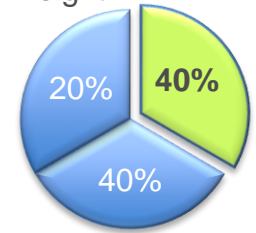
Delta (%)	<100	-90	-80	-60	-40	0	30	40	50	60	70	80	90	>100
score	10	30	60	80	90	100	90	80	70	60	40	30	10	1



Resulting score is average for all scores determined on delivery level.

3) DELIVERY – ADH. TO CONFIRMED DEL. DATE

Weight:

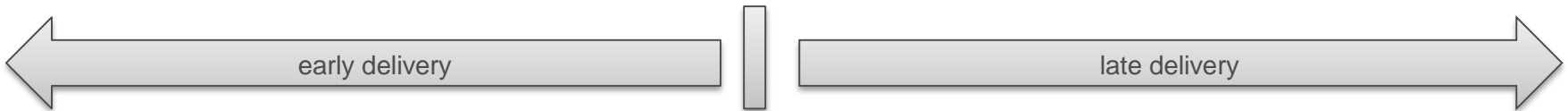


Deviation of actual delivery date from confirmed delivery date.

$$\text{delta} (\%) = \left(\frac{\text{delivery date} - \text{confirmed delivery date}}{\text{max deviation}} \right) * 100$$

max deviation = 10 days

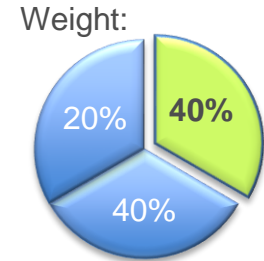
Delta (%)	<100	-90	-80	-60	-40	0	30	40	50	60	70	80	90	>100
score	10	30	60	80	90	100	90	80	70	60	40	30	10	1



Resulting score is average for all scores determined on delivery level.

3) DELIVERY – QUANTITY RELIABILITY

Difference on delivered quantity to ordered quantity



$$score = \sum_k^n (quantity\ goods\ received^n - quantity\ ordered^n)^{weighted}$$

Delta (%)	-99,9	-50	-30	-10	-5	-2	-1	0	1	2	5	10	30	50	99,9
score	1	5	25	55	70	80	95	100	95	80	70	55	25	5	1

Resulting score is average for all scores determined on delivery level.

Minimum quantity has to be > 30% of ordered quantity.