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"World Class" manufacturer  
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## Get the Low Down on High Standards

How do you rate a vendor?

By: Eric Robinson

If you have manufacturing vendors, apply industry proven metrics for measuring and improving vendor performance in an effort to improve your business's operations, your products and your profits. That will likely require establishing vendor classifications, devising evaluation methods and checklists, establishing performance indicators, identifying decision makers and areas of responsibility, who your on-site vendor team members will be, what constitutes a warning sign and when a vendor must be replaced.

A few metrics that you might consider are listed below:

- Meeting original commitments
- Communications
- Lead time performance
- Quoting performance
- Packaging, shipping and delivery performance
- Paperwork and billing accuracy
- Customer Service response
- Response to issues or special needs
- Problem solving and creativity
- Quality
- Actual capability of measuring & evaluating their own work & results
- Flexibility
- Do they come to you or do you have to go to them all the time?
- Lot controls are accurate and available
- All needed certifications are provided as a standard procedure
- Low Returned Goods ratios
- Rank against other vendors
- ISO Certifications
- Their willingness to work hard to find solutions, even when there is nothing in it for them.
- Examples of their proactive nature and industry leading action
- Associations
- Awards

Some metrics are objective and can be measured accurately. Some are subjective and reflect feelings and opinions of the vendor's performance. But, all are valuable ways to insure that the vendor is meeting the requirements of your drawings, specifications, terms, your market drivers, and many other factors and requirements.

In tracking, correcting and working with your suppliers and vendors, be sure to embrace them and their business, seeing them as partners in your business. There is no benefit to anyone in a combative, one-way relationship with a supplier or vendor. Even the best of vendors will simply tell you "Goodbye" when treated poorly, unfairly, and when bullied by a customer. Unreasonable expectations and demands will only get you so far. Then you lose, too. Such a loss may impact your operation more adversely than it impacts the vendor.

Of course, no vendor is perfect. Things occasionally happen to the best of vendors to upset these measurements. Then the measurement becomes how quickly and efficiently they either correct the problem, or at least contribute to the correction.