SUPPL III for Buyers

HOW TO BALANCE PROCESS COMPLEXITY, ACTORS INVOLVED, COSTS, TIME AND RISKS TO MANAGE A CONSTANTLY UPDATED AND RELIABLE COMPANY MASTER VENDOR LIST?

10 BEST PRACTICES TO QUALIFY YOUR VENDOR BASE IN INDUSTRIAL B2B





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Function	Evaluator	Approver
Engineering		
Quality		
HSE		
Finance		
Compliance		
Sustainability		

BUILD A FORMAL QUALIFICATION PROCESS THAT INVOLVES EVALUATORS AND APPROVERS

The Vendor Qualification is a **company-wide effort**. A **structured** Vendor Qualification **process** to evaluate the suitability of a potential Vendor to deliver equipment and services based on your Organization's requirements is always required.

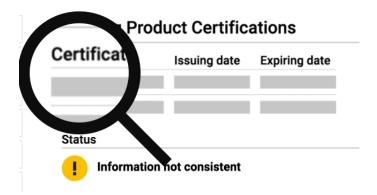
For an accurate decision, **different capability areas of a Vendor** (e.g. Organization, Quality System, Engineering, ...) **should be evaluated by different disciplines and functions** (e.g. Technical, Quality, HSE, ...) with expertise in each capability area. Involve only the actors with a real influence in the process.



COLLECT CONSTANTLY UPDATED INFORMATION FROM YOUR VENDORS

A crucial step to assess Vendor's ability to deliver is to **collect structured information**. More questions to the Vendor does not necessarily mean more information – the **way of addressing the question** is key for success.

Moreover, the information requires to be kept updated through constant expedites to the Vendor as well as appropriate versioning to guarantee compliance and allow your organization to better analyze the evolution of the Vendor.

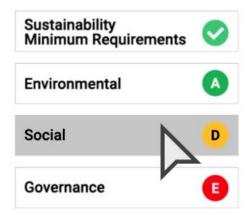


PERFORM QUALITY ASSURANCE OF THE INFORMATION PROVIDED BY VENDORS

Quality assurance activities are required to make sure that the information provided by Vendors is consistent and up-to-date. It is a **time-consuming task**; however it **saves time** of Evaluators and Approvers, precious resources of your organization.

It also involves the **disambiguation** of the existence of the Company - frequently in remote geographies - through the utilization of financial data providers. **Duplicates** and misleading information are not infrequent, while **complex corporate structures** require a focus.







FOCUS ON ASSESSING THE SUSTAINABILITY OF YOUR VENDOR BASE

A Buyer organization's whole Sustainability model relies on the sustainability across its **Supply Chain - that can represent up to 80% of the Buyer's revenues** - focusing on **Vendors** as well as **Sub-Vendors**. Sustainability is nowadays becoming a more and more relevant differentiating factor in industrial B2B.

Define an easy-to-use **assessment** methodology for your vendors' **ESG practices** and **monitor the Sustainability performances** of your Vendors and Sub-Vendors - covering Human Rights, Environment, Local Content, Ethics, Circular Economy.







PEPs





Adverse Media

5

INCORPORATE COMPLIANCE STEPS WITHIN THE QUALIFICATION PROCESS

Presence in **sanction lists**, **PEPs** (Politically Exposed Persons) and **adverse media** are among the key elements required to assess the compliance risks of Vendors - a critical element of every supply chain, especially in industrial B2B.

Monitor **the Compliance** of your Vendors – also leveraging in an **integrated way** within your Vendor Management process on information delivered by leading global data providers.

Compliance checks are required at onboarding and intensify in frequency and depth with the utilization of the Vendor.



Qualification process ID	
Vendor	
Production location	-
Category of supply	
Qualification Domain	
Qualification purpose	



MANAGE THE VENDOR QUALIFICATION PROCESS BY CATEGORY OF SUPPLY

The more complex the equipment or the service you are qualifying, the more **specific** the information you need to collect and assess.

Therefore, it is important to **ask the right questions to Vendors according to the category of equipment or services** they are providing to assess correctly their capability to deliver. Furthermore, a differentiated Qualification process is required for **Re-Sellers** compared to the one of the Manufacturers or Service Providers.



MANAGE QUALIFICATION OF VENDORS FOR EACH PRODUCTION LOCATION

Not every production location is made the same, hence the equipment or service offered. Adopt Qualifications at production location level to decide whether to qualify a specific location or a specific execution plan by the Vendor.

A production location can be a workshop but also a fabrication yard or an office for engineering activities. Many Vendors of industrial equipment or services are part of a group of companies with a large network of production locations all over the world.







PERFORM ASSESSMENT VISITS FOR VENDORS OF THE MOST CRITICAL SUPPLIES

On top of Qualification Questionnaire evaluations, the most critical supplies require an Assessment Visit at Vendor's premises. Not only to check accuracy of answers given but also to further assess the Vendor, its *modus operandi* and to make sure that it is capable to deliver the equipment or service as required.

Moreover, act proactively and perform **Assessment Visits** at **Sub-Vendor premises** to assess capabilities that are of critical for success of your Vendors.





MANAGE THE PROCESS ON A DIGITAL PLATFORM TO REDUCE TIME OF ALL COLLEAGUES

Managing your Vendor Management processes on an integrated digital platform -that in addition provides productivity tools such as Vendor Lists management tool-reduces drastically time in collecting and managing information by Vendors and in performing evaluations.

Reduce time-consuming, manual processes by performing them on the platform with a few clicks, **allocate your colleagues time in performing value-added tasks**.





DO NOT ACT ALONE, JOIN A COLLABORATIVE NETWORK TO LIMIT COSTS AND ACT QUICKLY

Creation and improvement of questionnaire, information Quality Assurance on data provided by Vendors and development of a digital infrastructure are **costly processes both in terms of money and time**.

Avoid "re-inventing the wheel" and join a collaborative network that is based on the best practices of the most demanding stakeholders of the industry. Reduce strongly your costs, risks and time consumed for service of the platform, while increasing your information and transparency.













SupplHi

- requires only a quick Setup
- is Plug & Play with any ERP / P2P system
- is free-of-charge for your Vendors

SUPPL III for Buyers

The **Vendor Management** platform for industrial equipment and services

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