

SUPPLIER CERTIFICATION OVERVIEW

How a survey-based approach to supplier certification can help you minimize risk, facilitate strategic sourcing, and improve vendor relations

A continually functional and secure supply chain is the result of dedicated risk management, vendor relations, and strategic sourcing initiatives. In organizations with hundreds of vendors that supply essential services and products, gathering and maintaining information about suppliers' policies and practices can carry a heavy administrative burden. It is necessary to analyze how vendors handle issues relating to security, business continuity, and quality control in a thorough, objective, and systematic way. A survey-based approach to supplier certification can help to collect and manage vendor information, provide a detailed risk assessment, and facilitate ongoing purchasing processes.

Why should my organization adopt a survey-based supplier certification program?

Organizations of all kinds conduct supplier certification programs because they are able to obtain a great deal of specific information about their vendor base. Specifically, a survey-based approach to supplier certification can help your organization:

- Choose vendors that present the smallest risk to the supply chain
- Identify differences among suppliers with respect to business continuity, quality control, and security policies and practices
- Identify and prioritize the risks associated with current vendor relationships
- Collect supplier feedback and satisfaction information from internal stakeholders
- Establish a system of standards for vendors, and set benchmarks for continuous improvement.

What does a supplier certification survey program cover?

While collecting and managing vendors' information is essential, feedback from stakeholders in your organization is also a vital component.

Common elements of the vendor survey are:

- Business Continuity (Disaster recovery, vendors' supply chain risks, etc.)
- Security (Physical plants, information technology, transportation/shipping, etc.)
- People practices (Background checks, training, incentives for compliance, etc.)
- Special certification/programs (ISO, Six Sigma, TQM, etc.).

Common elements of the internal stakeholder survey are:

- Satisfaction with existing vendor relationships
- Perceived threats to security, business continuity, and/or quality control
- Links to other elements of supplier management (RFP's, purchasing requirements).

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Questionnaires include a combination of closed-ended questions (multiple-choice, ranking) with open-ended questions (comments, suggestions). Creating multiple versions specific to types of vendors and/or service types is encouraged.

How does technology make customers survey projects easier to conduct?

Both the suppliers and internal stakeholders benefit from the built-in capabilities of a survey-based approach, including:

- Easy-to-use questionnaires
- Suppliers can link directly from an e-mail invitation, webpage, or can complete a paper survey
- Automatic question routing that includes/excludes questions based on how the vendor responds
- Live response tracking, reports, statistical models, and other analytical materials are updated and cataloged automatically throughout and after the survey period
- Integration of pre-existing data
- Dedicated websites make it easy for project team members to collaborate.

How do we manage the supplier certification project?

While some organizations choose to manage areas of the project independently, Quantania, LLC provides support throughout the life of the program, including

- Project planning and communications
- Definition of services
- Questionnaire and methodology development
- Results analysis
- Data presentation
- Meeting facilitation
- Preparation and presentation of executive summaries.

Quantania, LLC also offers exclusive websites devoted to the project that team members can update themselves (without knowing any programming languages) that include project plans, communications, libraries of updated reports, and online document collaboration, allowing the team to work together from remote sites as if they were together. Our support services allow your project team to benefit from experience and technology, which allows them to focus more attention on the more strategic areas of the project. Additional resources, including workshops and project management specialists, are also available through our partner firms.

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What are the project deliverables?

Project team members have access to web-based menus of reports that are updated constantly, as well as “snapshots” and final reports for:

- Response tracking
- Vendor Scorecard (including the severity and likelihood of the risks associated with each participating vendor)
- Significant differences in risk between suppliers of similar products/services
- Identification and prioritization of recommendations for corrective action
- Fluctuations in risk management year-over-year
- Qualitative analysis tools that facilitate the interpretation of responses to open-ended questions.

What are the most important requirements for a successful supplier certification project?

Key elements of a successful survey project include a project team that is representative of the entire organization, strong and overt support of the initiative by upper management, experienced project managers, well-timed and clear communications, and technology that allows team members to focus on strategic issues.