

Explanation to –EagleBurgmann Supplier Assessment

1. Assigned Process

Supplier Development

2. Description

1. Supplier assessment for all suppliers
2. Supplier assessment: minimum twice a year.
3. The evaluation criteria are:

Main Criteria	Weight	Sub Criteria	Weight
Quality	40%		
		Complaints rate	40%
Logistics	50%		
		Quantity reliability	10 %
		Delivery reliability	40 %
Soft Facts	10%		
		Service, price, risks, management system	10 %

3.1. Quality (Weighting 40%) is evaluated on the basis of the complaints rate:

The complaints rate is the percent share of all complaints (Q-Messages to supplier) to the number of all incoming goods.

All complaints (all Q-Messages with “ZB” - message type, except they arose due to an internal cause) are taken into account for this purpose. If the material is okay, i.e., no quality messages have been recorded for the entire period of validity, the supplier receives the best grade (100 points) in terms of the assessment for this material. If quality defects have been determined for the material, a quality message is entered, which can reduce the total number of points.

Complaints rate in %	Points
≤ 1%	100
> 1 ≤ 4%	85
> 4 ≤ 10%	60
> 10%	1

3.2. Logistics (Weighting 50%) is evaluated on the basis of the following sub criteria:

- Quantity reliability (10%)

In case of a goods receipt for an order, the system is checking whether the order quantity is observed. It examines the difference between the goods receipt quantity and the order quantity and converts the difference in a percentage deviation.

The evaluation of the goods receipt quantity is based on a score-table, which matches the % - deviations.

Only deliveries of at least 40% of the ordered quantity are principally considered. Smaller partial quantities (preliminary deliveries) are not considered, and only the arrival date of the quantity > 40% applies.

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Deviation in %	Points
>-41%	1
-40%	20
-30%	40
-20%	60
-10%	80
-5%	85
-2%	90
-1%	95
+/- 0%	100
0-2%	95
3-5%	90
6-10%	80
11-20%	60
21-30%	40
31-40%	20
>40%	1

- Delivery reliability (40%)

Only deliveries of at least 40% of the ordered quantity are principally considered. Smaller partial quantities (preliminary deliveries) are not considered, and only the arrival date of the quantity > 40% applies. The evaluation occurs as comparison between the agreed or confirmed date and the date of the actual incoming goods. (In case of arranging a date, which deviates from the original date, the new date is entered into the order, as soon as the order confirmation occurs.)

	Deviation <i>Working days</i>	Points
too early	-11	2
too early	-10	70
too early	-9	70
too early	-8	70
too early	-7	70
too early	-6	70
<i>punctualy</i>	-5	100
<i>punctualy</i>	-4	100
<i>punctualy</i>	-3	100
<i>punctualy</i>	-2	100
<i>punctualy</i>	-1	100
<i>punctualy</i>	0	100
too late	1	75
too late	2	75
too late	3	30
too late	4	30
too late	5	30
too late	6+	1

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3.3. Soft Facts (Weighting 10%) are evaluated based on the following sub criteria:

Service	Communication	10 P. - good	5 P. - satisfying	1 P. - sufficient
	Preparation of quotation	10 P. - fast	5 P. - average	1 P. - slow
	Complaints processing	10 P. - fast	5 P. - average	1 P. - slow
Price	Price level	10 P. - good	5 P. - satisfying	1 P. - sufficient
	Price development	10 P. - good	5 P. - satisfying	1 P. - sufficient
	Price validity	10 P. - long term	5 P. - medium-term	1 P. - short-term
Risk	Line stop	yes / no		
	Special freight	10 P. - seldom	5 P. -often	1 P. - permanent
Management System Certified / Implemented	DIN ISO 9001	10 P. - yes		1 P. - no
	DIN ISO 14001/50001	10 P. - yes		1 P. - no
	OHSAS 18001	10 P. - yes		1 P. - no

4. Classification of suppliers

A-Supplier	100 – 90 points	preferred supplier	Based on the results of the supplier assessment, the supplier is to be preferred when it comes to awarding orders.
AB-Supplier	89 – 80 points	very suitable supplier	Supplier is to be considered as suitable and should be selected, when there is no alternative A-supplier available.
B-Supplier	79 – 60 points	suitable supplier	Supplier is to be considered as suitable and should be selected, when there is no alternative A or AB supplier available. <i>The Category Managers monitor the overall performance half a year - if there is no improvement, measures are defined to prevent the supplier of becoming a C-supplier.</i>
C-Supplier	≤ 59 points	unsuitable supplier	The supplier does not comply with our required quality level. Orders from this supplier are to be avoided. <i>The following procedure is arranged together with the Quality-Management, Quality-Assurance and Procurement.</i> New projects may not be awarded to this supplier!

The goal of EagleBurgmann is to develop as many suppliers to A suppliers as possible and to stop procuring goods from C suppliers!

3. Further Relevant Documents

Only to be listed, so far as it does not concern documents, named in terms of the process. These can be norms and standards.