

Transforming Supplier Performance at Medical Device Manufacturer

\$3B medical device company faced challenges with supplier risk management, as risks related to supplier performance, revenue exposure, and location weren't quantified effectively. The company used a simplistic Supplier Performance scorecard focusing solely on Quality and Delivery metrics, which didn't capture other critical aspects of supplier performance. There was a need to improve the supplier evaluation framework and create a holistic, organization-wide dashboard to assess suppliers on a wider range of criteria, aiding better strategic decision-making.

Develop a comprehensive Supplier Risk Assessment Dashboard to evaluate suppliers on key risk metrics and provide actionable insights for decision-making

Metric Definition / Stakeholder Alignment

- Collaborated with Procurement/Sourcing teams to define 7 critical risk metrics to measure supplier performance on.
 - Revenue at Risk
 - On-Time Delivery (OTD)
 - Lead Time Accuracy (LTA)
 - Pricing Terms
 - Payment Terms
 - Location Risk
 - Qualitative Factors (e.g., financial stability, ease of collaboration)
- Each supplier was rated on the above metrics (1-3 scale) and multiplied by weight of the metric to derive a composite supplier score.
- Built a Power BI dashboard to visualize supplier risks (grouped into 4 quadrants, based on supplier composite scores).

Business Outcomes

- Eliminated ~50 high-risk suppliers, improved category strategies
- Reduced negative Purchase Price Variance by \$235K
- Enabled consolidation of spend for tail-end items
- Facilitated the identification of reliable alternative sources of supply

