SUPPLIER PERFORMANCE MANAGEMENT:
Effective Collaboration Results in Reduced Product Recovery Time

> *Open communication between the Verify team, customer, and supplier enabled effective collaboration resulting in dramatically reduced product recovery time.*
>
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CUSTOMER PROFILE

Customer manufactures and services energy control and optimization systems used in aircraft, vehicles, turbine engines, piston engines, and electrical power equipment. Industries include: commercial and military aerospace, power generation and distribution, and transportation.

SUPPLIER PROFILE

Over 40 domestic mechanical suppliers handling complex machined parts.

CHALLENGE

The customer was developing a new product with an aggressive implementation schedule. The Supply Chain Management (SCM) and Supplier Quality Assurance (SQA) teams were understaffed and lacked experience with new product introduction (NPI). During the product design phase, the company was reorganized and implemented a new ERP system. This made requirements flow down difficult creating both delivery and quality assurance issues.

Numerous design changes were processed and purchase order revisions were misaligned with part release revisions. Open PO reports became meaningless contributing to a backlog of hundreds of parts in receiving inspection. Suppliers were working to informal agreements and producing parts based on outdated revisions causing an excess of MRB activity and substantial expediting costs.

VERIFY SOLUTION

Verify designed and implemented a program to heavily supplement the customer's NPI department and became the conduit between purchasing, quality and the supply chain. A Verify Delivery Assurance Manager and Quality Assurance Manager were assigned to the customer and worked together, overseeing technical resources at the supply base to implement effective requirements flow down.

Verify's SQA field resources performed source inspection and FAI package validation to minimize the impact of incoming parts on receiving. This allowed the department to concentrate on eliminating the backlog of existing parts.

Verify's DA field resources utilized Verify's proprietary Delivery Assurance software tool inputting open order reports that facilitated crucial supplier performance metrics in real time to the customer. Supplier milestone charts made it possible for the customer to be aware of the supplier production cycles at any given time.

RESULTS

Within four months receiving inspection backlog went from 163 shipments down to 22 shipments while Verify's team oversaw the delivery of over 175 new product shipments.

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