

Supplier Selection Procedure

Document No	Issue Date	Revision No	Revision Date	Approved By

Introduction:

The vendor selection process is probably one of the most important tasks that a business will undertake. Without good vendors who provide the quality stock, business services and company supplies at competitive prices, with good terms and delivery schedules, company's bottom line and profits will be sorely compromised.

----- Group is very sensitive for selecting a supplier/vendor because the supplier/vendor is probably one of the most crucial activities for a business in the security aspects. The vendors delivering direct purchases those that uses to produce the products sell and your indirect purchases – those that keep business running effectively.

When selecting a potential vendor, selecting a partner in the business and will trust them to work in a professional and profitable manner. It is important that a company that can supply requirements now and for the near future.

For better safety & security in C-TPAT aspects ----- Group develop a procedure & some of criteria for selecting a business partner/supplier.

Supplier Selection Criteria:

Following are the basic criteria for the selection of supplier of ----- Group:

1. Years in business

----- Group at first step confirm that the company is established and ready to service your requirements.

2. Ability to constantly supply products or services.

A vendor that has supply issues will affect ability to supply customers and this is an important factor when selecting a vendor. So ----- Group measures the ability of supplier ability to constantly supply products or services.

3. Ability to supply all the products required or the complete solution.

----- Group selects that type of supplier who can solve/supply all type of related item to solve the complete solution. This is particularly necessary when looking for a business solution such as a new system.

Hence ----- Group attempting to rationalize the number of vendors & dealing with or wish to purchase a product line from one vendor only.

It would be particularly difficult to obtain good terms if need to purchase just a small range from another supplier, because chosen vendor was unable to supply the complete range. In this regards ----- Group select the optional one who can meet the business requirement of ----- Group.

4. Flexibility to allow changes in orders or product lines.

All businesses need to change their orders sometimes – if vendor heavily penalizes for doing this – perhaps they are not the one for & need to move on with selecting a vendor.

In this point ----- Group develop prior business agreement if any order needs to change by written or verbally which is applicable.

5. Substantial catalogue of products or range of services.

This not only indicates an established vendor of size, but also means that flexibility in ordering. As business grows, needs keep with the same vendor. It also means that able to minimize the number of vendors which are dealing with.

----- Group believes in quality product supply from vendors & ----- Group policy is to make business partner as sustainable.

6. Appropriate supply of internal experts that can answer questions you may have.

Again, this is very pertinent if purchasing a high value service, need experts at some time or other. It is another criteria of ----- Group for selecting a business partner that the supplier must have expertise for the product (which service he provide).

7. Testimonials and references.

These are valuable if can check that the vendor is reliable and as they purport to be.

----- Group supervises the point of testimonial of that supplier & reliable references before selecting the supplier.

8. Sustainability and financial stability.

Sustainability and financial stability is the most important criteria for selecting the potential supplier. Hence ----- Group compare the selected supplier business sustainability & financial ability.

9. Prices.

For selecting the supplier ----- Group also consider the price. ----- group negotiate with the supplier on the price list because price is an important part of selecting a vendor.

10. Delivery times.

It is important to know that deliveries can be made where and when company want them. The number of deliveries per week or month may also be important.

For running the business the service delivery times is most important, because in case of unscheduled delivery the business hamper, so for selecting the supplier DEIRD Group also negotiate the service delivery time with supplier.

11. Terms of business.

Payment terms are particularly important as they impact upon cash flow. Once you have decided on your Suppliers/vendors, you should set up a Master Agreement

that sets out the price, terms, delivery times and product ranges or services that have been agreed. ----- Group is sensitive on the terms of business with supplier.

12. Customer service.

“The better supplier selection the better service” The supplier is best or not can analyzed by their service. It always an important part of any relationship. What is the availability of ordering and help staff? Are they cordial, professional and easy to contact. No one likes hanging on the end of the phone being told by a machine, “your call is important to us” ! ----- Group is belief of better service, so ----- Group select those supplier who can provide better service in schedule time.

13. Security of Service.

Security is an important point of selecting the supplier, so ----- Group select the supplier by observing the detail information of supplier. ----- Group also assess the supplier before selecting in the security aspects. If the supplier can meet the security requirement of ----- Group then select among.

Conclusion :

The vendor selection process can be a very complicated and emotional undertaking if not know how to approach it from the very start. Here the above steps help select the right vendor for business. This guide will show how to analyze business requirements, search for prospective vendors, lead the team in selecting the winning vendor and provide with insight on contract negotiations and avoiding negotiation mistakes. ----- Group maintain all the above procedure & instruction for selecting the supplier for sustain his business, for getting better service & broadly company security.

Prepared By	Approved By	Approval Signature	Seal
Compliance & Quality Department	Executive Director		