

SUPPLIER RATING SYSTEM



Optimize supplier performance.

Reduce operational costs.

Improve sourcing decisions.

Your enterprise relies on the dependability of your suppliers. After all, their performance enables yours. Which is why good sourcing entails more than just comparing supplier prices. It requires you to know how a supplier impacts your company overall—from the loading dock to the shop floor to the finance department.

Oracle's PeopleSoft Supplier Rating System collects critical data from across the enterprise to provide a complete view of your suppliers' performance. With this information, you can select the best suppliers, reduce supply variability and disruption, negotiate better contracts, and confidently modify sourcing strategies as business needs change.

A Strategic Framework for Sourcing Decisions

PeopleSoft Supplier Rating System provides a standard methodology and framework for monitoring, evaluating, and managing your entire supply base. You can consistently measure and rate individual suppliers to identify areas where a change in strategy would give you better supply options or purchasing leverage. You can also benchmark your supply base as a group and determine areas where changes in your operations or supplier management practices would make a positive business impact. The system also provides you with information to make contract decisions that leverage your complete supplier base and purchasing power.

A Complete View of Supplier Performance

PeopleSoft Supplier Rating System collects critical process information from systems across your organization—including financial, manufacturing, and distribution systems—giving you a real-time, 360-degree view of each supplier's performance. Now, instead of evaluating suppliers based upon the experiences of one division or function within your company, you can share a complete picture of each supplier across your whole organization. And the information is online, so it's always accessible when important sourcing decisions need to be made.

Scorecard Control Panel - SRS Buyer Scorecard - EPM Operator (2000, 6 Jun 2000)

Page: Strategy

Business Unit: US001 US001 NEW YORK OPERATIONS

Scenario: SRM_SCENAR Supplier Rating Scenario

Scorecard: SRS Buyer Scorecard - EPM Operator

Time: Current Choose

Year: 2000 Period: 6 Jun 2000

Currency:

Apply Restore to Defaults Set as Default

Save View With Name: Go to View:

Strategy Tree: Supplier Rating System

Select Strategic Components to see details at the right.

Left | Right

- Supplier Rating System Vision
 - Improve Sourcing
 - Reduce Purchasing Cost
 - Reduce Lead Time Variability
 - Improve Invoice Accuracy
 - % Invoiced Correctly
 - % Over Invoiced (\$)
 - % Under Invoiced (\$)
 - Purchase Price Variance (\$)
 - # of Vouchers Over Invoiced
 - Invoiced Correctly (\$)
 - Over Invoiced (\$)
 - Under Invoiced (\$)
 - # of Vouchers Under Invoiced
 - Improve Supplier Quality
 - Buyer Feedback Ratings
 - Supplier Financial Ratings

Strategy Perspective Ratio

Legend: Customer (red), Financial (yellow), Supplier (blue)

Perspective
3 Customer
2 Financial
4 Supplier

Supplier Rating System Vision

Component Type: Vision Perspective: Customer Assessed Using: Worst Case

Strategy Component	Assessed Using	Perspective	Type
2 Improve Sourcing	Worst	Financial	ST

Buyer Scorecards
 Monitor, evaluate, and control supplier performance consistently and continuously.

A Collaborative System for Suppliers

PeopleSoft Supplier Rating System allows you to share performance measures, targets, and assessments with suppliers in a secure, collaborative environment. Using the PeopleSoft Enterprise Portal, suppliers can track and control their own performance, based on the criteria you’ve established. You can even send automatic e-mail alerts to suppliers if their score falls below a specific threshold on a KPI. Your suppliers will know instantly that their product quality is causing you to miss shipments or that their third-party shipping company is late with shipments to your warehouses. When suppliers understand how you are measuring their performance, they will know exactly how to adjust their service.

Supplier Rating Models

PeopleSoft Supplier Rating System provides supplier rating models that let you group and weigh key measures of supplier performance into performance categories. The categories are compiled into an overall composite supplier score that is then compared to a rating scale and assigned a rating. Supplier scores and ratings are viewable online by individual supplier, by item or commodity, and across the entire supply base. These views give a buyer or analyst the ability to selectively review and compare the performance of a supplier not only by an overall rating but also by any performance category or KPI. The capacity for “what-if” analysis enables users to change weighting factors and dynamically reevaluate and display revised supplier ratings.

Supplier Scorecards

PeopleSoft Supplier Rating System also provides supplier scorecards that offer a broader, more flexible view of supplier performance than supplier rating models. Whereas models provide a standard and consistent rating, scorecards allow you to evaluate suppliers with KPIs that may or may not be included in the supplier rating in order to provide additional detail and understanding. You can customize the scorecard to meet your needs, setting it to score only the suppliers for which you are responsible with only the KPIs that matter to you.

Supply Chain Metrics and KPIs

PeopleSoft Supplier Rating System includes the following metrics and KPIs that deliver the information needed to source strategically. KPIs designed to capture subjective performance data—such as customer service, responsiveness, and the quality of relationship—can be included as survey questions and input manually by a buyer or requisitioner. In addition, more than a dozen Dun & Bradstreet KPIs are predefined for use by D&B subscribers.

- Amount Invoiced Correctly (\$)
- Amount Over Invoiced (\$)
- Amount Under Invoiced (\$)
- Average Number of Days Early
- Average Number of Days Late
- Average PO Price (Current Period and Last Period)
- Average PO Price Variance
- Credit Score
- Current Paydex
- Current Ratio
- D&B Rating
- Debt-to-Equity Ratio
- Financial Stress Percentile
- Financial Stress Percentile - Avg Incidence
- Financial Stress Percentile - Industry
- Financial Stress Percentile - Industry Incidence
- Financial Stress Percentile – National
- Financial Stress Score
- Freight Value (\$)
- Net Sales to Assets

- Number of Early Shipments (Last Period)
- Number of Late Shipments (Last Period)
- Number of On-Time Shipments (Last Period)
- Number of Overshipped Units
- Number of Overshipped Units (Last Period)
- Number of Shipments (Last Period)
- Number of Shipments On-Time & Correct (Last Period)
- Number of Shipments On-Time and Correct
- Number of Shipments Quantity Correct
- Number of Shipments Quantity Correct (Last Period)
- Number of Undershipped Units
- Number of Undershipped Units (Last Period)
- Number of Units Accepted
- Number of Units Accepted (Last Period)
- Number of Units Received
- Number of Units Received (Last Period)
- Number of Units Rejected
- Number of Units Rejected (Last Period)
- Number of Units Returned
- Number of Units Returned (Last Period)
- Number of Vouchers Over Invoiced
- Number of Vouchers Under Invoiced
- Order Value (\$)
- Order Value Under Contract (\$)
- Percentage of Change in Average PO Price
- Percentage of Early Shipments (% Change Since Last Period)
- Percentage of Early Shipments
- Percentage of Freight Value
- Percentage of Late Shipments
- Percentage of Late Shipments (% Change Since Last Period)
- Percentage of On-Time Shipments
- Percentage of On-Time Shipments (% Change Since Last Period)
- Percentage of Overshipped Units
- Percentage of Overshipped Units (% Change Since Last Period)

- Percentage of POs Invoiced Correctly
- Percentage of POs Over Invoiced (\$)
- Percentage of POs Under Invoiced (\$)
- Percentage of Shipments
- Percentage of Shipments On-Time and Correct
- Percentage of Shipments On-Time and Correct (% Change Since Last Period)
- Percentage of Shipments Quantity Correct
- Percentage of Undershipped Units
- Percentage of Undershipped Units (% Change Since Last Period)
- Percentage of Unit Value Under Contract
- Percentage of Units Accepted
- Percentage of Units Accepted (% Change Since Last Period)
- Percentage of Units Correct (% Change Since Last Period)
- Percentage of Units Rejected
- Percentage of Units Rejected (% Change Since Last Period)
- Percentage of Units Returned
- Percentage of Units Returned (% Change Since Last Period)
- Purchase Price Variance (\$)
- Quality of Customer Service
- Quality of Relationship
- Responsiveness to Changes
- Responsiveness to Problems
- Supplier Evaluation Risk Score
- Timely Issue Notification
- Value to Company
- Value to Supplier
- Working Capital to Assets

About PeopleSoft Enterprise Performance Management

PeopleSoft Supplier Rating System is part of Oracle's PeopleSoft Enterprise Performance Management (EPM) suite, an integrated suite of analytic applications that enables organizations to drive world-class performance by aligning the right information and resources with strategic objectives. PeopleSoft EPM helps managers formulate strategies for profitable growth, align strategies with operational plans, actively monitor day-to-day operations, and collaborate across the enterprise.

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