The Supplier Performance Measurement Benchmarking Report

Measuring Supply Chain Success

December 2002

SPONSORS

Open Ratings

PeopleSoft
# TABLE OF CONTENTS

**Executive Summary** ................................................................. 3  
**Preface** ........................................................................................ 4  
**Methodology** ................................................................................ 5  
**Supplier Performance Measurement: A Baseline** ......................... 6  
**Challenges to Effective Performance Measurement** ..................... 12  
**Performance Measurement “Best Practices” Emerge** .................... 13  
  - Track the performance of a broader portion of the supply base .... 14  
  - Standardize supplier performance measurement procedures ....... 16  
  - Collaborate with suppliers .......................................................... 17  
  - Automate key supplier performance measurement activities ....... 18  
**What’s Next in SPM?** .................................................................. 19  
**Conclusions** ............................................................................... 21  
**Author Profiles** .......................................................................... 22  
  - Tim A. Minahan ......................................................................... 22  
  - Mark W. Vigoroso ....................................................................... 22  
**Sponsor Directory** ........................................................................ 23
Executive Summary

“You can't improve what you can't measure.”
Dr. Michael Hammer, Re-Engineering the Corporation

Nowhere does this adage ring truer than in today's supply chain environments. Global competition, mass customization, heightened customer expectations, and harsh economic conditions are forcing companies to rely on external suppliers to contribute a larger portion of parts, materials, and assemblies to finished products and to manage a growing number of processes and functions that were once controlled internally.

These trends suggest that future competitiveness will be determined by a company's ability to develop strategies to optimally align and manage an extended network of supplier relationships. Put simply, a company's performance is increasingly driven by (and reliant upon) the performance of external supply partners. The effective management of these extended supply networks will require companies to employ strategies for measuring and improving the performance of network participants.

Supplier performance measurement is the process of measuring, analyzing, and managing supplier performance for the purposes of reducing costs, mitigating risk, and driving continuous improvements in value and operations. Common and consistent measurements can help companies focus resources, identify performance glitches, develop strategies for supply chain improvements, and determine the total cost of ownership (TCO) of supply relationships, products, and entire supply chains.

In November 2002, Aberdeen Group's supply chain research practice and iSource Business magazine examined the supplier performance measurement practices of procurement and supply chain executives across multiple industries and geographies. The findings of this joint Supplier Performance Measurement Benchmarking Project clearly signal that measuring supplier performance is a critical activity that is sub-optimally managed at most organizations.

More than 70% of enterprises examined view measurement of supplier performance as “very important” or “critical” to their companies' overall operations. However, only about half of enterprises have instituted formal procedures for measuring supplier performance. Even more alarming, the large majority of enterprises measure the performance of less than half their supply base. In fact, the typical supplier performance measurement program targets less than a third of the total supply base.

There is clear evidence that the failure to accurately measure, evaluate, and manage the performance of these partners can increase a company's costs, damage its product quality, and hinder its competitiveness in the marketplace.

Considering the above factors, it is not surprising that nearly 60% of enterprises are less than satisfied with their ability to consistently measure and manage supplier performance.
These findings clearly indicate that most organizations continue to grapple with insufficient and inconsistent supplier performance measurement capabilities. However, the Aberdeen/iSource study also showed clear evidence of the value that can be derived from effectively measuring supplier performance. The study identified four key strategies that were common to the enterprises achieving the greatest return from supplier performance measurement:

1. Track the performance of a broader portion of the supply base
2. Standardize supplier performance measurement procedures across the enterprise
3. Collaborate with suppliers on performance metrics, reporting, and improvements
4. Automate key supplier performance measurement activities.

Specifically, enterprises applying consistent performance measurements and procedures were able to improve supplier performance by more than 26%, on average.

This report on the Aberdeen/iSource Supplier Performance Measurement Benchmarking Project covers the following:

- Examines the factors driving the increased requirements for measuring supplier performance;
- Benchmarks current performance measurement processes on an industry, geographic, and company size basis;
- Identifies emerging “best practices” for effective supplier performance measurement.

**Preface**

This is not your father’s business environment. Gone are the days when vertically integrated companies can mass-produce products and services that can be marketed for years. With increased competition, mass customization, and continuous pressures to reduce costs and innovate, companies are increasingly relying on an ever-expanding network of external partners. Businesses in every industry are fast coming to the realization that future success will require them to organize and manage resources and processes across a global network of business partners to rapidly respond to market changes.

Specifically, about half of every dollar a company earns is spent on goods and services provided by external suppliers. In certain industries — e.g., high-tech and automotive — materials, parts, and assemblies provided by external suppliers can comprise between 70% and 80% of the total cost of new products. In all industries, companies are outsourcing a wide range of processes and functions — from payroll and accounting to manufacturing, logistics, and procurement — to external suppliers. In fact, by some estimates, U.S. businesses spending on outsourcing will top $350 billion by next year.

To continually manage costs and improve performance, a company must be able not only to select the appropriate supply chain partners, but also to monitor and manage performance of these partners over time. Supplier performance measurement is the process of measuring, analyzing, and managing supplier performance for the purposes of reducing costs, mitigating risk, and driving continuous improvement.
The Spending Analysis Benchmark Report

measurement — or what Aberdeen calls “Supplier Performance Management” (SPM) — is the process of measuring, analyzing, and managing supplier performance for the purposes of reducing costs, mitigating risk, and driving continuous improvements in value and operations.

Building on the statistical process control methodologies and principles of total quality management (TQM), supplier performance measurement applies systematic and statistical process control based on the measurement and management of standardized performance metrics. Common and consistent measurements can help companies align and focus resources, identify performance glitches and develop strategies for addressing these, and determine areas for operational improvement across the supply chain.

Importantly, supplier performance measurement is vital for determining the true total cost of ownership (TCO) of supply relationships, products, and entire supply chains. The TCO of a supplier relationship includes both the direct costs (e.g., price) and indirect (“hidden”) costs of doing business with a supplier. Examples of hidden costs include the costs of sub-par quality, late deliveries, stock-outs, purchase price variance (PPV) and other non-conformance issues. If not properly measured and managed, such hidden costs can offset and even negate gains achieved during supplier negotiations.

High profile examples of the cost of poor supplier performance abound. In 2000, Ford Motor Company had to recall over 13 million Firestone tires at a cost of $3 billion after learning that design and quality glitches were putting certain tire models at risk of shedding their treads. That same year, Coca-Cola was forced to recall 15 million cans and bottles of its beverages in key European markets after several consumers became ill. The problem was traced to contaminated chemicals used at a specific Belgian bottling plant that failed to inspect or monitor the quality of the incoming chemicals used in its products. The incident cost Coca-Cola $60 million in lost sales.

Both examples demonstrate the impact the upstream supply chain can have on an enterprise’s costs, performance, customer service, and perception in the marketplace. These examples also illustrate the critical importance of effectively measuring and managing supplier performance.

**Methodology**

In November 2002, Aberdeen Group and iSource Business magazine interviewed procurement and supply chain executives (e.g., manager-level and above) across multiple industries and geographies on their company’s supplier performance measurement procedures. The survey included questions focused on the following areas:

- The degree to which supplier performance measurement impacts/supports corporate operations
- The level to which companies have standardized/formalized supplier performance measurement procedures
The Spending Analysis Benchmark Report

- How supplier performance information is aggregated, cleansed, shared and analyzed
- The use of automation to aid these activities
- What benefits, if any, have been derived from supplier performance measurement initiatives

The responding sample included the following demographics:

- Industry: Non-manufacturing firms represented 52.6% of survey respondents. Nearly 45% of respondents were from manufacturers. The largest single group represented in the sample was from the high-tech sector, followed by automotive manufacturing and pharmaceutical/chemical manufacturing, and financial services. Remaining respondents were from aerospace/defense, construction/engineering, transportation and utilities, retail and distribution, and government and education industries.

- Title: All respondents were all high-level supply chain executives, including Vice Presidents, Directors, chief officers, and Managers, and of procurement or supply chain operations.

- Geography: The study included respondents from every major geographic region. Nearly 65% of respondents were from U.S.-based companies. European Middle East and Africa (EMEA) respondents were a distant second at about 16% of the total sample, followed by Asia-Pacific companies, which represented nearly 12% of respondents. About 8% of respondents were from companies based in Canada, Latin America, or South America.

- Size of company: Just over 46% of respondents were from large enterprises (i.e., revenues above $1 billion). Mid-size enterprises (i.e., revenues between $50 million to $1 billion) represented 30.2% of the sample. Small businesses (i.e., revenues of $50 million or less) represented about 18% of the sample.

Solution providers recognized as sponsors of this report were solicited after the fact and had no influence on the direction of the Supplier Performance Measurement Benchmark Project research effort or the content of this report. Their sponsorship has made it possible for Aberdeen Group and iSource Business magazine to make these findings available to readers at no charge.

Supplier Performance Measurement: A Baseline

Considering the increased reliance on external supply partners, it is not surprising that more than 70% of responding enterprises view measurement of supplier performance as “very important” or “critical” to their operations. Another 17% view supplier performance measurement as “important.” And 8% of respondents ranked supplier measurement as “somewhat important.”

What is surprising is the lack of consistency in how supplier performance is measured within and across enterprises. Just over half (56%) of enterprises
The typical supplier performance measurement programs addresses less than a third of the total supply base. Most companies have restricted performance measurement programs based on one or more of three criteria:

1. Suppliers that comprise the largest portion of total spending;
2. The critical/strategic nature of the product supplied; or
3. The critical/strategic nature of the supply relationship. (See chart below.)

For example, one transportation company reported that its supplier performance measurement program focused only on those suppliers with which it spends at least $5 million annually. This equates to only 15% of the carrier's total supply base.

In terms of categories of spending, respondents from manufacturing companies most commonly tracked the performance of suppliers providing electronics components and products, IT equipment, office equipment and supplies, custom parts, transportation services, MRO goods, and standard parts. Service firms focused their performance measurement efforts on suppliers of IT equipment, office equipment and supplies, electronics products and components, custom items, travel, transportation, and professional services. Aberdeen attributes the preponderance of non-production ("indirect") and seemingly non-critical categories measured to the breadth of the sample, which included respondents from...
more than 20 major manufacturing, non-manufacturing, and public sector industry segments.

Certainly, even limited measurement of supplier performance is a step in the right direction. Focusing on critical suppliers or suppliers that constitute the largest portion of spending enables a company to identify and manage those performance issues that could have the most immediate and greatest impact on its operations and its perception in the market. However, this narrow focus overlooks lower tier suppliers or suppliers of seemingly non-critical goods and services that can impact an enterprise's cost structure, performance, or customer service.

To understand the risks of not tracking the performance and financial viability of the bulk of the supply base, look no further than the spate of bankruptcy filings that occurred during the recent economic downturn. In 2001 alone, 40,099 businesses filed for bankruptcy — nearly a 12% increase over 2000 levels. Through the first three quarters of 2002, nearly 29,000 companies filed for such protection. Such bankruptcies and business closings have resulted in stock outs, delays, and even outright production shutdowns for many enterprises.

By failing to measure the majority of the supply base, companies are exposing themselves to large-scale quality mishaps, service deficiencies, and cost overruns that can eat into bottom-line profits and damage competitive positioning in the market.

In short, by failing to measure the majority of the supply base, companies are exposing themselves to large-scale quality mishaps, service deficiencies, and cost overruns that can eat into bottom-line profits and damage competitive positioning in the market.
The majority of respondents measure supplier performance in the following areas (See chart below):

- Quality
- On-time delivery
- Service
- Price
- Total cost
- Contract compliance
- Lead times
- Responsiveness

Other areas of supplier performance commonly measured include accuracy of quotes and promises, technical support, and price variances.

Chief uses for supplier performance information include sharing performance metrics internally across commodity managers, business functions, and divisions; identifying opportunities for improving supplier operations, capacity, or performance; and evaluating suppliers for future business opportunities (see next page).
Many enterprises use measurement information to strate suppliers into performance tiers. For example, if an enterprise uses a rating scale for overall performance of 1 to 100, suppliers receiving a rating of 90 or above would be considered “preferred,” qualifying them for new business opportunities, joint product development projects, or additional assistance. In addition, enterprises often give new business proposals (i.e., “bids”) from preferred suppliers additional weight, allowing preferred suppliers to win new business without necessarily being the lowest priced offer.

Suppliers scoring between 75 and 90 might be given an “acceptable” rating, making them eligible for new business but requiring them to design a plan for achieving preferred status. Suppliers scoring below 75 will be designated “corrective,” meaning that they will require some form of corrective action to improve performance deficiencies. Many companies will bar suppliers with corrective ratings from new business until they attain at least average status.

Just over half (54%) of enterprises said they support their supplier performance measurement efforts with automation tools. Those with supplier performance measurement systems have either built these systems in house (67%) or use the performance measurement capabilities of their enterprise resource planning (ERP) systems (21%).

The majority of responding enterprises (56%) are less than satisfied with their ability to consistently measure supplier performance. Overall, 77% of respondents indicated that there was a need to improve their supplier performance measurement capabilities. And nearly 70% of those without formal performance measurement programs in place, plan to implement such procedures within the next year.
Challenges to Effective Performance Measurement

Related Aberdeen research uncovered three chief factors limiting the scope of supplier performance measurement programs:

1. Large supplier rolls: Depending on its size and business structure, a company can deal with hundreds to tens of thousands of suppliers. Tracking the performance of each supplier is a seemingly insurmountable task. However, enterprises that grapple with a supply base that is too large to measure are ill prepared to effectively manage and mitigate risk inherent in that supply base.

2. Disparate data sources and labor intensive data collection processes: Information on supplier performance is tied up in multiple business systems across the enterprise, including enterprise resource planning (ERP), financial, procurement, inventory, logistics, and supply chain execution systems. The general lack of connectivity between these systems (as well as between these systems and other information systems within the company) frustrates efforts to aggregate data on supplier performance. Aggregating data from these disparate sources requires companies to develop integration points into multiple systems. Enterprises are equally challenged to normalize the data aggregated from disparate systems. For example, some business systems might rate supplier service on a scale from 1 to 10, while another system may use a rating system of 1 to 100. This information must be normalized prior to analysis.

3. Inconsistent goals and metrics: It was clear from the Supplier Performance Benchmarking Project sample that there continue to be discrepancies in how companies measure supplier performance between internal
divisions and sites. Divergences were apparent both in the metrics and
the business systems used to measure supplier performance. These
factors have made it difficult for companies to standardize on com-
mon metrics and develop a reporting infrastructure that allows this
information to be aggregated and normalized for useful analysis and
for rolling up metrics into a supplier scorecard.

4. Rudimentary analytical tools: Related Aberdeen research found that
procurement organizations continue to rely on basic spreadsheet
applications as their primary analysis tools. This practice limits the
breadth and depth of the analyses that can be executed. It also returns
inconsistent results across the company because the sophistication of
analysis executed varies by the spreadsheet skills of individual buyers.
Leading enterprises are utilizing more sophisticated analytical tools —
e.g., online analytical processing (OLAP) engines, data warehouses,
and modeling engines — for analysis of performance measurement
information.

Performance Measurement “Best Practices” Emerge
The above findings clearly indicate that insufficient and inconsistent supplier
performance measurement capabilities can negatively impact an organization's
cost structure and performance and stifle continuous improvement initiatives.
However, the Aberdeen/iSource study also showed clear evidence of the value
that can be derived from effectively measuring supplier performance.

Specifically, companies with formal performance measurement programs were
able to improve supplier performance by 26.6%, on average, since the program’s
inception. Not surprisingly, the majority of improve-
ments came in the areas of performance most
frequently measured, including quality, on-time
delivery, price, total cost, contract compliance, lead
times, and overall responsiveness. Most of these
improvements manifested themselves in direct hard
dollar savings to the enterprise. The remainder of
improvements delivered less tangible but equally
important enhancements in responsiveness and
service to end customers.

The Aberdeen/iSource study identified several practices that were common to the
enterprises currently achieving the greatest return from their supplier perform-
ance measurement programs:

1. Track the performance of a broader portion of the supply base
2. Standardize supplier performance measurement procedures across the
enterprise
3. Collaborate with suppliers on performance metrics, reporting, and
improvements
4. Automate key supplier performance measurement activities

Companies with formal performance measurement programs were able to
improve supplier performance by 26.6%, on average.
Track the performance of a broader portion of the supply base
Enterprises measuring performance of more than half their total supply base were able to generate more than double the improvements in supplier performance than those enterprises that measured less than half their supplier rolls (see chart below).

Larger enterprises reported tracking performance across a larger portion of their supply bases than did small and midsize firms. Aberdeen attributes this broad supply base coverage to three factors:

1. Larger enterprises tend to have more mature and sophisticated supply management strategies than smaller firms;
2. Larger enterprises are able to dedicate more resources to supply management issues; and
3. Larger enterprises are more likely to have automated key supply management and performance measurement processes than smaller firms.
As a group, manufacturers are more aggressive in their supplier performance measurement efforts than non-manufacturing firms. Nearly 43% of manufacturers currently apply performance metrics to more than half of their suppliers. By comparison, only a third of non-manufacturing firms have performance measurement programs of equal breadth. Aberdeen attributes this dichotomy largely to the fact that manufacturers tend to have more mature supply management operations than non-manufacturing firms, many of which have only recently begun to focus on supply chain issues.

However, manufacturers have benefited from casting a wide net for supplier performance measurement. As a group, manufacturers achieved larger improvements from their supplier performance measurement efforts than non-manufacturers.
Standardize supplier performance measurement procedures

The Aberdeen/iSource study clearly showed that enterprises with formalized performance measurement programs were able to drive greater improvements in supplier performance (26.6%) than those without such formal procedures (15.8%).

On the whole, companies that have standardized supplier performance metrics across a larger portion of the enterprise were able to achieve better results. Companies that standardized supplier measurements on a business unit or enterprise-wide basis were able to drive at least 25% greater performance improvements than those that executed such measurements on a site-by-site basis.

However, it was clear from the sample that developing enterprise-wide metrics continues to be an elusive goal for most organizations. Sixty-one percent of responding enterprises with supplier performance measurement programs described these initiatives as enterprise-wide in scope. Yet, to date, the companies achieving the greatest improvements in supplier performance have formalized measurements on a division or business unit basis (see chart below). A likely reason that the business unit approach to supplier performance measurement has returned better results is that a single business unit has a common operating style, goals, and requirements, as well as a common supply base to fulfill these requirements. Agreeing on standard metrics and procedures for measuring supplier performance is an easier task in this environment than on an enterprise basis where different business units have varied requirements, goals, and suppliers.

Aberdeen anticipates that the importance and the challenge of developing standard performance measures will only grow as companies continue to outsource an increasing portion of their operations. These inter-enterprise alliances will require business partners to establish common performance metrics and standard procedures and systems for measuring cross-enterprise performance. For
example, OEMs will find it necessary to work with contract manufacturers to jointly define the measures the contractor will use to measure the performance of sub-tier suppliers.

**Collaborate with suppliers**

Enterprises that shared performance data with suppliers were able to generate 61% greater improvements in supplier performance than enterprises that only used this information internally (see chart below). A chief reason for such gains is that enterprises sharing performance data with suppliers generally used this information to identify opportunities for improving supplier performance. Many enterprises have instituted programs to actively solicit improvement suggestions from suppliers and to assist suppliers in implementing such improvements. Some of these enterprises return a portion of the savings generated from such improvements back to suppliers. This incentive-based approach to supplier measurement encourages continuous improvement, enabling both buyers and suppliers to collaboratively identify areas to extract value from their relationships.

By contrast, enterprises that kept supplier performance data close to the vest were more likely to use this information primarily for punitive purposes — e.g., using performance failures for improved negotiation leverage or to drive supply base rationalization efforts.

**Automate key supplier performance measurement activities**

Automation clearly stood out as one of the key drivers for obtaining value from supplier performance measurement. Enterprises that supported their supplier performance measurement initiatives with automation tools achieved a 57% greater improvement in supplier performance than those without automation (see chart on the next page).
One example: As a group EMEA respondents were able to achieve the greatest return from their supplier performance measurement efforts. Firms from this region outpaced the overall sample both in formalizing and automating their supplier performance measurement efforts (see chart below).
What's Next in SPM?

Considering these factors, it is not surprising that a large majority of responding enterprises cited automation as a chief strategy for improving supplier performance measurement programs (see chart below). Nearly 60% of enterprises plan to leverage automation both to improve performance data collection (i.e., “tracking”) and enhance analysis of this information. This finding corroborates earlier Aberdeen research in which enterprises utilizing online sourcing management automation identified supplier performance measurement as their next chief area of investment (“Making E-Sourcing Strategic”; September 2002).

Other leading strategies for improving supplier performance include standardizing supplier performance metrics and scorecards enterprise wide and integrating performance data with supply chain execution systems.

Another area enterprises have slated for improvement is the ability to use performance measurement information to predict the future performance of suppliers. Most enterprises currently take a “rear-view mirror” approach to managing supplier performance — i.e., responding to performance lags after they become problems. In fact, less than a third of respondents currently use performance measurement information to predict the future performance of their supply partners.

And although most enterprises place a high value on the ability to predict future supplier performance, enterprises rank their ability to predict future performance of suppliers as less than satisfactory.

Such factors suggest that predictive supplier performance measurement will be a leading area of interest for supply chain organizations. Early predictive measurement strategies incorporate internal performance data with external financial...
information and other qualitative and quantitative metrics. These inputs are often run through sophisticated analytical tools that use mathematical algorithms to calculate a predictive performance score and machine learning capabilities to continually adjust for changing performance trends and market dynamics.

Such predictive supplier performance information can help companies avert product quality problems, service delays, and cost overruns by driving preventative and corrective measures that address issues within the supply chain before they become problems.

![Predictive supplier performance graph]

**Conclusions**

The Aberdeen Group/iSource Business Supplier Performance Measurement Benchmarking Project provides strong evidence that most enterprises have insufficient infrastructure and inconsistent strategies for measuring and managing supplier performance.

Enterprises that established standard metrics and procedures for measuring supplier performance were able to improve supplier performance by 26.6%, on average, since the program's inception. Most often, these improvements came in the areas of quality, on-time delivery, price, total cost, contract compliance, lead times, and overall responsiveness. These improvements manifested themselves in direct hard dollar savings to the enterprise as well as enhancements in responsiveness and service to end customers.

An increased reliance on external supply partners to manage a larger portion of product content and growing number of business processes has only increased the need for companies to improve their ability to track, measure, and analyze supplier performance. These factors make supplier performance measurement a vital business strategy for controlling costs, managing risks, and driving continuous improvement across the extended supply chain.
Author Profiles

Tim A. Minahan
Vice President and Managing Director,
Supply Chain Research,
AberdeenGroup, Inc.

Tim Minahan is Vice President of Aberdeen Group's supply chain management research practice. In this role, Minahan provides analysis and assessment of software and services that automate and streamline procurement, sourcing, and supply chain management operations.

Minahan has published research reports on Total Cost Management (TCM), Best Practices in e-Procurement, e-Sourcing, Logistics Resource Management (LRM) and spending analysis. He has completed survey research on supply chain technology user experiences and solution functionality and is currently examining future buying intentions for SCM technologies.

A recognized expert on supply chain and technology issues, Minahan has appeared on CNN and ABC News as well as in several business publications. He was recently named one of “50 Pros to Know” in the supply chain management sector by iSource Business magazine. Supply Chain Technology News also named him one of the sector's most influential analysts. Minahan has served as the keynote speaker at the Institute for Supply Management's (ISM) conference and at several vendor conferences.

Mark W. Vigoroso
Research Product Manager,
e-Business and Enterprise Applications,
AberdeenGroup, Inc.

As the Research Product Manager in Aberdeen's e-Business & Enterprise Applications group, Mark Vigoroso spearheads new product development, forges and manages strategic alliances with new and existing partners, and contributes to research in the supply chain management and strategic sourcing arenas. His current efforts include developing a network of enterprise-facing Web sites geared towards supply chain management and customer relationship management professionals; monitoring and ranking the performance of supply chain technology providers; evaluating and quantifying the penetration of Internet-based sourcing (e-sourcing) technologies within supply chain operations; and tracking the evolution of best practices in e-sourcing.

In May 2002, he launched Aberdeen's Enterprise Research Alliance (ERA) program, where Aberdeen conducts research on business technology purchasing and usage trends, and delivers findings in partnership with widely recognized trade, business, and industry media firms.
Featured Sponsors

Open Ratings is the leading provider of predictive supplier performance solutions to Global 2000 companies. BPImpact, the flagship product in Open Ratings' predictive 360-degree supplier relationship management suite, helps buyers more effectively select, evaluate and monitor suppliers — all of the elements that must be considered when making decisions about the supply base — by going beyond inferences based on historical performance to predicting future supplier performance and stability. By pre-empting poor performance or instability in the supply base, organizations can improve supplier relationships, increase efficiencies across supply chains, reduce both hard and soft dollar costs, and mitigate supply chain risk.

PeopleSoft®. Can you match the best supplier to your contract requirements? How a supplier performs can make or break a business, especially now, when it's more important than ever to watch your bottom line. PeopleSoft Supplier Rating System, a key component of the PeopleSoft Supplier Relationship Management solution, enables you to select, control, and improve supplier performance based on real-time data and needs.

With the PeopleSoft Supplier Rating System you can:
• Easily compare all goods and services suppliers.
• Reduce operational costs by determining the lowest priced supplier that fits all of your requirements.
• Empower suppliers to view and manage performance to your standards.
• Create real-time data connections with your existing systems to ensure that data collected into the scorecard is truly comprehensive.

For more information, visit [http://www.peoplesoft.com/srm](http://www.peoplesoft.com/srm)
Sponsor Directory

OpenRatings, Inc.
200 West Street
Waltham, MA 02451
(781) 895-6147
info@openratings.com
www.openratings.com

PeopleSoft, Inc.
4460 Hacienda Drive
Pleasanton, CA 94588-8618
(800) 380-SOFT (7638)
www.peoplesoft.com