



Session CJ
Supplier Performance and
Scorecards for Indirect Spend

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Monday, May 9, 2005
9:20 – 10:20 a.m.

[The Objectives]

- To quantify the sometimes subjective elements that determine the content, service and value of a supplier
- To document those elements in such a way as to present them constructively to the supplier and measure progress and improvement over time

[Indirect Spend]

- More than Half the Spend
- High Impact
- Same Essential Elements
 - Quantifiable Items
 - Subjective Items

[The Assumptions]

- Procurement Documents
 - Agreement
 - SOW/PSO/xxx
 - Purchase Requisition
 - Purchase Order

[Indirect Spend Sources]

- Travel
- Consulting
- Real Estate
- Mail
- Office Supplies
- Print
- Sponsorships
- Advertising
- Fleet

[The Audience]

- Goals and Objectives
 - Quantifiable and Measurable
- Supplier Feedback
 - Agreement or Program Description
- Management Reporting
 - Department/Business Unit/Senior Management

[The Audience]

- Client Feedback
 - Procurement Scorecard
- Program Development
 - Continuous Improvement
- Benchmark
 - What is Aspired to
- Bid Preparation/Evaluation
 - The Next Time Around

[Supplier Feedback]

- What the Supplier Promised
 - Master Agreement
 - SOW Elements
 - Change in Business
 - Reporting
 - Invoicing

[Management Reporting]

- What You Promised
 - Cost Savings
 - Client Satisfaction
 - Reduction in Transaction Time
 - Technology Improvements
 - Communication

Client Feedback

- What They Perceive You Promised
 - Less Money
 - Less Time
 - Less Process
 - Less Paperwork
 - More Service
 - More Success

[Scorecard Tips]

- Capture the Scope
 - Baseline
 - Process Flow
- Track What's Important
 - Prioritize
 - Don't Lose Focus
- Break it Down

[Scorecard Tips]

- Include the Supplier
 - Ensure a Vested Interest
 - Leverage their Knowledge
- Weight the Elements
 - Level the Field
- Test the Data
- Audit – More Than Once