











The Elsmar Cove Forum (http://Elsmar.com/Forums/index.php)

SPC Monitoring and Statistical Analysis Techniques (http://Elsmar.com/Forums/forumdisplay.php?f=19)

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# <u>Supplier Management and Receiving Inspection</u> <u>Improvement</u>

(http://Elsmar.com/Forums/showthread.php?t=58156)

# Curtis317

22nd January 2013 08:04 AM

## **Supplier Management and Receiving Inspection Improvement**

We are looking at trying to improve our suppliers products delivered to our plant. Currently we have a receiving inspection (5 parts) which of course is barely effective. However like many manufacturing plants we cannot afford to go to the statistical attribute or variable inspection methods. The quantity of parts required for a sample are just too many for us to measure. As a result my intital thoughts on this is to require the supplier to provide measurement data. We then would use a students "t" test to confirm the samples we measure are part of the same process. Does anyone have any other suggestions? Or possible problems with this aspect of this improvement plan?

tamale

22nd January 2013 08:13 AM

## Re: Supplier Management and Improvement

Curtis,

Have you thought of supplier audits? For having done a few I can tell you that it keeps them on their toes, also has a positive influence on the shop floor employees. No one wants to be the source of customer dissatisfaction.

Tamale

# mdurivage

22nd January 2013 08:17 AM

#### Re: Supplier Management and Improvement

There are a few things to consider.

- 1. What level of risk do the parts pose to your product? (critical to function)
- 2. Are your suppliers processes validated to ensure consistency?
- 3. The inspection history of the parts in question? (a good track record may provide justification for reduced inspection)

4. Sampling costs? (Someone will have to pay for the inspections whether directly by your organization or indirectly through a pass through from the supplier)

All of these factors will influence the level of scrutiny for which the parts must be subjected.

# Curtis317

22nd January 2013 08:53 AM

#### Re: Supplier Management and Improvement

Thanks for the suggestions. One of the biggest issues of course is that the suppliers are overseas. It would be great to audit the supplier plant until they "get it". But it does presents some logistic problems so we have to use other methods.

harry

22nd January 2013 09:21 AM

## Re: Supplier Management and Improvement

Quote:

In Reply to Parent Post by Curtis317 (Post 507775)

...... One of the biggest issues of course is that the suppliers are overseas. .....

There are overseas inspection services organizations that you can consider - cost effective but like any other suppliers, select wisely.

GoKats78

22nd January 2013 09:39 AM

### Re: Supplier Management and Improvement

Quote:

In Reply to Parent Post by **harry** (Post 507782) ... select wisely.

http://i93.photobucket.com/albums/I5...hosepoolry.jpg

He chose poorly.

Kingsld1

22nd January 2013 01:31 PM

## Re: Supplier Management and Receiving Inspection Improvement

Have you considered a skip lot program?

Our system qualifies a supplier by inspecting a number of lots. If they are all acceptable then future lots are skipped for a certain number of lots.

We also have controls that if we have failures that are the suppliers fault the item is taken off skip until they earn their way back on. We use a percentage of failures to items received to determine if the item should be taken off of skip.

Several other if/ thens are involved but thats the basic system.

# Kales Veggie

23rd January 2013 08:00 PM

# Re: Supplier Management and Receiving Inspection Improvement

#### Quote:

In Reply to Parent Post by Curtis317 (Post 507771)

We are looking at trying to improve our suppliers products delivered to our plant. Currently we have a receiving inspection (5 parts) which of course is barely effective. However like many manufacturing plants we cannot afford to go to the statistical attribute or variable inspection methods. The quantity of parts required for a sample are just too many for us to measure. As a result my initial thoughts on this is to require the supplier to provide measurement data. We then would use a students "t" test to confirm the samples we measure are part of the same process. Does anyone have any other suggestions? Or possible problems with this aspect of this improvement plan?

#### :2cents:

Your company needs better suppliers. Receiving inspection does not add any value and is a waste of time most of the time.

Audit your suppliers vigorously. Drive them to improve their quality system and to capable processes. Drive them to zero defects.

# Murphys Law

24th January 2013 12:20 AM

## Re: Supplier Management and Receiving Inspection Improvement

What are they supplying to you and what is the \$ figure? Bottom line is are you a big account to them? You really have to understand who has the procurement clout: Them or you.

If you have some procurement power, you may want to use the 'new business hold' veto to force improvements.

I work for a multinational and there are only so many customer that we would listen to with such a threat. In some cases, Customers are simply wrong and the problem belongs with them. In others, the are justified and it is only with a \$ threat, that it gets senior management attention.

Supplier audits don't really work either as it is rarely a broken quality system but a product specific problem: Little manufacturing margin in the product which can happen with a high tech part.

Do you have a supplier scorecard that you give to critical suppliers: PRICE/QUALITY/DELIVERY /PRODUCT TECHNOLOGY. If not, start one and send it to the Sales account manager via your purchasing group. You need to give business based on performance. Again, this will only work if the targets customers really care about your business.

# Murphys Law

24th January 2013 12:22 AM

#### Re: Supplier Management and Receiving Inspection Improvement

Btw: To answer your posting in SPC. I don't think doing any SPC on your supplier's parts is the right quality tool here.

# Gyanveer

24th January 2013 12:22 AM

## Re: Supplier Management and Receiving Inspection Improvement

5 parts in a huge lot is totally ineffective either you go for a sampling plan of say 5 in 20 and if you find a rejection then increase the sampling size (check IS standard IS:2500 Part I & II)

Or you Poka Yoke the place where these child parts are being used so that any rejection in the system is effectively screened

Another thing that you can do as rightly suggested is do a supplier audit to verify controls at their end prior to despatch.

Hope this helps

Curtis317

24th January 2013 11:23 AM

#### Re: Supplier Management and Receiving Inspection Improvement

Yep we do need better suppliers..... however that will not happen any time soon. How do we manage what we have now?

#### somashekar

24th January 2013 12:33 PM

## Re: Supplier Management and Receiving Inspection Improvement

Quote:

In Reply to Parent Post by Curtis317 (Post 508172)

Yep we do need better suppliers..... however that will not happen any time soon. How do we manage what we have now?

Your present situation is the result of past decisions taken with little or no supplier evaluation and ongoing corrective action. This will take you long time to settle and it is worth the project to evaluate and select new and better suppliers.

Now to live with this, tell him what are your problems faced and for each send his typical rejected parts for his learning. What performance level you expect him to show which is acceptable to you? 1 in 100 defective ... 1 in 200 defective ...??

As him to make supplies after his good process controls and final checks in smaller pack sizes that is

still economical like 500's or 1000's. Accept or reject each pack with your random samples of 100 or 200 or whatever, if you get 1 or 2 & more defectives respectively. Agree something like this with your present supplier for a joint monitoring. See where you go. If your such sampling results forces you to screen the entire pack size to keep your show running, agree with your supplier for charges of screening.

Analyse data, give feedback to supplier and see where you can stand over some reasonable period. Use this period to improve this supplier., same time evaluate and select new supplier and use all your past learning.

Statistical sampling plans work on parts that are made under controlled conditions. This effort is for your supplier to put in some controlled conditions that works to meet your acceptable requirement. If it works for both of you, move to statistical sampling plans.

GoKats78	24th January 2013 04:42 PM
Re: Supplier Management and Receiving Inspection Improvement	
Quote:	
In Reply to Parent Post by <b>Kales Veggie</b> (Post 508052)	
Your company needs better suppliers	
Better suppliers cost more (up front) than cheaper suppliersOur purchasin judged on getting cost reductionssothat means we end up with low-cost	
Then upper mgmt complains that customer complaints tied directly to suppli	er issues is increasing
Quote:	
In Reply to Parent Post by <b>Kales Veggie</b> (Post 508052)	
Audit your suppliers vigorously	

DDTank 26th April 2013 08:54 AM

# Re: Supplier Management and Receiving Inspection Improvement

Quote:

The cheap suppliers are overseas...

In Reply to Parent Post by **Kales Veggie** (Post 508052)

Your company needs better suppliers. Receiving inspection does not add any value and is a waste of time most of the time.

Please elaborate. I have seen other threads saying supplier assurance is almost worthless and you need extensive inspection and sampling plans for incoming raw materials.

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