

“Because of natural disasters and increased supplier failure, the past few years has been very challenging. We had to have a way of being able to act quicker. HICX’s Supplier Risk & Performance solution was able to integrate with our existing ERP quality metrics, enable us to collect additional information, and has given us a better ability to get ahead of supply chain disruptions.”

- Manager, Supply Chain Risk & Continuity

<b>Need:</b>	Improved supplier visibility
<b>HICX Modules:</b>	HICX Supplier Risk & Performance
<b>Impact:</b>	\$600 thousand in avoided supply chain disruption costs

Challenges	Solution	Results
<ul style="list-style-type: none"> <li>Supply chain was primarily concentrated around Asia: Japan, China, Thailand, and Taiwan</li> <li>Nature of supply chain meant great potential for quality and reputational risks</li> <li>Recent natural disasters in the region led the company to experience roughly 10 supply disruptions per year, with an average cost of US \$100,000 per disruption</li> <li>Commodity price volatility existed in lower tiers of the supply chain</li> <li>Could not gain visibility into 2<sup>nd</sup> and 3<sup>rd</sup> tier suppliers</li> <li>The company required a proactive way to manage its 23 most business-critical suppliers and have visibility across key areas such as assurance of supply, quality, service, social responsibility, and cost</li> </ul>	<ul style="list-style-type: none"> <li>Deployed AQSCIR Methodology-based scorecard to qualify, measure, and assess key suppliers across 35 different KPIs in the following areas:               <ul style="list-style-type: none"> <li>Assurance of Supply, Quality, Service, Cost, Innovation, Regulatory Compliance</li> </ul> </li> <li>Quarterly collection of information on the 23 most business-critical suppliers, both from suppliers and internal stakeholders, as well as 2<sup>nd</sup>, and/or 3<sup>rd</sup>, Tier suppliers</li> <li>Automatic extraction of quality metrics (faulty or damaged goods, etc.) from ERP</li> <li>Standardized qualification process</li> <li>Automatic integration to D&amp;B financial reports for financial qualification</li> <li>Capability to dynamically adjust weights and scores across the various KPIs</li> <li>Automatic calculation and red, amber, green (RAG) classification with automated alerts</li> <li>Ability to analyze KPIs and scores by business, geography, and commodity - as well as side-by-side comparisons</li> </ul>	<ul style="list-style-type: none"> <li>Significantly reduced effort by supplier relationship owners to manage suppliers</li> <li>Improved service levels, by proactively monitoring against metrics set in contracts</li> <li>Improved overall compliance with internal CSR policy</li> <li>Reduced supply disruptions by about 60% with an overall benefit of \$600 thousand annually (estimated)</li> </ul>