

Sample Document

SUPPLIER ALLIANCE PROGRAM

PURPOSE

The Supplier Alliance Program serves as a framework for creating strategic partnerships with those suppliers deemed critical to the success of our business.

PARTNER SELECTION

Initial alliance partners will be selected based on supplier management commitment, annual purchase volume, and competitive options for critical materials and services. These suppliers will be measured for delivery, quality, and cost control or improvement. Those suppliers found to be under-performing in any category will be given opportunity and assistance to improve performance to acceptable levels.

PROCESS

Improvements to the business relationship and processes are accomplished by the sharing of information and ideas. The partners will educate each other on all facets of their business and/or manufacturing processes. The understanding of how each of the partners conducts business will allow research projects and recommendations designed to improve the performance and efficiency of both companies.

PARTNER TEAMS

The primary contacts for each firm will serve as Alliance Coordinators. Each partner will commit to support the alliance by assigning cross-functional teams to the Alliance. The membership of these teams should include both tactical and strategic functions within each company, allowing for diverse perspectives on the business relationship and associated processes. Those teams should include the following functional groups as applicable:

Purchaser

Senior Management
Purchasing
Planning
Inventory Control
Manufacturing
Engineering
Design
Receiving
Accounting
Quality

Supplier

Senior Management
Sales
Purchasing
Planning
Inventory Control
Manufacturing
Engineering
Design
Shipping
Accounting
Quality
Second Tier Suppliers

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SCHEDULING

That Alliance Coordinators will meet at least quarterly. The agenda for these meetings will include the following:

Performance Reporting
Second Tier Performance
Customer Issues
Corrective Actions
Production and Supply Forecasts

Product Line and Design Changes
Scheduling and Delivery
New Products
Material Selection
Cost and Pricing

IMPROVEMENT PROJECTS

During each quarterly meeting, the Alliance Coordinators will investigate various cost and operational improvement opportunities, calling in additional team members as required, in order to address those opportunities. Team members will be assigned to evaluate and/or implement those projects, providing status reports until the project is completed. Cost reductions for any project implemented will be measured and reported quarterly.

CONFIDENTIALITY

All competitive and design information shared between the parties will be considered confidential. Business process improvements may be used in dealings with other suppliers/customers.