

Supplier Assessment Tool for Automotive SMEs

Factor	Specific Criteria	Rating (1-5)
1. Quality Management	<ul style="list-style-type: none"> - Certifications: Supplier has ISO 9001 or IATF 16949 certification (if applicable). - Defect Rates: Low rate of defective products in past 12 months. - Quality Control: Effective quality control processes (e.g., inspection, testing) in place to prevent defects. - Process Audits: Regular internal audits of quality processes. 	
2. Cost Competitiveness	<ul style="list-style-type: none"> - Price Competitiveness: Pricing is competitive compared to market standards for similar products. - Cost Structure Transparency: Clear and transparent cost breakdown provided by supplier. - Total Cost of Ownership (TCO): All associated costs (e.g., logistics, maintenance) are included, not just upfront pricing. - Price Flexibility: Willingness to negotiate pricing or offer discounts for long-term partnerships. 	
3. Delivery Performance	<ul style="list-style-type: none"> - On-Time Delivery: Percentage of deliveries made on or before the agreed date in the past 12 months. - Lead Time: Standard lead time for fulfilling orders is reasonable and consistent. - Delivery Flexibility: Ability to handle rush orders or unexpected changes in demand. - Logistics Capability: Well-organized transportation and delivery system to minimize delays. 	
4. Production Capacity	<ul style="list-style-type: none"> - Current Capacity: Supplier can meet current production volume without compromising quality. - Flexibility: Ability to increase production capacity during peak demand periods or scale down if necessary. - Machine Utilization: Efficient use of machinery, with low downtime. - Staffing Levels: Adequate workforce to meet production demands without significant overtime. 	
5. Financial Stability	<ul style="list-style-type: none"> - Profitability: Supplier has been profitable for the past two years, based on financial reports. - Cash Flow: Positive cash flow without significant liquidity issues. - Debt Levels: Manageable levels of debt that don't pose a risk to business operations. - Risk of Insolvency: Low risk of bankruptcy or insolvency based on financial history. 	
6. Supply Chain Resilience	<ul style="list-style-type: none"> - Geographic Location: Supplier is located in a region with minimal risk of natural disasters or political instability. - Backup Suppliers: Supplier has secondary sources for critical components or materials. - Inventory Management: Maintains safety stock to mitigate potential supply chain disruptions. - Disaster Recovery Plan: Has a clear plan for handling production stoppages or logistics disruptions. 	
7. Compliance & Sustainability	<ul style="list-style-type: none"> - Legal Compliance: Adheres to all local and international regulations relevant to automotive manufacturing. - Ethical Labor Practices: No history of labor violations or unethical working conditions. - Environmental Compliance: Meets environmental regulations and standards (e.g., waste management, emissions control). - Sustainability Efforts: Actively engages in initiatives to reduce carbon footprint and promote sustainable practices. 	
8. Relationship Management	<ul style="list-style-type: none"> - Communication: Clear and consistent communication with your company, including fast response times. - Problem-Solving: Proactively addresses issues when they arise and works collaboratively to resolve them. - Flexibility in Negotiation: Open to contract and terms negotiation without being overly rigid. - Long-Term Partnership Potential: Willingness to invest in building a long-term relationship, including trust and collaboration on improvements. 	

Rating System:

- 1: Poor
- 2: Fair
- 3: Average
- 4: Good
- 5: Excellent

This instrument provides specific and measurable criteria for assessing suppliers in the automotive industry based on quality, cost, delivery, production, and other critical areas.