

Supplier selection:

Source: Designed by Fatimah Aly

- a) The process begins when the needs are determined. Thereafter criteria for the selection must be set; for example criteria for prices, quantities and deadlines.
- b) If a new supplier is needed, the supplier manager searches for and identifies potential suppliers with the help of auditors. The procurement market is researched and offers and information are collected and checked.
- c) The suppliers that fulfill the requirements are thereafter shortlisted and the process continues. The suppliers that do not fulfill the requirements will be excluded and the process ends there.
- d) The next phase is the supplier analysis. Based on the results from the procurement market research and the information collected, supplier performance is assessed as professionally as possible.
- e) Thereafter begins the evaluation phase. For this phase, the evaluation criteria, the method and the procedure have to be defined in advance and applied uniformly. The supplier evaluation is also carried out by auditors. The results of the evaluation will be used for the selection.
- f) Consequently, the appropriate suppliers are selected using a ranking system. The target here is to select the right supplier and avoid wrong selection so as not to be exposed to risks.
- g) The most suitable supplier is selected and then contacted to order and enter into a contract. The unsuitable suppliers are excluded from the process. Finally, the selected supplier is registered in the entrepreneurial supplier database, and the process ends.



