

Supplier Integration. a Proposed Practical Approach

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Abstract

In the vendor evaluation process, companies simply focus on comparing the performances of candidate vendors. The literature offers numerous methods of analysis even if many matrices are often subjective and difficult to implement in practice. This paper aims to develop an easy to implement model, aimed at satisfying the company's need to identify suitable suppliers to be integrated. Integration means establishing close collaboration and cooperation between suppliers and customers with the goals and likely results of reduced inventories, shorter delivery times and improved customer service. Thanks to the collaboration of a sample of companies, a new model is proposed. Our research is structured on three phases: identification of the parameters for the vendor rating; matrix making; evaluation level of satisfaction declared by the companies that have used the model. A comparison matrix between ABC classes and a multi-criteria Vendor Rating index allows company to define a set of suppliers with a high probability of integration. This practical approach is implemented in about 23 companies and the level of satisfaction detected is high because it shows rationality in the evaluation of suppliers and has provided indications to companies in the selection of suppliers.

Keywords: Supply chain management, integration, vendor selection