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Workbook 3
Strategic Supplier Meeting

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Step 1: **Preparation to Meet Contract Manufacturer**

This checklist outlines general topic areas to explore, develop, and prepare prior to meeting with a supplier. There are a significant number of additional details that can be studied under each of these general topics:

❏ **Supply-Chain Strategy**

Introduce your company with an honest statement of your stage of development and funding (See Workbook 2).

❏ **Partnership**

State to supplier if you are looking for a "transactional relationship" or a "partner" with whom you can be creative and grow.

❏ **Questions**

Develop a list of questions for the supplier in advance of the call (see document "Questions During First Supplier Meeting").

❏ **Criteria and Needs**

Outline your most important needs both short and long-term. Balance your internal capabilities with external support.

❏ **Be Ready to Buy**

Come with parts details (i.e., drawings and CAD files), supplier request for quotation (RFQ), timeline, target pricing, and terms.

❏ **Evaluate the Basics**

Review quality certifications, expertise, internal processes including standard operating procedures (SOP), part inspection, revision control, part numbers and traceability, on-time delivery, and re-work.

❏ **Control and Communication**

Understand desired communication process between you and the supplier and include a closed-loop feedback system.

❏ **Industry & Regulatory Expertise**

Determine the need for supplier to provide familiarity with industry regulations/certifications/standards.

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Step 2: **First Meeting with Contract Manufacturer**

This checklist outlines general activities to perform during your supplier meeting. There are a significant number of additional details that can be studied under each of these general topics:

Perform

Physical Audit

- ❏ Visit the plant.
- ❏ Review both data/information and process.
- ❏ Review physical material and machinery process from first communication to delivery.
- ❏ Meet personnel, tell your story & hear theirs.

Quality Assessment

- ❏ Review quality assurance plan, both digital and on the floor.
- ❏ Visit inspection and testing areas.
- ❏ Watch First Article Inspection process.
- ❏ Understand supplier's design capability to gain a competitive advantage.

Inventory Analysis

- ❏ See all materials and inventory.
- ❏ Visit warehousing or additional facilities as necessary.
- ❏ Talk to sourcing and procurement leads to build relationships and understand capabilities.

Volume and Capacity Assurance

- ❏ Evaluate supplier's ability to scale.
- ❏ Understand capacity of workforce and industrial machines.

Discuss

Supplier Incentives
Consider value proposition to the supplier by creating opportunities to reward them for ensuring your commercial success.

Early Design Involvement
Involve supplier early in the design process to minimize expensive engineering changes and extended lead times.

The Quote
Review the quote with them. How detailed and progressive? Do they clearly understand the specifics of your product and its desired performance?

Materials
As soon as practical, secure multiple sources for each material and component to avoid shortage of supply.

Plan through Next Production Steps
Discuss the next steps in the production process, overall assembly process and the quality requirements of the final product, thereby enabling the supplier to better manage their component quality (e.g., tolerance stacking, tolerance allocation). It could even affect the best way to pack the product for delivery to next location to minimize handling.

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Step 3: **Additional Activities and Follow-up After Meeting Your Contract Manufacturer**

This checklist outlines some general topic questions to drive the discussion at a first meeting with the supplier. There are a significant number of additional details that can be studied under each of these general topics:

❏ **Performance Goals**
Does the supplier have quality performance goals? Can they explain them and how they relate to your project?

❏ **Process Controls**
Can the supplier demonstrate process control and the tools used in control? Can they explain them and how they relate to your project?

❏ **Continuous Improvement**
How will the supplier continue to provide quality and continuous improvement in the process they perform for you?

❏ **Supplier's Supplier Standard**
What Lean Six Sigma or other quality improvement practices are used, if any?

❏ **Improvement Documentation**
Does the supplier document continuous quality improvement process. Are there clear records and/or evidence of this? Can they explain them and how they relate to your project?

❏ **Approach to Quality Controls**
How does supplier assure early identification of issues (design for test) and what is their inspection process?

❏ **Measurement of Performance**
How is quality performance measured on the process performed for you? At what stage in production will the quality be tested?

❏ **Employee Engagement**
Does the quality management program include training programs for its employees?

❏ **Supplier's Supplier Standard**
Is the supplier implementing a quality assurance program with its suppliers?

❏ **Certifications**
Is the supplier ISO-9001 , ITAR, CE, CSA, UL, TUV, RoHS, JCP (or similar standards applicable to its sector) certified? What standards do they suggest applying to your production?