SPECIFICATION

SUPPLIER SCORECARD

PUNCTUALITY INDICATORS

Rédigé par	MATHIEU PERRIN I		05/01/2015
Vérifié par	QUINTANA Y Président Qualifas		05/01/2015
Approuvé par	PAIN X Président Commission Qualité Gifas		05/01/2015

RECORD OF REVISIONS
English version
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EDITION NUMBER	DESCRIPTION OF CHANGE	EDITION APPLICABILITY DATE
1.0	Draft	Dec 20, 2013
2.0	Original issue	Jan 7, 2014
3.0	**Major changes** §3 – Changed SCMH reference §4.1 – Added clarification on order line + clarification on OTD calculation numerator §4.1 Clarification on the [-10 d, 0 d] interval's default target and its possible parameter-setting §4.3 Integration of a third indicator/KPI – Backlog	Jan 5, 2015
3.1	**Minor changes vs CCB on June 7, 2017** §4.3 – Change of the acronym from BKL to BKO (Backorder) §4-2 – Change KPI denominator from "Number of order lines delivered late during the period" to "Number of all the complete order lines delivered late during the period"	August 31, 2017

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TEXT

1. Purpose

The purpose of this document is to define the punctuality indicators for the supplier/customer scorecard, as well as the rules and principles for calculating these indicators.
Paragraph 2 of this document describes the general provisions and requirements regarding this supplier/customer scorecard.

2. General approach

✓ Define a common scorecard that can be shared by all the stakeholders (customers/suppliers) in the industrial chain.

✓ This scorecard must be complied with by all customers and suppliers, but without limiting any clarifications/discussions that might be necessary between each customer and supplier (information, additional calculations, collaboration, etc.).

✓ Basically this scorecard will make it possible to consolidate the supplier's performance for all of its customers.

✓ The notion of calculation data per site will make it possible to make different consolidations by group of sites: calculations for one customer site or group of customer sites regarding one supplier site or group of supplier sites (sector):
- For a given supplier, the indicators relative to all of its customers,
- For a given sector, for a given customer,
- For a given sector, all customers taken into account.

- If possible the notion of product lines within any given site shall be used when segmenting the calculation data.

- The notion of calculation data per site will eventually make it possible to define and manage sectors, supplier families and customer families.

- The notion of calculation data per site will eventually make it possible to manage changes (eg: change of legal entity to which sites are attached).

✓ This scorecard will not prevent a specific scorecard being established between supplier S and customer Cx, and this specific scorecard will not prevent the consolidation of the all-customer scorecard, or consolidation by group of supplier or customer sites.

✓ This scorecard may be completed at a later time with indicators making it possible to cover the products' complete life cycle (Development, Production, Services, Customer Support).

✓ The documentation structure and configuration management regarding this scorecard shall be based on a list of documents that shall, in turn, be configuration-managed.

✓ For the moment, this list of documents consists of

- the punctuality indicator specification (this document),
- the conformity indicator specification,
- the scorecard format specification (visual representation).

3. Reference documents

SCMH Section 5.1.2 – April 2014– IAQG

SCMH: Supply Chain Management Handbook
IAQG: International Aerospace Quality Group

4. Punctuality indicators

✓ Punctuality shall be established on the basis of three indicators:

- On Time Delivery (OTD)

- Delay Average (DV)

- Backorder (BKO)

✓ The indicators shall be calculated for each individual industrial site.
See paragraph 2 for the notions regarding calculation by site or group of sites.

✓ The indicators shall be based on the production deliveries: new products and spares.

✓ Vendor Managed Inventory (VMI) type deliveries are excluded.

✓ Punctuality shall be measured with respect to the date stipulated in the purchase order or in the acknowledgement of receipt accepted by the customer.

✓ It shall be indicated whether the calculation was made with or without "collaboration" between customer and supplier.

4.1 On Time Delivery (OTD)

✓ This indicator shall consist of an indicator calculated monthly over a rolling six-month period, and an indicator calculated monthly over a one-month period (need for an instantaneous measurement and for an averaged measurement).

✓ The indicator shall be calculated by order line.

An order line represents a quantity to be delivered for a delivery date on a purchase order line, where this delivery date may correspond to a quantity of one or more products with the same reference.

$$OTD = \frac{\textit{Number of complete order lines delivered on-time during the period}}{\textit{Total number of order lines due during the period}}$$

Indicator expressed as a percentage by multiplying the above ratio by 100.

Periods : one month and six months.

- "On time" => within the [-10 d, 0 d] interval
- "Late" => requested date + x days (x more than or equal to 1 day)
- "Early" => requested date - y days (y less than or equal to -11 days)

NOTE :
Days expressed in calendar days.

✓ If the quantity is greater than the quantity ordered, the order line is considered to be "on time".

✓ *The notion of calculation of product quantity may be possible in order to enable calculation at a later time of an OTD per order line and/or per quantity of products (case of future recommendations for calculation by sector).*

✓ *The* [-10 d, 0 d] *interval* is the default target.

4.2 Delay Average (DV)

✓ The indicator shall consist of an indicator calculated monthly over a rolling six-month period, and a monthly indicator calculated over a one-month period.

$$DV = \frac{\textit{Sum of the days late for all the complete order lines delivered late during the period}}{\textit{Number of all the complete order lines delivered late during the period}}$$

Indicator expressed in calendar day(s).

The lines delivered late and the number of days late associated with each line shall be identified using the same logic as described in paragraph 4.1.

Periods : one month and six months.

NOTE
The notion of calculation by product quantity may be possible in order to enable calculation at a later time of a Delay Average per order line and/or per quantity of products.

4.3 Backorder (BKO)

✓ The "Backorder" indicator shall be calculated monthly. It will therefore give a "photo" of the total number of order lines not delivered on the date that the OTD measurement is calculated (an order line only delivered partially is an undelivered order line).

> BKO = Total number of order lines not delivered or delivered late with respect to the stipulated delivery dates

NOTE
For the backorder, it is recommended to use the same principle as for calculating punctuality (eg: order line, etc.).

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