

Warehouse Coach

Improving warehouse performance

Better information leads to better decisions - Vendor Performance

By Don Benson – www.warehousecoach.com

Probably the most difficult aspect of Receiving is dealing with the range of quality of the orders received from vendors. Late, damage, overs and shorts are just the beginning of the problems that can slow down receiving and potentially reduce sales. The increasing detail in vendor compliance requirements has expanded this issue, and many shippers organizations are spending a significant amount of money, time and energy to maintain consistent shipping performance, and are constantly implementing changes to improve methods and processes.

A side of this issue does not get much attention is how a receiving department can contribute to improving vendor performance, making the results visible and see positive results. Generally the process in most receiving departments is to cope with the receiving impact of poorly performing vendors and occasionally, when performance becomes unbearable, react and perhaps over react, by recommending that buyers change vendors. However, there is a better way to deal with this situation that can benefit your Receiving Department, your Company, and the Vendors.

I suggest that you begin a process of recording the problems you encounter each day, by vendor and type of problem. Then, every month, summarize the results, create and publish a report of vendor performance, naming and ranking the vendors (by frequency of occurrence of problem by type), and then send the report to your Buying/Purchasing Department and post it on your Bulletin Board.

In my experience, with any measurement project, making the information visible will stimulate change. The fun part of this will be to notice what changes occur all around you out of this simple initiative, in your company and your vendors.

In my next column, I'll talk about what you might do to enhance performance within the receiving department.

Let's talk about opportunities for change in your area. Together we can begin to make a difference. You can reach me at coach@warehousecoach.com, or call me at 1-503-296-7249.