

# Vendor Evaluation Strategy For Organization Performance

## Training Methodology

- Trainer-led presentations and discussions
- Group activities and problem-solving
- Knowledge checks, Q&A and experience sharing
- Practical action planning for workplace application



## HYBRID TRAINING

16 & 17 Dec 2026 (Wed & Thu)



Remote Online Training (Zoom) &



Dorsett Grand Subang Hotel,  
Selangor (Physical)

**\*\* Choose either Zoom OR Physical Session**

## Objectives

1. Understand the strategic role of vendor evaluation in organizational performance.
2. Apply effective vendor selection criteria, KPIs and supplier scorecards.
3. Measure and analyse vendor performance, costs and performance gaps.
4. Evaluate vendors using Total Cost of Ownership (TCO) and key performance factors.
5. Identify and manage vendor risks and supply disruptions.
6. Conduct effective vendor performance reviews and business review meetings.
7. Develop corrective actions and Vendor Improvement Plans (VIP) for underperforming vendors.
8. Develop a practical Vendor Evaluation Strategy and Scorecard aligned with organizational objectives.



**100% HRDC CLAIMABLE**

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**REGISTER 3 PAX, FREE 1 SEAT**

**14 hours ZOOM & PHYSICAL Program**

# COURSE OVERVIEW

## Overview

This two-day programme equips participants with practical strategies for vendor evaluation, performance measurement and continuous improvement. It covers vendor criteria, KPIs, scorecards, risk, cost, quality, delivery and compliance, while providing practical tools to identify underperforming vendors, conduct performance reviews and develop Vendor Improvement Plans (VIP) to enhance overall organizational performance

## Target Audience

- Procurement Officers and Executives
- Purchasing Officers and Executives
- Buyers
- Strategic Sourcing Professionals
- Procurement Managers
- Purchasing Managers
- Supply Chain Professionals
- Contract and Commercial Managers
- Category Managers
- Vendor/Supplier Management Professionals
- Operations and Materials Management personnel involved in supplier negotiations
- Professionals who regularly negotiate prices, contracts, delivery terms, specifications, or supplier performance

# COURSE CONTENT

## DAY 1 – Vendor Evaluation Fundamentals & Performance Measurement

### Module 1: Strategic Role of Vendors in Organizational Performance

- Vendor vs. strategic supplier
- Role of suppliers in the supply chain
- Impact of vendors on:
  - Cost
  - Quality
  - Delivery
  - Production continuity
  - Customer satisfaction
  - Compliance
  - Business reputation

### Module 2: Vendor Selection & Evaluation Framework

- Vendor evaluation lifecycle
- Pre-qualification and vendor screening
- Key vendor evaluation criteria
- Technical capability
- Financial capability
- Capacity and production capability
- Quality management
- Delivery capability
- Service and responsiveness
- Regulatory and compliance requirements

### Module 3: Developing Vendor Evaluation Criteria

- Weighting methodology
- Mandatory vs. desirable criteria
- Qualitative vs. quantitative evaluation
- Scoring methodology
- Avoiding subjective vendor evaluation

### Module 4: Vendor Performance KPIs

Key supplier KPIs:

Cost

- Price competitiveness
- Cost reduction
- TCO
- Price variance

Quality

- Defect rate
- Rejection rate
- Customer complaints
- First-pass acceptance

Delivery

- On-Time Delivery (OTD)
- Lead-time adherence
- Delivery accuracy
- OTIF – On Time In Full

Service

- Response time
- Complaint resolution
- Technical support
- Communication effectiveness

Compliance

- Documentation accuracy
- Regulatory compliance
- Audit findings
- Contract compliance

### Module 5: Vendor Scorecard Development

- Designing a Vendor Performance Scorecard
- KPI weighting
- Rating scales
- Scoring vendors objectively
- Red/Amber/Green classification
- Vendor ranking
- Performance trend analysis

### Module 6: Vendor Performance Analysis

- Analysing vendor performance trends
- Identifying recurring problems
- Pareto analysis – 80/20 principle
- Root Cause Analysis
- 5 Why Analysis
- Fishbone/Ishikawa analysis
- Corrective and Preventive Action – CAPA
- Vendor performance dashboards

# COURSE CONTENT

## DAY 2 – Vendor Performance Improvement, Risk & Strategic Management

### Module 7: Total Cost of Ownership (TCO)

- Purchase price
- Freight and logistics
- Duties and taxes
- Quality failures
- Rework and rejection
- Inventory holding cost
- Expediting cost
- Administrative cost
- Downtime and disruption
- Hidden supplier costs

### Module 8: Vendor Risk Management

- Identifying supplier risks
- Supply disruption risk
- Financial risk
- Quality risk
- Capacity risk
- Geographical risk
- Logistics risk
- Compliance/legal risk
- Single-source dependency
- Business continuity risk

### Module 9: Managing Poor Vendor Performance

- Identifying underperforming suppliers
- Vendor escalation process
- Performance improvement meetings
- Corrective Action Requests – CAR
- Supplier Corrective Action Request – SCAR
- Vendor Improvement Plan – VIP
- Setting improvement targets
- Monitoring corrective actions
- When to retain, develop, suspend or replace a vendor

### Module 10: Vendor Performance Review & Supplier Relationship Management

- Monthly / quarterly vendor reviews
- Supplier Business Review meetings
- Preparing vendor performance reports
- Communicating performance gaps

- Negotiating improvement commitments
- Strategic supplier relationship management
- Partnership vs. transactional relationship
- Continuous improvement with key vendors

### Module 11: Contract & Compliance Performance

- Linking vendor KPIs to contracts
- Service Level Agreements – SLA
- Key contractual performance requirements
- Penalties and service credits
- Warranty and claims management
- Confidentiality and ethical requirements
- Supplier code of conduct
- Audit rights and documentation

### Module 12: Building a Vendor Evaluation Strategy – Case Study