

# The supplier selection process

[Business](#), [Management](#)



While selecting and discussing with suppliers, you have to consider various distinctive elements. How you weigh up the significance of these diverse variables will depend upon your business needs and methodology (Bromlow, 2009). In this paper, we will discuss what we need in a supplier, recognize potential suppliers and select your suppliers. It will likewise show us to manage relationships with suppliers and negotiate the most ideal arrangement.

## **What you should search for in a supplier**

There are various key attributes that you should search for when selecting and short listing possible suppliers (Unknown, n. d.).

### **Quality and consistent**

The nature of the supplies should be steady – clients connect low quality with the company, not the suppliers. Similarly, if your supplier provides late delivery or damaged supplies, you may disappoint your client. Speed and flexibility Adaptable suppliers enable you to react rapidly to changing client requests and sudden crises.

### **Value for money**

The most minimal cost isn't generally the best value for money. If we want consistency and quality from our suppliers, we'll need to choose the amount we're willing to pay for our provisions and the balance we need to strike between cost, dependability, quality and service.

Strong service and clear correspondence A company will require suppliers to deliver on time, or to be communicate promptly if we can't. The best

suppliers will need to converse with you routinely to discover what needs you have now and how they can serve you better later on.

### **Financial security**

It's constantly worth ensuring suppliers has adequately solid capital to deliver what you need, when you need it. A credit check will help assure you that they won't leave business when you require them most.

### **Negotiating with suppliers**

When we have chosen which suppliers we need to work with, we have to arrange terms. It's fundamental to design our strategy on paper before starting dialogues. This will enable us to set objectives and work out where we will take a stand and walk out of the deal. Set out in writing the key facts of any arrangement you agree (Unknown, n. d.). Drawing up service level agreements with suppliers Service level agreements (SLAs) are understandings or contracts with suppliers that characterize the service they should give and the level of service delivery, and which likewise set out obligations and needs (Yahya, 2012) SLAs themselves are legally binding commitments and are frequently incorporated with an agreement as at least one clause or as a whole. SLAs can be utilized as a part of any supplier where a service is being given. If the suppliers neglect to meet the agreements, SLAs normally covers for reparations, ordinarily as refunds on service charges.

### **Case scenario**

What supplier would you select? As a Procurement Analyst, I would select Supplier C. What is your rationale for your election? As discussed above, a

supplier need to have several attributes like quality, reliable, speed, flexible, financial secure among other things. Based on data provided, Supplier C contains most of the key features. For example, one critical issue is within vicinity. In procurement, delivery is paramount, therefore, the proximity of the supplier matters most. The near the supplier, the higher chances of prompt services and the minimal the cost. Dealing with distant suppliers might mean longer delivery times and extra costs. What supplier would you select if your company's factors changed to price and quality? Would your election change? If our company's focus is on price and quality, we would definitely select supplier A. One key of selecting a supplier is affordability. However, cheap does not always represent the best value for money. But if the quality is great, these two features may enhance a company's reputation hence maximizing profits. Supplier A indicates low pricing and high quality services hence an attractive option.

Supplier selection is the procedure by which companies identify, evaluate, and contract with suppliers. The supplier selection process uses a significant amount of a company's financial resources. In return, companies anticipate substantial profits from contracting with suppliers presenting high value.