

Supplier Quality

Solution for Supplier Quality Management

How long and geographically varied is the supply chain you are responsible for? Are you struggling to evaluate your suppliers and determine which ones to work with? Pilgrim's Supplier Quality Management solution has the keys to help you address your supplier selection, management and performance monitoring issues. Pilgrim's solution helps you qualify and assess a supplier based on your definition of Risk, tier, amount and type of exposure, any kind of parameters that are relevant to the types of products they provide you, the country from which they supply your business, to the categorization required by your business needs. The solution allows you to monitor supplier performance, manage your supplier quality information, and measure the cost of supplier quality effectively. Pilgrim's Supplier Quality solution features:

- *Supplier Qualification*
- *Supplier Audits*
- *Closed-loop Supplier NCMR and CAPA Process*
- *Supplier Deviation Requests*
- *Engineering Change Requests and Documentation Sharing*
- *Online Reporting with Supplier Analyses*
- *and, Supplier Performance with Supplier Ratings and Scorecard.*

Supplier Qualification & On-boarding

Quality of a finished product depends on the quality of the raw materials and the process capability of your entire supply chain. Choosing suppliers who can be engaged during the design phase of the product development lifecycle is where quality starts. Supplier qualification is critical to the success of an organization, to find the right partner across many business elements beyond pure cost. Finding a supplier is only the beginning of the process; you need to define a repeatable process

to find additional suppliers and to maintain healthy relationships. A universal supplier qualification process involving teams from different areas (Quality, Business, Product, Support, Purchasing and Finance) will help determine the total value of the supplier and their potential risks, and address the complexity of supplier qualification at strategic levels. Pilgrim's Supplier Quality solution allows you to define a repeatable supplier selection process by developing checklists that need to be responded to by each department when assessing a new supplier, then routing the information for approval. When the supplier is "approved," the system then can move them to an Approved Supplier List (ASL). Centralized supplier profile information with all data regarding certifications, documents, audits and ratings can be maintained and accessed easily over the internet. Implementing an effective and repeatable supplier qualification process is critical to delivering a high quality, appropriate cost and innovative solution where suppliers may be leveraged from anywhere in the global market. The process not only can apply to suppliers, but also to qualify new parts from a supplier, new distributors, new contractors, etc.

Risk-Based Scheduling and Supplier Audit

Once a supplier is qualified, that supplier has to be managed and maintained based on the risk identified during the qualification process and "learned" through the life cycle of the product. Pilgrim's risk-based scheduling functionality allows categorization of suppliers based on user-defined criteria such as parts supplied, previous audit results, repeated issues, corrective actions, etc. A Risk Priority Number can be

Supplier Risk can be calculated and analyzed from multiple sources



Supplier Risk should feed Audit Schedule analysis



generated from the data to determine the frequency of supplier audits and the team to audit the supplier. Pilgrim's auditing capabilities can be used to ensure that suppliers meet established product and process quality requirements. The solution most importantly provides a vehicle to benchmark your suppliers' performance on an ongoing basis. With instant visibility into audit schedules, status and summaries, you can more easily identify trends to help you make the right decisions for your business. Supplier Quality also ensures you are achieving and maintaining compliance with industry, GMP and other regulatory requirements and driving ongoing performance.

Supplier Inspections

Pilgrim's Inspection Management solution streamlines in-process and supplier inspection processes within your organization. Pilgrim's solution enables you to reduce time and labor associated with inspection, while maintaining the highest standards of quality. Built-in sampling plan and skip lot functions can be used while inspecting the incoming and in-process materials. Inspection Management seamlessly integrates with customers' ERP systems to fill the quality gap throughout the manufacturing process. Eliminating duplicate/manual purchasing and receiving information between Inspection Management and the ERP system reduces data redundancy and increases data stability.

Detail	Criteria	CheckList	Document	Equipment											
<input type="checkbox"/>	No	Type	Characteristics	Nominal	Unit	Criticality	Tolerance (+)	Tolerance (-)	AQL	Small Size	Reject	Accept	Max Reject	Result	
<input type="checkbox"/>	1	Variable	LENGTH	10	cm	HIGH	1	1	1,000	13	1	12	1	4_Fail	Data
<input type="checkbox"/>	2	Attribute	OUT OF DIMENSIONAL TOLERANCE	0		VERY HIGH			1,000	13	0	0	1	4_Fail	Data
<input type="checkbox"/>	3	Attribute	WIRING	0		HIGH			1,000	13	0	0	1	4_Fail	Data

Closed-loop Supplier NCMR & CAPA Process

Through a closed-loop Nonconforming Material Report (NCMR) and CAPA process, Pilgrim Software's Supplier Quality solution helps you control your external suppliers and reduce the cost of supplier errors, including late deliveries, defective raw materials and wrong orders. It identifies and tracks supplier-triggered nonconformances and corrective and preventive actions status, and electronically transmits CAPA requests (SCARs) and responses via email or through a supplier-specific website. It also features an electronic material review board (MRB) process to ensure swift disposition and action on defective materials. Suppliers also can be set up with access to their own performance data so they have first-hand information on how well they are doing. The result is a significant reduction in raw materials defects and costs related to scrap and rework.

Supplier Deviation Request

Pilgrim's Event management platform can be used to allow a supplier to access the customer's supplier portal environment within the solution. The suppliers can request a deviation to the published manufactured product specifications, if the deviation will not harm form, fit or function of the intended use of the product, before the potentially nonconforming products are shipped. This advance notification allows for customers to know the existence of the potential non-conformity and determine if the requested deviation can be accepted or not. If not accepted, the customer can inform the supplier of the required disposition. This approach will not only save time and money from bad products being shipped, but also improves supplier, customer collaboration and cooperation leading to higher quality products being shared between supplier and customer. The customer also can realize a reduction in inspection costs by knowing such approved deviations exist within the incoming inspection and product dispositioning process.

Engineering Change Requests Documents

Pilgrim's solution allows you to electronically share, engineering changes that are made current, whether they be temporary or permanent changes, thus allowing the supplier to incorporate the required changes promptly. Furthermore, suppliers may also use this vehicle to propose changes to the product design (or process design) to make the manufacturing process easier, potentially lowering manufacturing costs and boosting quality or output for the same effort being input.

Critical Document Sharing and Uploading

Pilgrim's Document Management solution offers the security of a supplier portal that can be leveraged to share supplier specific documents. Suppliers can see and access the newly issued material specification/ recipes, SOPs, Revised SOPs, Newly Released Engineering Drawings and Revised Drawings. Sharing this required information electronically reduces the cost of such documents being shared in hard copies, and most importantly, eliminates the chance of wrong versions being used by the supplier when producing the required products. The solution portal also can allow suppliers to upload supporting documents and evidences such as Certificate of Analysis & Pre-incoming Inspection Reports for approval before they ship the materials.

Online Reporting and Supplier Analyses

Pilgrim's out-of-the-box analytical capabilities include multi-tiered Pareto Analysis reports to help you drill down on a problem area related to your supplier base. These capabilities help you select and maintain the

most cost-effective and highest quality suppliers. By managing a smaller, more qualified supplier base, you can leverage your purchasing power across your enterprise and reduce your total purchasing costs. The reporting tool has the capability to download Receiving, Manufacturing and Shipping information through tight integration with ERP & MRP systems to analyze the data from a single portal.

Online Performance and Trend Detection

Pilgrim's Supplier Quality solution provides online access to complete historical information on each supplier including audit ratings, supplier ratings, materials certification, receipt, inspection results, nonconformances, corrective and preventive actions, and supplier contacts. These reporting capabilities provide management with instant visibility into critical issues such as daily and monthly supplier quality trends. Pilgrim's Supplier Quality solution lets you create user-defined formulas on quality, delivery, service, quantity,

costs and audit results. Unique supplier ratings also can be configured for different sites within your organization. As a result, problem areas are detected and trends are identified so that you can make the right supplier decisions for your business.

The Integrated Compliance Platform

Pilgrim's Supplier Quality solution is a fully integrated part of Pilgrim's integrated Enterprise Risk, Compliance and Quality Management (ERCQM) platform for managing corrective and preventive actions, complaint handling, internal and external audits, document control, SOP enforcement, change management, advanced quality planning (AQP), engineering collaboration, employee certification and training, equipment/calibration, supplier quality management and risk management. This powerful solution enables you to manage quality and compliance across your entire business, helping you meet industry and regulatory requirements, increase efficiency and reduce costs.

Capabilities	Benefits
Audits	
Audit library benchmarks performance against industry and regulatory criteria	Reduce risk of noncompliance
Audit programs reduce schedule conflicts and ensure that audits are done correctly and on time	Improve audit efficiency, ensure audits are completed, and reduce audit cost
Follow-up audits improve audit efficiency and reduce cost	Improve quality levels
Material Inspections	
Integration with ERP/MRP	Ability to download material purchasing/receipt information from ERP
Inspections	Define product characteristics to be inspected, inspection switching rules and skip lot functions
Sampling Plans	Sample Plan definition with AQLs to manage inspection sample sizes
Nonconformances (Defects)	
Disposition and Root Cause	Track NCMRs, disposition and perform root cause analysis on supplier-related problems
Traceability	Reference NCMRs for traceability purposes and Product Release
Material Review Board (MRB)	Initiate MRB for critical nonconformances to expedite disposition decisions

CAPA	
Corrective and Preventive Actions	Monitor closed-loop CAPA tracking based on failed inspections and NCMRs found during manufacturing process or customer-driven
Reviews	Define CAPA follow-up review to ensure that the corrective and preventive actions were effective
Deviation	
Deviation Request and Disposition	Allow suppliers to request for a known deviation before the products can be shipped, thus reducing the nonconforming products reaching the customer dock
Engineering Change Request	
Request and Disposition	Improve product change communication between customer and supplier
Document Sharing	
Distribution and Access On-line	Access document content on-line thus reducing the cost of paper copy distribution and wrong versions being used by the supplier
Reports & Analysis and Scorecard	
Supplier Rating	Calculate configurable supplier rating against service and quality, and then compare suppliers
Approved Supplier List	Generate approved supplier list based on supplier rating and supplier audit for purchasing decisions
Score Card Report	Score and report by supplier rating period is used to score supplier quality
Manager Console	View all tasks needing completion and follow-up

United States

2807 W. Busch Blvd. • Tampa, FL 33618 • tel. (813) 915-1663 • fx. (813) 915-1948
www.pilgrimsoftware.com • sales@pilgrimsoftware.com

Europe

Olympia 1A & B • Hilversum, 1213NS • The Netherlands • tel. +31 (0)35 6950959
fx. +31 (0)35 6783856 • www.pilgrimsoftware.com • emea@pilgrimsoftware.com