

**Unit of Competency****Functional Area: Sales and Merchandising**

Title	Evaluate suppliers
Code	105323L5
Range	This unit of competency is applicable to practitioners in the import and export industry to evaluate the supplying ability of suppliers and select reliable suppliers.
Level	5
Credit	7 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> <li>1. Possess knowledge of supplier evaluation <ul style="list-style-type: none"> <li>• Describe the 7Cs of supplier evaluation, (i.e., (1) competence, (2) capacity, (3) commitment, (4) control system, (5) cash resources and financial stability, (6) cost, and (7) consistency)</li> <li>• Use a wide range of skills to conduct field visit</li> <li>• Use a wide range of techniques to create supplier visit form</li> </ul> </li> <li>2.1. Prepare for supplier appraisal <ul style="list-style-type: none"> <li>• Identify the situation to conduct supplier appraisal by considering such factors as purchase of high risk items, purchase expensive items, purchase non-standard items, negotiate outsourcing contracts, establish long-term strategic suppliers</li> <li>• Identify the supplier requirements by considering the 7Cs factors</li> </ul> </li> <li>2.2. Conduct field visit <ul style="list-style-type: none"> <li>• Arrange visit to potential suppliers to confirm information provided by suppliers, discuss the products offered, resolve uncertainties and problems, and establish personal relationship</li> <li>• Visit the suppliers to sense the attitudes of their staff members</li> <li>• Observe the equipment and facilities of the plants to indicate their capacity, equipment maintenance, capability to meet the buyer's requirements</li> <li>• Observe the general appearance of the plants to indicate their capability of planning and control</li> <li>• Chat with their supervisors to indicate their technological know-how</li> <li>• Chat with their designers, researchers, and technical staff to indicate their adoption of latest technology</li> <li>• Observe the inspection methods to indicate their product quality</li> </ul> </li> <li>2.3. Rate suppliers <ul style="list-style-type: none"> <li>• Determine assessment criteria</li> <li>• Prepare quantitative or qualitative supplier rating form</li> <li>• Provide rate on new and/or existing suppliers</li> <li>• Calculate final score and rank suppliers</li> <li>• Compare results and select suppliers</li> </ul> </li> <li>3. Evaluate suppliers <ul style="list-style-type: none"> <li>• Critically evaluate performance of suppliers on such factors as price, product quality, and delivery service</li> <li>• Use objective information to select suppliers</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of preparing for supplier appraisal</li> <li>• Capable of conducting site visits</li> <li>• Capable of providing rating and ranking suppliers</li> <li>• Capable of evaluating suppliers</li> </ul>
Remark	