

Supplier Evaluation Metrics Information (SEMI)



MSS upgraded our supplier management program in 2008 by introducing the MSS Supplier Evaluation Metrics Information (SEMI). The new program is applied to all MSS Primary Suppliers across North America. SEMI was implemented to:

1. Establish higher standards, tougher metrics criteria a consistent scorecards for performance
2. Measure and report Supplier performance
3. Demand demonstrable continuous improvement as reflected in SEMI scores
4. Build-in true accountability via real consequences for compliance or non-compliance

Opportunity

A premier, dedicated Supplier network committed to MSS and our customers has always been a significant differentiator for MSS. This was historically achieved through long standing relationships with the best quality Suppliers in the industry. While MSS has consistently measured Network performance using a variety of key performance indicators, we decided continued success required a comprehensive review of our methodology.

MSS seized an important opportunity to enhance these efforts by applying strict accountabilities and leading best practice vendor management principles. More than ever, our deliberate, strategic expansion of primary suppliers requires a level playing field where success with MSS is measured by actual performance and daily results.

Innovation

SEMI's central innovation is a focus on Supplier compliance to *specific daily actions* in addition to traditional financial, customer-driven and MSS-internal service metrics (e.g. schedules, claims, surveys, internal feedback, etc.). Embracing vendor management best practices, SEMI offers Suppliers recognition and rewards, including the opportunity to gain favorable work share and "Preferred" Supplier status. SEMI uniquely offers our Network the opportunity for favorable pricing and speed-to-pay incentives for high performing suppliers who reach and sustain consistent top level SEMI scores.

Results

SEMI scores encompass Quality Control measurements from their back-office activity to their performance in the field. MSS is encouraged by the results of SEMI performance improvements to date:

2008 – 2009 SEMI Improvement Results		
Job Confirmation Receipt	Increased 11.6%	↑
Schedule Receipt	Increased 26.5%	↑
Claim Frequency / Cost	Decreased 7.8%	↓
Overall Average SEMI Score	Increased 11.9%	↑
Number of Top Level Suppliers	Increased 53.5%	↑
Overall Transferee Satisfaction	Increased 4.1%	↑
SEMI precipitated the removal of 14 Suppliers due to poor performance		