

‘A Case Study of Applying Supplier Evaluation and Selection in Buyer Sourcing: A Thailand Garment Company’

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Abstract – This project is a case study to apply a supplier evaluation and selection model to the buyer sourcing in a garment company in Thailand (ABC Company). Supply is an integral part of a supply chain. Suppliers have to be selected carefully, as they can have a very positive or a very adverse impact on the overall performance of the organization. Currently, the company selects its suppliers by experience; the company lacks a method to support these judgments. Moreover, ABC Company is facing several problems which come from the suppliers such as quality, lead time of development and cost.

Based on the supply base management concept in terms of supplier relationships, this concept can be linked with the ideas of relationship and performance. To have a close relationship with suppliers, can lead to benefits and help to increase the company's performance. Moreover, the number of suppliers in the supply base is the one important issue, and their condition and qualification has to become the best. Van Weele (2000, p.144) claims that the issue of “what conditions and qualifications the best-in-class suppliers should meet” is an important question in supply base management, thus highlighting management of supply performance as a key issue. The supplier evaluation and selection method should be adapted to the company for finding the right suppliers so that the company can build the relationship at a strategic level rather than just a transactional level. The methodology in this case study for collecting the data and information is a mixed approach. The data collection involves capturing numeric as well as textual information. In other words, both quantitative and qualitative methods are employed. To select the method of supplier evaluation and evaluation, several studies were reviewed, for this case study, and the model of Teng and Jaramillo (2005) was selected for simulation. There are 267 existing suppliers of

the ABC Company, divided into fabric suppliers, accessories, sub-contract (embroidery and printing), finished goods and sub-contract (finished goods). The greatest spending cost is the fabric category as 50 percent of product parts are in this category and thus it is the initial group in which to implement improvement. The score is calculated by using an equation with general application, such as Microsoft Office Excel. The supplier who gets the highest score for total performance will be selected as a key supplier for improvement in supplier performance and development in the supplier relationship program.

Keywords – Supplier Evaluation, Supplier Selection, Supply Chain Management, Supply Base Management, Garment Industry.

Paper type – Case Study (Graduate project)

