

## **APPENDIX D**

### **Firm C Supplier Evaluations**

Firm C motivates its lower tier suppliers to join the supplier development program through the supplier evaluations. It evaluates its lower tier suppliers every month. Its evaluation is based on 2 criteria, which are quality and delivery. The total score is assigned 100 points for each and it can be graded as followings:

Grade A is defined as a very good performance, which the supplier must achieve scores during 100–90 points.

Grade B is defined as a good performance, which the scores are fallen during 89–75 points.

Grade C is defined as a medium performance, which the scores are fallen during 74–50 points.

Grade D is defined as a poor performance which the supplier must urgently improve its performance, which the scores are less than 49 points.

Each supplier must achieve the minimum scores of both quality and the delivery in every month. The minimum scores that each lower tier must achieve in terms of quality are not less than 75 points or grade B. The details of quality evaluation consist of 4 parts, which are defective rate, report of parts corrections, revisions and preventions, and cooperation in productions. On the other hand, the minimum scores that each lower tier must achieve in terms of delivery are 100 points or perfect scores. The details of delivery mainly consist of on-time delivery, packing, tag, documentation, and damage from the delivery. If any lower tier supplier fails to achieve the minimum scores of both consecutively 2 months, it will be seriously determined not to be given new orders or not to be employed in cooperating parts productions. Thus, the evaluation is used to stimulate lower tier suppliers in order to eager them to join the supplier development programs. Furthermore, the way firm C evaluates its suppliers, it strengthens the result from the survey that the most two important purposes of technology transfer are for the quality and on-time delivery of parts productions of lower tier suppliers.

### Evaluations of Quality by Firm C

Part 1: Quality of parts production measured by pieces per million (PPM)

Rank	Pieces per million (PPM)	Scores
1.	50	40
2.	51-60	30
3.	61-70	20
4.	71-80	10
5.	More than 80	0

Part2: Report of parts corrections<sup>1</sup>

Rank	Details	Scores
1.	All reports are submitted and on time	20
2.	All reports are submitted, but some of them are delayed.	10
3.	There are some reports submitted and delayed.	5
4.	No report is submitted.	0

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<sup>1</sup> If the parts produced by lower tier are defective or do not meet the requirements, the lower tier must submit the report why and how to correct errors on-time.

## Part 3: Revisions and preventions

Rank	Details	Scores
1.	Problems in productions can be completely eliminated and prevented.	20
2.	Re-entry of problems, but take place in different month.	10
3.	Re-entry of problem, but take place in the same month.	5
4.	Problems cannot be eliminated and prevented. They always frequently take place.	0

## Part 4: Cooperation in parts productions

1	5	10	15	20
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The total scores are calculated by part 1+2+3+4 = \_\_\_\_\_ scores

### Evaluations of Part Delivery by Firm C

Rank	Details	Total scores	Scores
1.	No default of the delivery affecting to stop running machines.		
	1.1 No default affecting to running machines of automakers	5	
	1.2 No default affecting to running machines of the company	5	
2.	Delivery		
	2.1 On-time delivery	10	
	2.2 Accurate amounts	10	
3.	Quality of packing	10	
4.	Claiming on defective parts	10	
5.	Tag		
	5.1 Classifications of tags	10	
	5.2 Accurate tags	10	
6.	Documentation		
	6.1 All necessary documents enclosed in deliveries such as bills	10	
	6.2 Documents are submitted on-time	10	
7.	Damage from delivery	10	