SUPPLIER SELECTION
PROCESS SHARING

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AGENDA

- Quick Intel Introduction
- Supplier Selection Process
- Common Areas for improvement
Intel Vietnam Factory

- Approximate 1014 EEs;
- Largest Assembly & Test factory in Intel worldwide network;
- In production for 4+ years, increasingly more complex technologies;
- Produced over 300Mu to date and increasing;
- Local workforce is progressing in leadership and technical development pipelines.

Intel’s Vision: If it is smart and connected, it is best with Intel.
What is Assembly & Test?

- **Fab**
- **Sort**
- **Assembly**
- **Test**

**Assembly** – Singulate die & incorporate into a package

**Test** – Burn-in & test the package to ensure quality
SUPPLIER SELECTION PROCESS

1. SUPPLIER NEED IDENTIFIED

2. SELECTION TEAM FORMED

3. ESTABLISH SELECTION CRITERIA

4. REQUIREMENTS DEFINITION AND MEASUREMENT PLAN

5. LEGAL AGREEMENT AS NEEDED (CNDA, IP)

6. SUPPLIER ANALYSIS
   - Quality
   - Technology
   - Productivity
   - Process control
   - World-wide cost competitiveness
   - Environmental Social Governance
   - Innovation/new ideas
   - Financial stability
   - Delivery predictability/reliability
   - Service
   - Management philosophy
   - Training programs

7. RISK ASSESSMENT

8. FINAL SELECTION APPROVAL

9. SUPPLIER DEBRIEF
   SELECTION POST-MORTEM

Intel Supplier Intake Tool_ [https://supplier.intel.com/](https://supplier.intel.com/)
SUPPLIER SELECTION PROCESS

1. Supplier need identified
2. Selection team formed
3. Establish selection criteria
4. Requirements definition and measurement plan
5. Legal agreement as needed (CNDA, IP)
6. Supplier analysis - Technology, Quality, Availability, Cost, Service, Resourcefulness, Diversity, Product Safety and Regulatory Capability
7. Risk assessment
8. Final selection approval
9. Supplier debrief

Selection post-mortem

Depending on specific requirements of each commodity, the process is utilized differently.
Supplier selection is conducted to respond to:

- New material required
- Certain business scenarios
- Strengthen supply base
Team members:

- Commercial (Purchasing & Finance)
- Technical (User/Engineer);
- Quality (Material engineer/QRE);
- Other departments (if needed).

Intel code of conduct requires all team members must disclose any potential conflict of interests prior to participating supplier selection team.
To determine the most critical parameters to select/qualify suppliers. These parameters include, but not limited to:

- Safety/Environmental Health
- Total Cost of Ownership
- Quality
- Technical Capability
- Availability
- Service/Support
SUPPLIER SELECTION PROCESS_con’t

• Develop a “Scope of Work” which clearly identifies material performance level to be met/delivered by supplier.

• A measurement plan how to access or evaluate must be also defined in this step.
SUPPLIER SELECTION PROCESS_con’t

- Corporate Non-Disclosure Agreement must be signed between Intel and Supplier before exchanging information.
- Depending on the complexity of the material, Intellectual Property Agreement might be required to be signed as well.
SUPPLIER SELECTION PROCESS _con’t

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- Request For Information (RFI)
- Request For Quote/Proposal (RFQ/RFP)
- Final Evaluation/Ranking
SUPPLIER SELECTION PROCESS_con’t

• Identify any significant gaps between existing supplier capability and readiness vs. specified requirements.

• A “Gap Closure Plan” must be generated as part of the final selection decision (if any “gap” identified).

• Proper planning and resource allocation must be done to ensure that the selected supplier will be successful.
Supplier Selection Team must prepare a presentation to the appropriate governing body for final selection ratification.
The Supplier Selection Team is responsible for debriefing all suppliers not selected.

- Explanation of the results of performance tests.
- Provide objective feedbacks to supplier.
- Give the supplier an opportunity to provide feedback regarding Intel’s selection process.
COMMON AREAS FOR IMPROVEMENT

- Lack of and/or fragmentary operation/control system across supplier’s supply chain / QOS
- Gap between Commitment and Delivery
- Short term gain vs. Long term win approach
- Lack of LEAN practices
- Safety standard/safety behavior
- Fair and Transparency competition
- English communication limitation
Thank You!