



SUPPLIER SELECTION PROCESS SHARING

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Intel Products Vietnam
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AGENDA

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



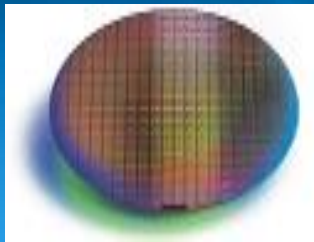
Intel Vietnam Factory



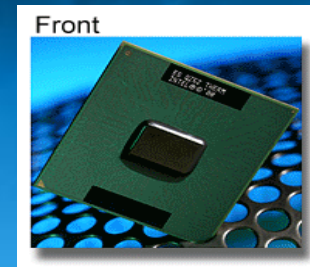
- Approximate 1014 EEs;
- Largest Assembly & Test factory in Intel worldwide network;
- In production for 4+ years, increasingly more complex technologies;
- Produced over 300Mu to date and increasing;
- Local workforce is progressing in leadership and technical development pipelines.

Intel's Vision: If it is smart and connected, it is best with Intel.

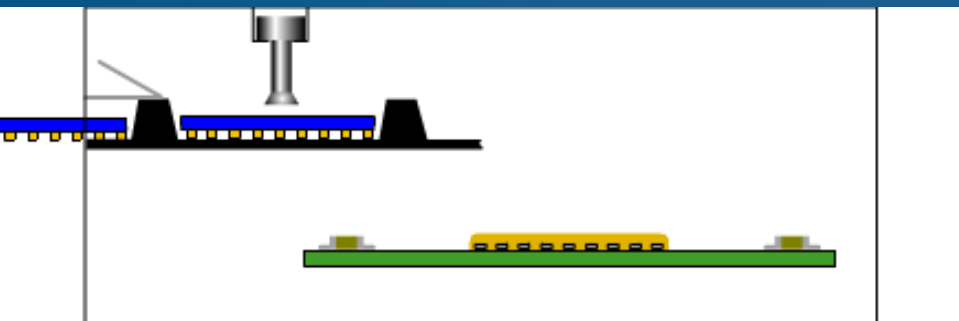
What is Assembly & Test?



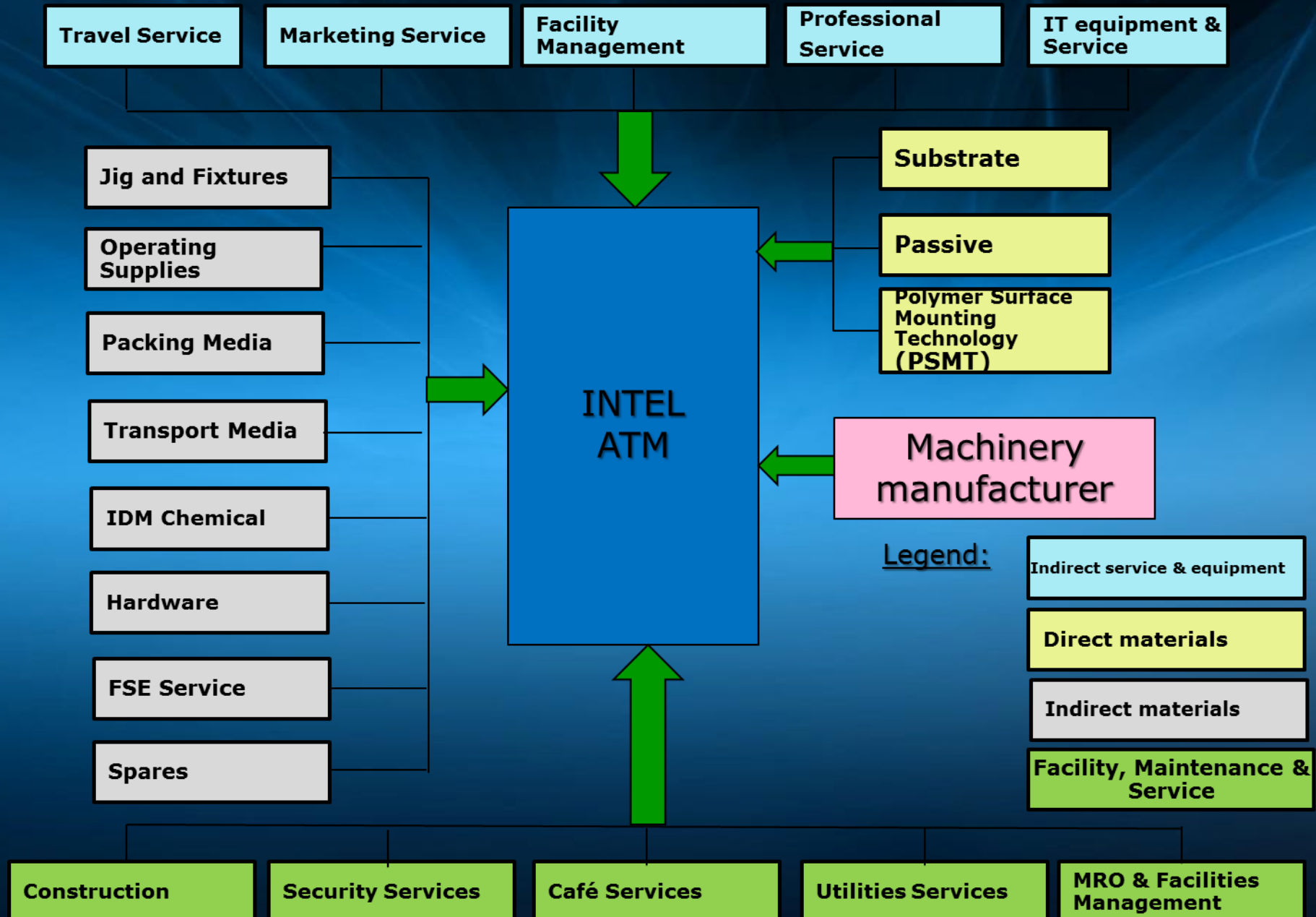
Assembly – Singulate die & incorporate into a package



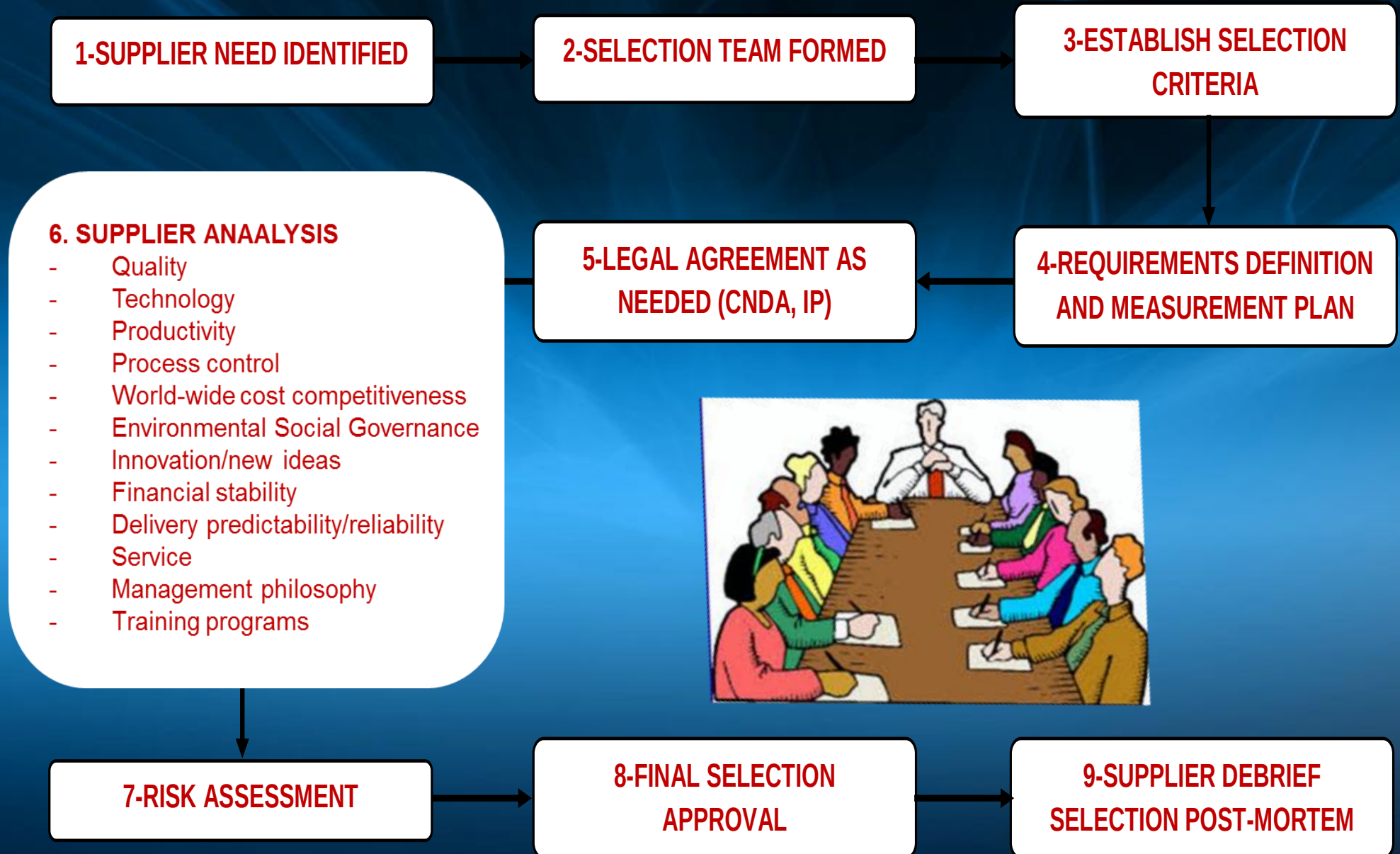
Test – Burn-in & test the package to ensure quality



WHAT WE NEED FOR OUR FACTORY



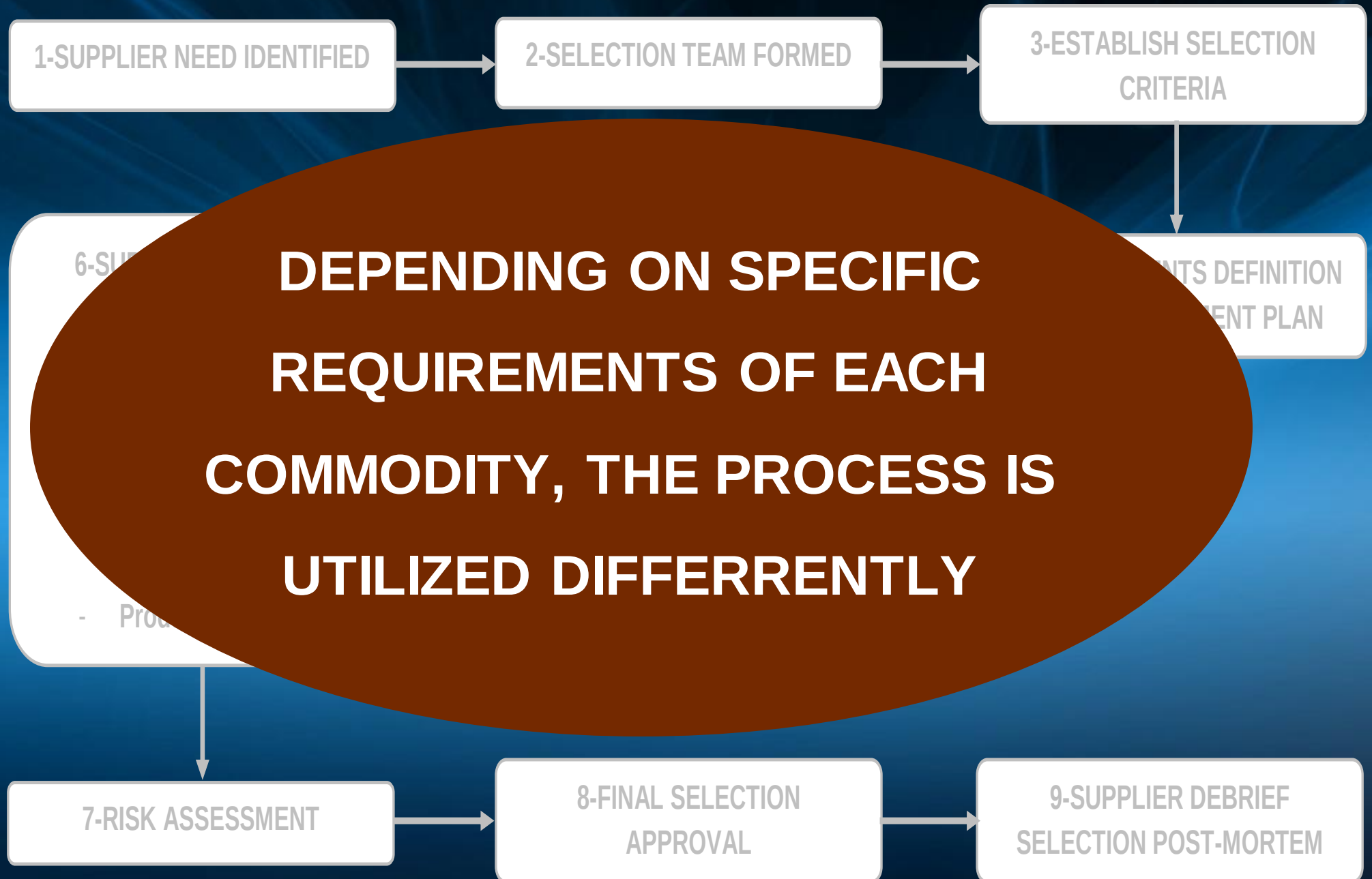
SUPPLIER SELECTION PROCESS



Intel Supplier Intake Tool_ <https://supplier.intel.com/>



SUPPLIER SELECTION PROCESS



SUPPLIER SELECTION PROCESS_con't



1-SUPPLIER NEED IDENTIFIED

Supplier selection is conducted to respond to:

- New material required
- Certain business scenarios
- Strengthen supply base



SUPPLIER SELECTION PROCESS_con't



Team members:

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

2-SELECTION TEAM FORMED



Intel code of conduct requires all team members must disclose any potential conflict of interests prior to participating supplier selection team.

SUPPLIER SELECTION PROCESS_con't



To determine the most critical parameters to select/qualify suppliers. These parameters include, but not limited to:

3-ESTABLISH SELECTION CRITERIA

- [] Safety/Environmental Health
- [] Total Cost of Ownership
- [] Quality
- [] Technical Capability
- [] Availability
- [] Service/Support



SUPPLIER SELECTION PROCESS_con't



4-REQUIREMENTS DEFINITION AND MEASUREMENT PLAN

- 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



**5-LEGAL AGREEMENT AS
NEEDED (CNDA, IP)**



- **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.**

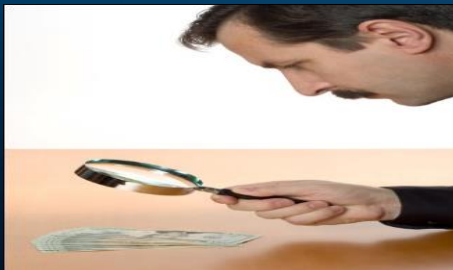
SUPPLIER SELECTION PROCESS_con't

Name of Supplier / Item Supplied	Impact on Quality	Impact on Cost	Impact on Delivery	Impact on Innovation	Total Score
Eco-Paper Environmental Papers Ltd / Printer & Paper	4	2	1	1	

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

- Request For Information (RFI)
- Request For Quote/Proposal (RFQ/RFP)
- Final Evaluation/Ranking



SUPPLIER SELECTION PROCESS_con't



7-RISK ASSESSMENT



- 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” indentified).
- Proper planning and resource allocation must be done to ensure that the selected supplier will be successful

SUPPLIER SELECTION PROCESS_con't

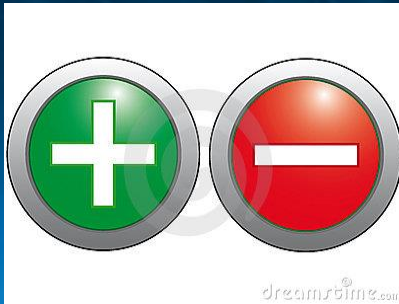


**8-FINAL SELECTION
APPROVAL**

**Supplier Selection Team must
prepare a presentation to the
appropriate governing body for
final selection ratification**



SUPPLIER SELECTION PROCESS_con't



9-SUPPLIER DEBRIEF SELECTION POST-MORTEM

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!



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