Successful Local Supplier Selection

Long PHAM – Nov 11th 2015
Schneider Electric, the global specialist in energy management and automation...

25 BEUR (Full Year 2014)

170,000 Employees

Diversified End Markets

Balanced Geographies
Employees: 500

Turnover: 30 m€

Key challenges:
- Rapid growth

Vocation:
- Products with labor intensif
- High volume & high mix
- Best-Cost Manufacturing
Molding Workshop

2005

7 molding machines

2011

26 molding machines

Challenges faced:

+ Not met the critical size of the molding workshop (competency, resources optimization)

+ Limited space for growth
Supplier Selection
(SSQM – Schneider Electric Supplier Qualification Management)

Schneider Electric requirements:
+ System (ISO 9K)
+ Meeting the quality requirement
+ Meeting the targeted cost

+ 4 Suppliers participated
+ Qualification team: local and regional (Purchasing, Supply Chain, Quality and Molding Experts)

Step 1:
Offer the business to 3 suppliers (by type of materials and type of products)

Step 2:
Consolidate into 2 main suppliers (based on quality and delivery performance….)
MIDA Performance

Quality (DPMe)

- Initial challenges:
  - Understand the specificity of our electrical plastic components
  - Adapt production planning to our changing demand

- What we have done:
  - Daily meeting to follow up issues (molds, parts quality)
  - Technicians to visit MIDA once a week
  - Quality Inspector permanently stationed at MIDA
  - Allocate Supply Chain resource at MIDA to work with production planning
Improvements

Quality tools (G8D)

Process Audit

Lean@Supplier (Cycle time optimization, Extended Value Stream Mapping, Mold Quick-Changeover)

Benchmark with suppliers in APAC (hourly rate)

ShouldCost tool
Improvements
Continuous improvement culture

Great collaboration
Life Is On | Schneider Electric

✓ Quality
✓ Delivery
✓ Productivity
✓ Competitiveness
✓ Corporation Social Responsibility
✓ Innovation
✓ Responsiveness
Global Supplier