

Appendix 6 - KPI and Supplier performance scorecard

Context

This supplier performance scorecard tool provides a high-level summary of the performance of the supplier across a number of key performance areas

This is linked to the 'KPI Template' and should contain the same KPI's defined when creating the KPI template.

The list of areas and KPIs in the 'Supplier Scorecard' tab of this tool can be changed to match the agency's requirements

Instructions

- 1 Open the 'Supplier Scorecard' tab and input the standard data at the top of the sheet relating to the supplier, contract, month that the review is happening and year.

Data to be completed →

Supplier name	Contract reference
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- 2 Identify and list all the KPIs to be measured for the supplier and change the data within the Area, KPI, Target and Purpose to reflect the KPIs that are to be measured for the supplier.

The KPIs, performance target, measurement and purpose can all be changed as the Agency requires. to change them, delete the data in the cells and enter in the new information →

Key performance indicator (KPI)	Performance target	Measurement	Purpose
Fit for purpose	Goods or services can be consumed with no rework x% of time	Count of goods/services received that are subject to rework	Rework adds cost to the business by consuming time and effort
Compliant to specification	Goods or services are provided to contracted specifications x% of time	Count of goods/services that are rejected as unsuitable for consumption	Rejection of goods/services adds cost to the business and may delay delivery of projects
In full	x% of goods or services are provided in correct volume/quantity	Count of orders that are received incomplete	Incomplete orders may add time and cost to delivery of projects
On time	x% of Goods or services are provided on date/time required	Count of orders that are received later than expected or required delivery time	Late delivery of orders or other deliverables may add time and cost to delivery of projects
Secure/no damage	Less than x% of goods/services are defective on receipt by	Count of orders that are received defective and unable to be used	Defective goods and/or services orders may add time and cost to delivery of projects

- 3 In the 'supplier scorecard' tab there is the table heading 'acceptable score'. Assign an acceptable target for the supplier to achieve in the cells below this heading for each specific KPI area

'Acceptable score' - a numerical value has to be added here that can be measured and tracked over the following months

Purpose	Acceptable score	Score this month
Rework adds cost to the business by consuming time and effort		
Rejection of goods/services adds cost to the business and may delay delivery of projects		

- 4 On a monthly basis record the suppliers score and compare it to the target to understand their performance

The 'variance from acceptable score' will automatically calculate based on the current month score and the target the supplier was set

Insert the numerical score the supplier has achieved in the relevant KPI →

Score this month	Variance from acceptable score	Trend
	0	↑
	0	↔
	0	↓

Manually change the trend, reviewing how the supplier did compared to last month to determine if they are improving →

- 5 Copy the variance from acceptable score into the relevant month in the historical tracking sheet to understand the suppliers performance trends.

Copy the variance value from the 'supplier scorecard' sheet

Variance from acceptable score
1

Paste into the right KPI and month cell in the 'historical tracking' sheet

Variance from acceptable score tracking

Area	Key Performance Indicator (KPI)	1	2	3
Quality	Fit for purpose			
	Compliant to specification			

Note The graph requires two months of data to show a trend. If the area and KPI descriptions are changed in the 'supplier scorecard', this must be reflected in the 'historical tracking' sheet.



Note: This is an interactive tool for use

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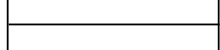
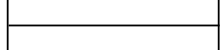
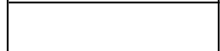
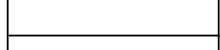
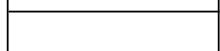
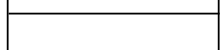
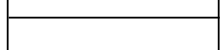
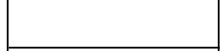
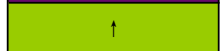
KPI and supplier perfo:

Supplier name	Contract reference		Month	Year			
Area	Key performance indicator (KPI)	Performance target	Measurement	Purpose	Acceptable score	Score this month	Variance from acceptable score
Quality	Fit for purpose	Goods or services can be consumed with no rework x% of time	Count of goods/services received that are subject to rework	Rework adds cost to the business by consuming time and effort			0
	Compliant to specification	Goods or services are provided to contracted specifications x% of time	Count of goods/services that are rejected as unsuitable for consumption	Rejection of goods/services adds cost to the business and may delay delivery of projects			0
Delivery	In full	x% of goods or services are provided in correct volume/quantity	Count of orders that are received incomplete	Incomplete orders may add time and cost to delivery of projects			0
	On time	x% of Goods or services are provided on date/time required	Count of orders that are received later than expected or required delivery time	Late delivery of orders or other deliverables may add time and cost to delivery of projects			0
	Secure/no damage	Less than x% of goods/services are defective on receipt by	Count of orders that are received defective and unable to be used	Defective goods and/or services orders may add time and cost to delivery of projects			0
Cost	To Contract	All goods/services are invoiced at contracted rate or less	Count of rejected invoices as a consequence of incorrect pricing	Incorrect pricing leads to increased administrative costs			0
	To industry benchmark	Price paid is at industry/market benchmark +/- 2%	Periodic industry benchmark of all unit pricing	Vic Government expects to deliver best value to its customers. Overpricing will lead to increased costs passed to customers			0
Customer service	The list of areas and KPIs within the "Supplier Scorecard" tab of this tool can be changed to match the agency's requirements	Supplier attends to urgent orders x% of time	Count of urgent orders attended to within customer expectations	Essential services delivery is subject to external forces that force responsive behaviour from suppliers.			0
	Issue resolution	x% of operational issues are resolved within X hours of notification	Count of issues unresolved within turn time	Unresolved issues add stress to the relationship and could add both cost and time to delivery			0
Innovation	Strategically Aligned	Senior Management engagement demonstrates understanding of business and alignment of supply to business needs	Count of relevant initiatives presented	Continuous improvement and innovation adds value to the relationship and has potential to reduce costs			0
	Creative solutions	Supplier presents innovative and creative supply chain solutions to increase performance across one or more KPI areas	Count of relevant initiatives presented	Continuous improvement and innovation adds value to the relationship and has potential to reduce costs			0
Risk	Risk is known	Open the "Supplier Scorecard" tab and input the standard data at the top of the sheet relating to the supplier, contract, month that the review is happening and year	Presentation of risk management plan	Risk adds complexity to service delivery and potentially adds to both political sensitivity and public health issues			0
	Risk is managed	Supplier actively manages and reports to Vic govt that known risks are mitigated	Presentation of information demonstrating active mitigation of known risks	Risk adds complexity to service delivery and potentially adds to both political sensitivity and public health issues			0
Social/environmental responsibility	Alignment to Vic Govt CSR	Supplier knows Vic Govt CSR policy and public position	Presentation of CSR plan that aligns to Government policy position	Unmanaged CSR adds to the public and political risk profile for Vic Government and potentially adds cost			0
	Management of CSR Agenda	Supplier actively manages and reports to Vic Govt that own CSR policy is managed and effective	Presentation of action plan demonstrating clear management of CSR responsibilities	Unmanaged CSR adds to the public and political risk profile for Vic Government and potentially adds cost			0
Overall							

Contract value	
Spend this month	
Spend YTD	
Contract life spend	
Suppliers share of category spend	
Issues - resolved	
Issues unresolved	
Change requests	



Trend



Survey and Finance
Record tracking

11	12

- ||
- ime
- re/no damage
- ontract
- dustry benchmark
- onsive to needs
- resolution
- tive solutions
- is known
- is managed