

PREDICTING SUPPLIER'S LATE DELIVERIES

A "HOW-TO" GUIDE



IDAS

<https://idas.ai>

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1. Background



All industries are by nature industries that are reactive instead of proactive, procurement and supply chain managers will take action only when parts are not being delivered on time or when the production line has stopped,

Purchasing departments across industries are struggling to keep PO dates in their information systems up to date to reflect true delivery dates and quantities promised by the suppliers, and to get suppliers to confirm PO changes and new PO's being placed. PO placement process and maintenance of the PO dates and quantities are widely done via phone and e-mails and updated manually, consuming the buyers' time and producing inconsistent results.

Furthermore, the ability to control inbound shipments is limited due to the same communication challenges.

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For over 35 years **IDAS** (International Delivery Assurance Services) has been in the business of supply chain software development and suppliers management, working with the biggest names in a variety of industries.

With this vast experience, we've built a winning combination of technology-based tools and management best practices, that are tailored to meet our customer's specific business logic needs!

Today, IDAS (International Delivery Assurance Services) is serving aviation, automotive, industrials, and other markets through a multifaceted group of employees with over 35 years of industry experience.

Our mission is to leverage our artificial intelligence (AI) and machine learning (ML) technology and accumulated experience for our client's to optimize their supply chains through the identification of on-time delivery issues prior to them occurring, transparent real-time communications, elimination of non valued added operations, increasing accountability, and 360 degree visibility.

Can you predict suppliers late deliveries?

2. The Problem



Supply Chains are reactive by nature and are constantly chasing...Parts, Past Dues, Lines Stoppages and suppliers.

How much of a problem are late supplier deliveries, and would you say yes to a solution?

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Companies are trying to transform from a reactive methodology to a Proactive Supplier Performance Management approach..

Having Less of this...

- Telephone call and E-mails to suppliers requesting confirming orders, checking delivery status, rescheduling to meet MRP
- Intake of unnecessary inventory too soon
- Admitting that supplier lead times need to be updated in MRP
- Maintaining Excel spreadsheets and reports to share supplier delivery, shortages, hot lists
- Escalations to leadership
- Conference calls and WebEx meetings with suppliers
- Paying expedite fees
- SCM shortages are the main reason for missed deliveries to the customer

And More of this...

- Transparency of Supplier open orders
- Share same PO information between MRP, supplier, buyer, planner and management
- Predict which suppliers will be On-Time In Full (OTIF) before delivery is missed
- Know inventory levels at your supplier
- Know what is the lead time for every part
- Access live order status from anywhere, anytime

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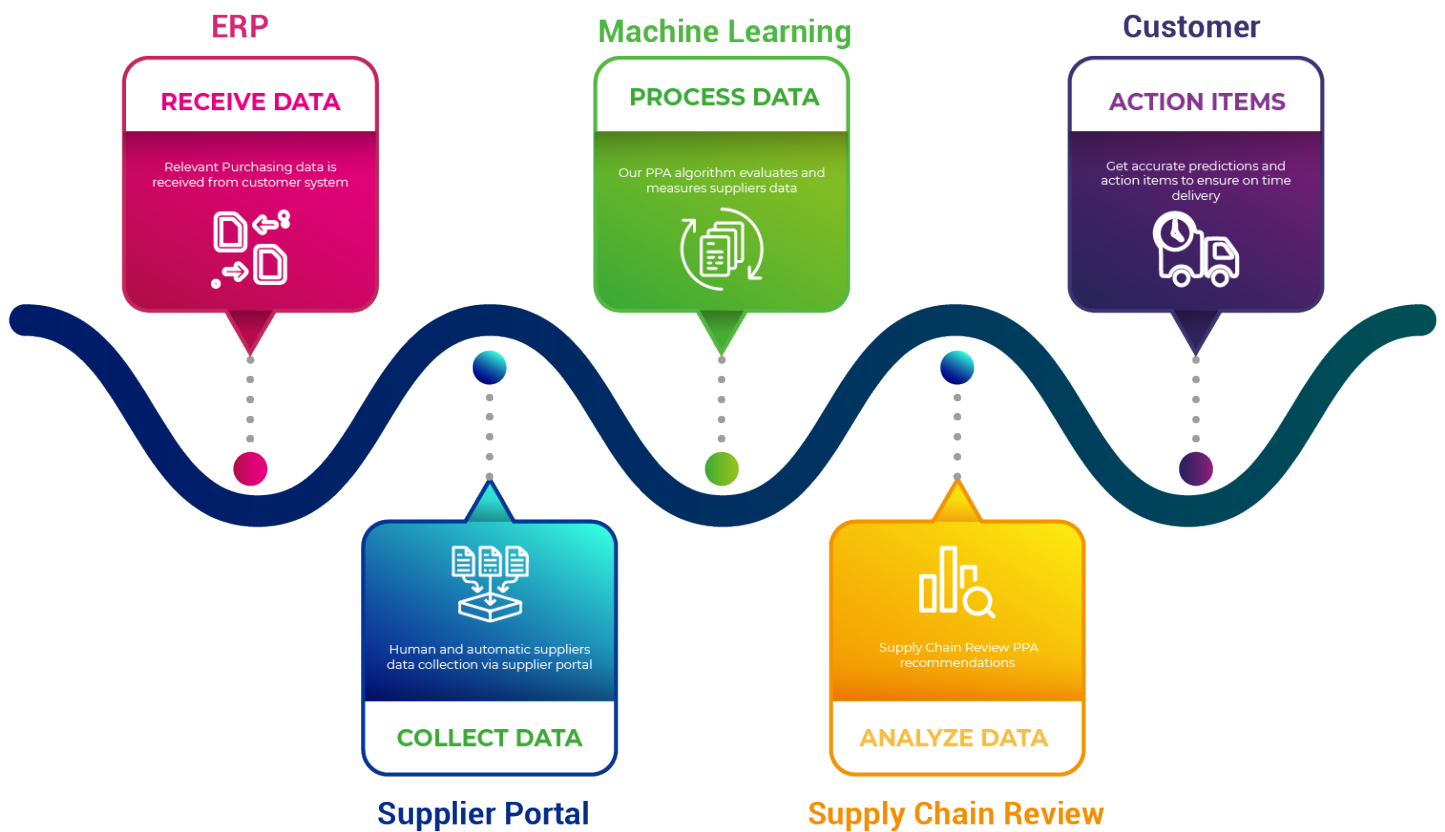
How can you transform from being reactive to becoming proactive?

In our 35 years in supplier management, we at IDAS have learned that Increasing visibility and traceability with suppliers using online tracking tools and PO confirmations via supplier portals can predict late deliveries. Using advanced prediction algorithms to analyze big data gathered from this communication with suppliers can help you prepare for parts delivery problems ahead of time.

What if you could predict late supplier deliveries? Would that help your business?

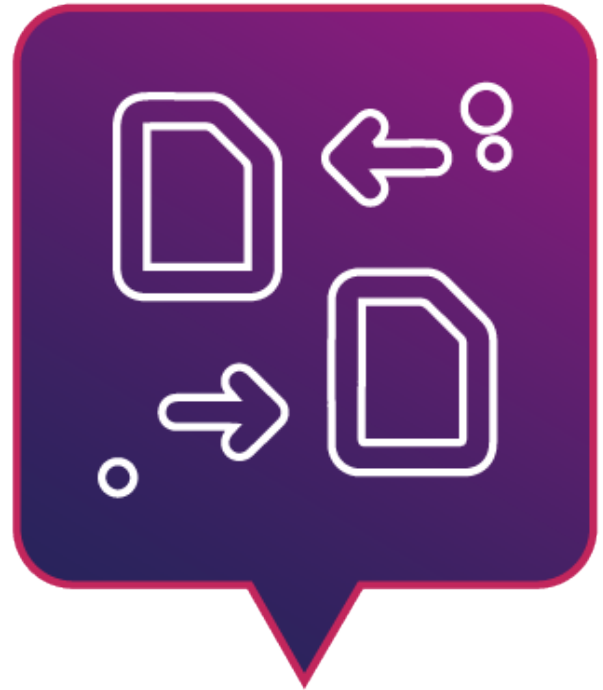
3. A Proactive Approach to Supplier Performance Management

Our methodology is based on a holistic supplier management methodology which can be divided into 5 main stages:



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Receive Data – Connect to different data systems which maintain suppliers information such as: Historical inbound shipments Data from the ERP system and Manufacturing data via the suppliers portal.



Collect Data – Communicate with your suppliers with a user-friendly supplier portal to collect:

- Supplier response to order status
- Confirmations of pull-in, push-out action messages
- Supplier updates of Leadtime, WIP and On-Hand Inventory

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Process Data - evaluate and measure supplier's data over time by the use of advanced AI and ML algorithms.



Prioritize and Action Items - Easily Visualize and act per supplier trends: This prediction system gives an indicator for manufactured parts at suppliers and gives supply chain managers the tools to communicate and make the right decisions to achieve on-time deliveries, eliminate hidden factory costs of late parts, redeploy labor from expediting to value-added activities, and focus on growth and not resolving delivery issues

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Analyze Data – Targeting you on future critical parts – After studying and analyzing the big data gathered from the above systems, the algorithm provides a scoring system which is adjusted on a supplier level per the engagement level allocated to each supplier:

Suppliers that input Stock + WIP data

Suppliers that input Stock data

Suppliers that don't input manufacturing data (Only PO confirmations)

The score is grouped into 3 main levels:

Red < 65 (parts are late or will be late in the next 90 days – Need immediate attention)

Yellow > 65 < 85 (parts have a chance to be late in the next 90 days – Need some attention)

Green > 85 (parts will be on time in the next 90 days)



Would you agree that it's never too early to know about supplier deliveries that will arrive late?

4. The End Game



Becoming Proactive and using Predictive tools will improve supplier performance and have a positive impact on companies growth rates:

Buyers will spend less time managing open orders

Free up time to place more orders

Supplier OTD improvement

Predictive OTD algorithm

Enhancing suppliers traceability and visibility

5. IDAS – About Us



To know more information about our offering and schedule a free consulting call/demo, contact our sales managers today:

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Can you predict late supplier deliveries? With IDAS, you can.