Leveraging Quality Metrics for a Better Procurement Process

Procurement is the process of purchasing goods or services from external vendors to support the capital expansion or continued operations of a client. Procurement is a critical component of supply chain management and involves identifying, evaluating, selecting, and negotiating with vendors. Quality metrics are tools used to measure the quality of products or services received from vendors. Integrating quality metrics into procurement activities has numerous benefits for an organization.

Typical equipment purchasing agreements set payment milestones off fabrication and delivery. EPREX's process is different. EPREX begins with the end in mind by integrating quality metrics and quality documentation delivery into the contracting process. We hold vendors accountable to deliver systems that operate as intended and meet regulatory expectations for quality and documentation.

Six Benefits of Integrating Quality Metrics into Procurement Activities:

1. **Improved Supplier Performance**: Quality metrics allow an organization to measure the performance of its suppliers. By measuring supplier performance, an organization can identify areas of concern and work with suppliers to make adjustments to improve their performance metrics. The objectives of improved supplier performance are better quality products or services, faster delivery times, and lower costs.

2. **Better Contract Management**: Quality metrics can be used to evaluate the performance of suppliers against contractual obligations. By monitoring supplier performance against contractual obligations, an organization can identify any deviations and take corrective action. This ensures that the organization receives the products or services it has paid for and that suppliers adhere to contractual obligations.

3. **Cost Savings**: Integrating quality metrics into procurement activities can lead to cost savings for an organization. By measuring the quality of products or services received from suppliers, an organization can reduce costly rework and identify areas where costs can be reduced. For example, if a supplier consistently provides low-quality products or requires significant corrections after delivery, an organization can choose to work with a different supplier.

4. **Risk Management**: Quality metrics can be used to identify potential risks associated with suppliers. By monitoring supplier performance, an organization can identify any potential risks, such as late deliveries or low-quality turnover documentation. This allows the organization to put controls in place to mitigate the potential risks before they materialize and impact the project's budget or schedule.

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5. **Improved Customer Satisfaction**: Integrating quality metrics into procurement activities can improve customer satisfaction. By ensuring that the products or services received from suppliers are delivered on time, on budget, and at the highest quality, an organization can provide better products or services to its customers.

6. **Schedule Adherence**: In an industry where days could lead to millions in lost revenue or patient's being unable to access lifesaving medicines, schedule adherence is critical. By defining up front expectations on quality and auditing during the fabrication or delivery process, deficiencies can be found and corrected before requiring lengthy rework and impacting delivery schedule.

Incorporating quality metrics into procurement activities can provide numerous benefits to an organization, including improved supplier performance, better contract management, cost savings, risk management, improved customer satisfaction, and schedule adherence. Organizations that integrate quality metrics into procurement activities can make better-informed decisions, reduce risk, and improve their bottom line.

Connect with EPREX to learn more about how we can improve your equipment purchasing process.

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