

A ratings winner

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CATEGORY- Best use of technology

WINNER- Taylor Woodrow

The building giant created a supplier information system that resulted in greater efficiency -and hard savings, as Geraint John, Editor-in-Chief, Supply Management magazine finds out.

Fast access to relevant, accurate and up-to-date information about suppliers and their performance record is something that many organisations are grappling with. But when your operations are spread over many sites, involve large numbers of small subcontractors, and rely on busy project managers to input the data, the challenges are magnified.

That was the situation confronting house builder Taylor Woodrow (TW) in 2004. Information was paper based and scattered across numerous building sites and regional offices, making it difficult and time-consuming for managers to ascertain the best suppliers to use. Two years on and the task is that much easier, thanks to the introduction of a company-wide, web-based supplier database and performance management system.

Led by the Solihull-based supply chain team, the project set out to establish a central database, provide a directory of approved suppliers, manage supplier selection and risk, and offer the business an easy-to-use tool for evaluating and rating supplier performance. A review of software on the market found none with the required functionality and integration with its SAP enterprise resource planning systems, so TW opted to build it in-house.

Using the system, suppliers are able to log in at any time and either register their interest in supplying TW or update their company information, while site managers can rate their suppliers' performance on each job against a structured list of criteria, covering issues such as quality, health and safety and on-time delivery. The percentage rating is then shared with suppliers and their subcontractors so they know where they rank and in which specific areas improvement is required.

Although some suppliers may initially have felt threatened by the visibility the new system brings, acknowledges Steve Parr, TW's director of supply chain, most have welcomed both the user-friendliness and objective insight into their performance. Jim Moore, managing director of Scanmoor Group, a civil engineering contractor, says the system arms him with the information he needs to prepare for periodic reviews with TW. "I can also see how we are performing against our peer group."

As well as improving efficiency, the project has delivered hard savings of over £1.5 million (for an investment of £250,000), through lower staff costs and greater compliance.

For Parr, the key to success was the IT team's excellent understanding of business requirements and early engagement of end users via workshops to determine their needs, and keeping the system simple and intuitive. "Many organisations make performance reporting too complicated," he says. "You have to make the system attractive and something that people want to use on a daily basis."