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cc | supplier evaluation

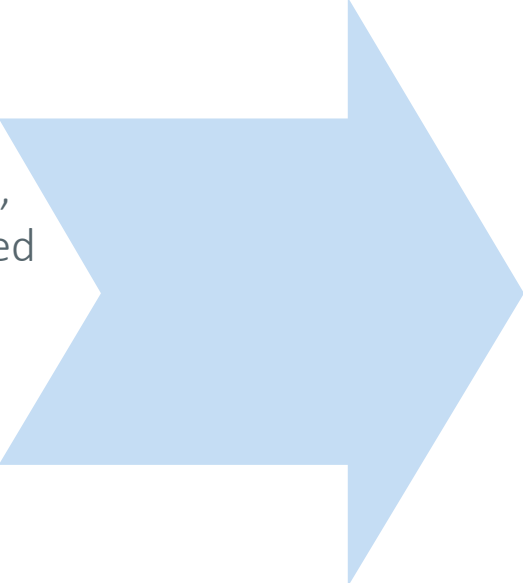
Microsoft Dynamics 365 for
Finance and Operations



Introduction cc|supplier evaluation

- cc|supplier evaluation functionality enables calculation of objective performance indicators, based on weighting of different factors retrieved from manual data entry, existing master or transaction data
- cc|supplier evaluation offers an extension, which allows conjunction of Microsoft Dynamics 365 for Finance and Operations standard rating values with a points system
- Performance evaluation process requires initial setup of the parameters, which enables elaboration of the data in the next step
- The elaborated data about cc|supplier evaluation can be archived and retrieved later for trend analysis using BI tools

Core Features

- In Microsoft Dynamics 365 for Finance and Operations integrated solution for periodically rating vendor's performance
 - Calculation of objective performance indicators, based on weighting of different factors retrieved from manual data entry, existing master or transaction data from the procurement processes
 - Flexible setup of weighted criteria to rate you vendor's performance according company's requirements
- 
- Prepared replicable trend analysis of vendor's performance (for example using PowerBI)
 - Result of the vendor performance valuation can be viewed directly in Microsoft Dynamics 365 for Finance and Operations
 - Integrated solution to support selection of suppliers

Supported Business Processes

Vendor performance valuation

- Run supplier performance
- Price negotiation process

Supplier selection and administration

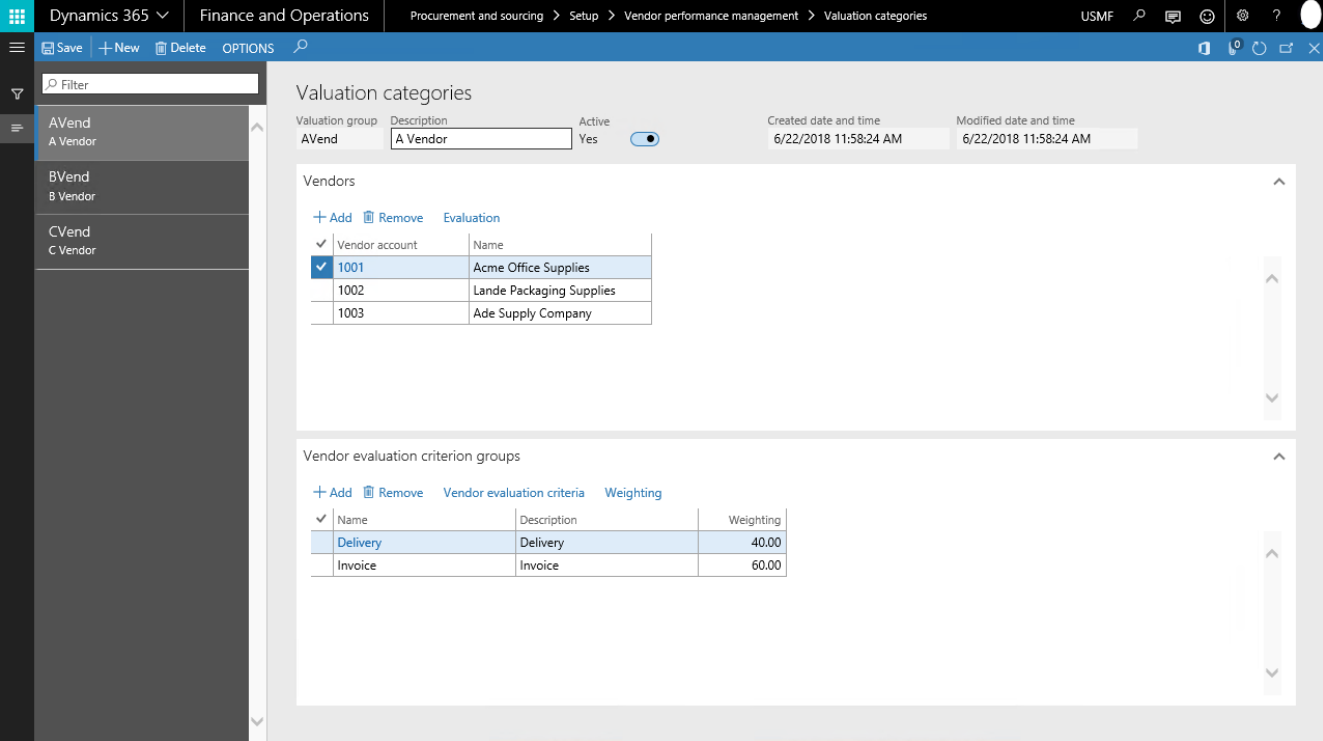
- Continuous quality control

Procure materials and services

- Product Receipt and Invoice

Setup | Parameters

- The setup parameters for cc|supplier evaluation were consolidated in one section in procurement and sourcing.
- For a better understanding the sequence of the forms in this section was set according to necessary input order.
 - Valuation categories
 - Vendor evaluation criteria
 - Vendor evaluation criterion groups
 - Values



The screenshot shows the Dynamics 365 interface for setting up Valuation categories. The breadcrumb trail is: Procurement and sourcing > Setup > Vendor performance management > Valuation categories. The page title is "Valuation categories".

At the top, there are fields for "Valuation group" (A Vend), "Description" (A Vendor), "Active" (Yes), "Created date and time" (6/22/2018 11:58:24 AM), and "Modified date and time" (6/22/2018 11:58:24 AM). There is also a toggle switch for "Active".

Below this, there are two main sections:

- Vendors:** A table with columns "Vendor account" and "Name". It contains three entries: 1001 (Acme Office Supplies), 1002 (Lande Packaging Supplies), and 1003 (Ade Supply Company). The first entry is selected.
- Vendor evaluation criterion groups:** A table with columns "Name", "Description", and "Weighting". It contains two entries: Delivery (40.00) and Invoice (60.00).

Valuation Criteria

Criterion type	Description	Data source	Prerequisite
Quantity variances	Absolute or percentage values definition of the deviation between total quantity of all partial deliveries of the purchase line and a total quantity of a purchase order line.	Purchase order line	Purchase order
Price invoice/order	Deviation between incoming vendor invoice line price and purchase order line price.	Invoice line for a purchase order line	Purchase order/Incoming vendor invoice
Price invoice/default	Deviation between line price in the incoming vendor invoice and standard price of the product.	Invoice line and standard price of the product.	Incoming vendor invoice
Redelivery number	Number of purchase order lines with negative quantity per item.	Purchase order line	Purchase order
Redelivery quantity	Total quantity of products in purchase order line, defined as „returned products“.	Purchase order line	Purchase order
Schedule variance	Deviation between Posting date of the item arrival and the confirmed delivery date in the purchase order line. If delivery date is not filled, standard delivery time will be considered for calculation.	Purchase order line	Purchase order

Valuation Matrix

- For each criterion guide values are necessary. For example, for schedule variance the valuation for time in days can be defined:

Evaluation matrix

+ New Delete

✓	from	Until	Absolute/percent	Unit	Points	Rating
	-999.00	-4.00	Absolute	∨	10.00	∨ 1 - Very poor
	-3.00	-2.00	Absolute		30.00	2 - Poor
	-1.00	1.00	Absolute		90.00	4 - Good
	2.00	3.00	Absolute		30.00	2 - Poor
	4.00	999.00	Absolute		10.00	1 - Very poor

- The value in the „absolute/percent“ column plays an essential role. „absolute“ is appropriate value for schedule variances, if the deviation is calculated in days. At the same time, quantity variances or deviation may be calculated in percent.
- Example: A vendor supplies product A with 2000 meters/pallet and product B with 10 pcs/pallet. In case of a deviation of „-2“ (-2 m für Product A or -2 pcs für product B), the deviation calculated in „percent“ would vary. Accordingly, the deviation calculated with „absolute“ parameter would result same valuation result, 80 points / 3 – Fair.

Valuation Result

- To enable analysis of the valuation results on the detailed transaction level, it is now possible to retrieve this data from the vendor form.
- The elaborated data about cc|supplier evaluation can be archived and retrieved later for trend analysis using BI tools

1001 : ACME OFFICE SUPPLIES US
Vendor evaluation

Total
3.00

Total rating
Vendor evaluation criterion group...
Delivery

Rating on vendor evaluation criteria

Values

Journal lines

Table name	Identification	Rating	Current value	Estimated val...	Current date	Expected date
Vendor - product receipt lines	receipt 21229	10.00	200.00	200.00	1/18/2016	12/15/2015

DO YOU HAVE ANY QUESTIONS?

Thank you for
your attention!

