

PETERSON TOOL COMPANY

Ten Points to Consider When Selecting a Tooling Vendor

- 1. Cost:** The tangible costs or value of a product can be measured in many ways. Tool life, reduced down time, scrap reduction and secondary cost's like tool refurbishing all go into the equation of capturing the potential savings when comparing vendors. The proposed vendor's products ought to make your company more profitable.
 - Measurement of product cost – item quoted vs. return on investment resulting in cost per part
 - Item quoted - defined has supplier (A) price \$30.00 vs. supplier (B) price \$26.00, etc.
 - Cost per part -
 - \$30 insert produces 25,000 parts = .00012 cents per part
 - \$26 insert produces 20,000 parts = .00013 cents per part
 - \$18 insert produces 10,000 parts = .00018 cents per part

- 2. Delivery:** Whether it's meeting a PPAP deadline or having tools quickly available for increased volume demands, there is nothing more frustrating than have a machine down. No tool is a good tool if its not there when you need it. Verify that the potential vendor understands your company's needs and that they can deliver what they promise.
 - Can the potential supplier provide on-time performance measurements?
 - Is the supplier investing in methods to improve and reduce lead times?
 - Does the potential supplier currently ship product internationally?

- 3. Engineering Design Support:** As the business world changes and the demands for your time increases, can your potential vendor provide a value added product from design to build? Check to see if they can develop solutions to remove your headaches, by handling a project from conception to completion.
 - Does the potential supplier have the design engineering knowledge and resource capabilities?
 - How many years of experience and education does the engineering department have?
 - Are they training the next group of young engineers to take their place?
 - Is their software compatibility?

- 4. Service Department:** In the world of manufacturing, problems happen. Be proactive, look for the vendor that can assist in anything from tweaking the tool to the process itself. The right vendor should be willing and able to step in the trenches with you until the problems are resolved.
 - Does the potential supplier provide product support both on-site and off-site?
 - Does the potential supplier exhibit the product and process knowledge for the implementation of their product to your manufacturing facility?

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- 5. Industry Reputation:** There are reasons a company is recognized as a leader. It is somewhat harder to maintain that image over time. Make sure that the company you are choosing will work hard to maintain that image with *you* long after the honeymoon is over.

 - What industry awards do they have?
 - Is the potential supplier involved in industry associations?
 - Have they been awarded patents?
 - Is the supplier recognized as a good corporate citizen?

- 6. Manufacturing Capability:** No matter how well a product is marketed or claims to be, the proof is in the performance. As tolerances shrink can your potential vendor split hairs? It's one thing to call out dimensions, it's quite another to hold them.

 - Is the potential supplier investing in new equipment and improved processes?
 - Does the potential supplier currently have a manufacturing process advantage?

- 7. Quality:** Quality as they say is a given, but, it must be planned for, executed and measured. Remember that your product's quality is only as consistent as the tools that are used to produce it.

 - Does the potential supplier conform to ISO standards?
 - If not, what quality standard does the supplier adhere to?

- 8. Proximity:** In today's world, the marketplace has become global. As you select a vendor, look to see if they can ship around the corner as well as around the world. Confirm that they have the ability and commitment to deal with you directly no matter where you are.

 - Is the location of the supplier hyper-critical in supply chain management?
 - Can the potential supplier provide all necessary support to overcome any location issues?

- 9. Sales Personnel:** Nothing takes the place of sitting down, one to one, with someone who is there to help. When you meet a sales person, they become the face of the company. The sales person is the hub of the wheel, the spokes must be in place to support them. Working together, side by side, relationships can turn into friendships.

 - Do you prefer personal contact to non-personal contact?
 - Does the potential supplier understand your business?
 - Does the potential supplier's salesperson exhibit product and application knowledge of your machining processes?
 - Does the company you are considering have a depth of knowledgeable personnel?

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- 10. Business Relationship:** The customer must never be forgotten but business relationships must be symbiotic. There must be a win-win for both the customer and the vendor for their mutual survival. It's not only about today; it's also about tomorrow.
- Do you see the potential supplier as a business partner or just a vendor?
 - Do they have a team in place to deal with all aspects of your needs?
 - What is the likelihood of their presents in the marketplace down the road?