Using the Vendor Scorecard

Release 9.0.4

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Measuring Vendor Performance Overview

The National Association of Electrical Distributors (NAED) in association with the National Electrical Manufacturers Association (NEMA) have teamed up in an effort to gather standard metrics, or scorecards, that you can use to objectively measure their vendors' performances. Use the vendor scorecard to gather metrics for both NAED and non-NAED vendors. These metrics, such as average lead time and average shipments, can help you negotiate with your vendors and improve your own customer service.

If you are an NAED member, you can use the scorecard to gather the metrics about your vendors and send the information directly to NAED.

Important: If you have upgraded to Release 8.6.9 or later and have a build file created in a previous release, you must purge your old file and create a new file prior to using the vendor scorecard.

To use the vendor scorecard, see the following topics:

- Building the Vendor Scorecard File
- Running the Vendor Scorecard File Report
- Logging Vendor Shipping Inaccuracies
- Viewing Summary Vendor Scorecard Information

Building the Vendor Scorecard File

Important: If you have upgraded to Release 8.6.9 or later and have a build file created in a previous release, you must purge your old file and create a new file prior to using the vendor scorecard.

Before you run the Vendor Scorecard File Report or view summary vendor scorecard information, build the scorecard file for the specific parameters you are interested in viewing. You can schedule the scorecard to build on a regular basis using the Phantom Scheduler.

Note: The system automatically schedules the scorecard file to build during off hours. If the build does not complete prior to the phantom stop time, the system stops building the file, and resumes again during off hours.

For purchasing metrics, the vendor scorecard file includes *only* purchase orders and direct sales orders that are completely received in the system. The scorecard *excludes* purchase orders that contain one or more credit items, as well as purchase orders that are marked as exceptional.

Depending on the volume of purchase orders and direct orders in your system, the amount of data that the system analyzes to build the report can be quite large. For this reason, we recommend that you build the scorecard file once a month, or at least quarterly, and use the reload options to gather data in the most efficient manner after you build the main file. We also recommend that you schedule the process to run during non-work hours.

Important: If you want to save data from a previous file, save the reports you have run on previous files to your computer prior to building a new vendor scorecard file.

Building the Main Vendor Scorecard File

To use the vendor score card, you must first build the main vendor scorecard file for the select buy lines you want to analyze. After you build the main file, you can reload data and supplement the main file's data.

If you have successfully built a vendor scorecard file, when you open the Vendor Scorecard File Build window, the Main Build Information section is disabled. You can reload the data, add vendors and buy lines to the existing data, or purge the scorecard file.

Note: If you do not see the buy lines listed as expected, we recommend reviewing how your buy lines are set up in Assigning Vendors to Buy Lines. The Type field should be set to either **Line**, **Both**, or the **ScoreCard** check box should be selected.

Important: During the Vendor Scorecard build process, in order to identify the buy lines associated to a vendor, the system looks to the vendors associated to the buy line. Since multiple vendors can be listed for a buy line, the system first looks in the **Buyline Vendor Types** window off Buy Line Maintenance for vendors that specifically have the **ScoreCard** check box selected for a vendor and then checks for any vendors that are set to Line or Both in the **Type** column.

To build the main vendor scorecard file:

1. From the **Reports** > **End of Month Reports** > **Vendor Scorecard** menu, select **Vendor Scorecard File Build** to display the Vendor Scorecard File Build window.
2. Complete the following fields:

Field	Description
Start Date and **End Date**	Enter the first date and last dates to include in the file.
Cost Basis	Select the cost basis, such as cost of goods sold (COGS) for which you want to gather metrics. The system uses the basis you select here to calculate the inventory metrics, such as average inventory value and overstock inventory value, available in the scorecard. The default is COGS-COST. If you want to view inventory metrics for a basis different than what you originally used to build the file, you need to rebuild the file using the different basis.
Overstock Days	Enter the number of days that a product needs to be in stock before you consider it to be overstock. The system uses this number of days to calculate the value of your overstock inventory from a vendor. The default value is 90 days. If you want to view overstock based on a different time period, you need to purge the scorecard file and rebuild it using a different number of days.
Stagnant Period	Enter the number of months that a product needs to be in stock before you consider it to be stagnant or dead stock. The system uses this number of days to calculate the value of your stagnant inventory from a vendor. The default value is 12 months. If you want to evaluate stagnant stock based on a different time period, you need to purge the scorecard file and rebuild it using a different number of days.

3. From the **File** menu, select **Buy Lines** to display the Buy Line List window, add the buy lines you want to include in the main build file, and click **OK**. You must select at least one buy line for the build file.
4. From the **File** menu, select **Vendors** to display the Vendor List window, add the vendors you want to include in the main build file, and click **OK**.
5. Set options, if needed, and generate the file.

   Note: The system automatically schedules the scorecard file to build during off hours. Use the Vendor Scorecard File Build Detail Schedule window to schedule the build to sleep at peak operation times so the system remains running efficiently.

Scheduling Build Sleep Times

You can send your vendor scorecard build to run at any time. However, Eclipse provides tools to let you define when you want to suspend the build process so you do not impact your daily operations. For example, if you know Saturday mornings are particularly busy times in your warehouse, you can put the build on hold from 7:00 AM to 12:00PM on Saturdays so that your system runs optimally during that time.

To schedule sleep times for the build:

1. Set up your vendor scorecard build as usual. (See previous procedure)

2. From the **File** menu, select **Detail Schedule**.
3. Use the following options to tell the system when to suspend the build process.

Field	Description
M-F Sleep From / To	Enter the time to stop (From) and restart (To) the build process. For example, if you want to suspend the build between 8:00AM and 12:00PM, enter the following:
Saturday Sleep From / To	
Sunday Sleep From / To	

4. Click **OK** to save your changes.

Reloading Build Data

If you need to add data for recent purchase orders, add vendors or buy lines, or reload a portion of data to gather corrections you have made, use the reload options to gather the data in the most efficient manner without having to purge and recreate the main build file.

If you need to change the initial date range, cost basis, overstock days, or stagnant period information, you need to purge the main build file and recreate it.

To reload vendor scorecard data:

1. From the **Reports** > **End of Month Reports** > **Vendor Scorecard** menu, select **Vendor Scorecard File Build** to display the Vendor Scorecard File Build window.
2. Select from the following reload options:

Field	Description
Load Starting from Last Build	Select this option if you want to update the main build file to contain your most recent data. The system gathers data from the date listed in the **End Date** field in the Main Build Information section up until the current day, and adds the data to the main build file. Use this option to gather the most recent data for your selected vendors and buy lines to save time, instead of rebuilding the main file.
Load New Vendors/Buy Lines	Select this option if you want to add new vendors or buy lines to the initial data. The system gathers the data for the additional vendors or buy lines for the dates specified in the **Start Date** and **End Date** fields for the main build file. Use the **File** > **Vendors** and **File** > **Buy Lines** options to add the additional vendors and buy lines.

Field	Description
Reload Already Built Data	Select this option if you want to reload all or a portion of the data that already exists in the main build file. For example, if you had purchase orders marked as exceptional and changed that indication, or received purchase orders into the system late, you can rebuild the data to gather all the correct information for a vendor or buy line using this option. Enter the date range for which you want to reload the data in the **Reload Start Date** and **Reload End Date** fields. **Note:** You can reload data only within the date range specified for the main build. If you need to include data before or after those dates, purge the main build file and create it again.

3. Set options, if needed, and generate the file.

   Note: The system automatically schedules the scorecard file to build during off hours. If the build does not complete prior to the phantom stop time, the system stops building the file, and resumes again during off hours.

Purging the Vendor Scorecard File

As work with your vendor scorecard and measure the performance of your vendors, you may find that you have built the vendor scorecard file for the wrong dates or for the wrong date ranges for stagnant and overstock inventory. However, you can purge the existing scorecard file and rebuild it containing the data for the correct dates. In addition, as new metrics are added to the scorecard in future Eclipse releases, you might need to purge your existing scorecard file and create a fresh file to report on the new metrics.

Important: Purging the vendor scorecard file deletes all the existing data from the file and requires you to rebuild it. If you want to save data from the file, save the reports you have run prior to running the purge.

To purge the vendor scorecard file:

1. From the **Reports > End of Month Reports** > **Vendor Scorecard** menu, select **Vendor Scorecard File Build** to display the Vendor Scorecard File Build window.
2. From the **File** menu, select **Purge** and click **Yes** at the prompt.

   Click **No** at the prompt to return to the Vendor Scorecard File Build window without purging the data.

Running the Vendor Scorecard File Report

After you build the vendor scorecard file, you can run reports on the data the system gathered. From the report, you can drill into purchase orders to review order and line item data. You can also drill into orders to log shipping inaccuracy codes for specific line items. If you are a member of the National Association of Electrical Distributors (NAED), you can run the report and print or download the results to send to NAED.

If you prefer to view a single vendor's scorecard data online in a summary inquiry window without the individual purchase order detail, see Viewing Summary Vendor Scorecard Information.

The vendor scorecard includes *only* purchase orders, direct sales orders, and procurements that are completely received in the system. The scorecard *excludes* purchase orders that contain one or more credit items, as well as purchase orders that are marked as exceptional.

The report shows the same metrics as the inquiry screen. For more information, see Viewing Summary Vendor Scorecard Information.

To run the Vendor Scorecard File Report:

1. From the **Reports** > **End of Month Reports** > **Vendor Scorecard** menu, select **Vendor Scorecard Report** to display the Vendor Scorecard File Report/Download window.
2. In the **Branch** field, enter the shipping branch, branches, or territories for which you want to run the report.
3. In the **Start Date** and **End Date** field, enter the first and last date in the range of dates for which to select purchase orders, directs, and procurements to include in the report.
4. In the **Vendor** field, enter or select the vendor you want to include in the report.

   To include more than one vendor in the report, click the **Multi** button and enter all the vendors you want to include. Leave this field blank to include all vendors in the report. To run the report for all vendors assigned to buy lines as Vendor Scorecard vendors, leave this field blank. For more information about assigning Vendor Scorecard vendors to a buy line, see Assigning Vendors to Buy Lines.
5. In the **Include** area, select which order types to include in the report.

Field	Description
Stock POs	Includes stock purchase orders in the report. The report includes only purchase orders that are completely received in the system, and excludes purchase orders that contain credit items, and orders flagged as exceptional. To run the report for only stock purchase orders, select this check box and deselect the others in this area.
Directs	Includes direct orders in the report. The report includes only direct orders that are completely received in the system, and excludes directs that contain credit items, and orders flagged as exceptional. To run the report for only directs, select this check box and deselect the others in this area.

Field	Description
Procurements	Includes procurement purchase orders in the report. The report includes only procurements that are completely received in the system, and excludes any procurements with credit items, and orders flagged as exceptional. To run the report for only procurements, select this check box and deselect the others in this area.

6. In the **Options** area, select additional options for data in the report.

Field	Description
Show Inventory Metrics	Select this check box to include average, overstock, stagnant, and inventory turns information for each vendor in the report. Use the options in the **Inventory Metrics** section to change the date as of which the metrics are calculated, and to select the inventory types to include.
Show PO Detail	Select this check box to break down data by individual purchase order for each vendor included in the report. To report only on the summary information without the detail, deselect this check box.
Page Break on Vendor	Select this check box to insert a page break after each vendor. Deselect the check box to use natural page breaks in the report and to not separate each vendor's data with a page break.

7. Set Options, if needed, and run the report.

Viewing Summary Vendor Scorecard Information

After you build the vendor scorecard file, you can inquire about a single vendor's high level scorecard without running a detailed report. If you prefer to view a scorecard data with individual purchase order detail, or a scorecard with data for more than one vendor, see *Running the Vendor Scorecard File Report*. If you prefer to view the vendor scorecard metrics in graph form, see Trending Summary Vendor Scorecard Information.

For purchasing metrics, the vendor scorecard includes *only* purchase orders and direct sales orders that are completely received in the system. The scorecard *excludes* purchase orders that contain one or more credit items, as well as purchase orders that are marked as exceptional.

See the What the Inquiry Shows section for a description of the metrics included in the summary.

> **Note:** If you want to evaluate inventory metrics using a different cost basis, number of overstock days, or stagnant inventory days, you need to purge and rebuild the vendor scorecard file.

To inquire about a vendor's performance:

1. From the **Reports > End of Month Reports > Vendor Scorecard** menu, select **Vendor Scorecard Inquiry** to display the Vendor Scorecard Inquiry window.
2. In the **Vendor** field, enter the vendor for which you want to view summary information.

   If there is more than one ship-from vendors linked to a pay-to vendor, enter the pay-to vendor to see all the purchase order data for all the associated ship-from vendors. To see data for only one ship-from vendor, enter that vendor in this field.

   The inventory metrics report on products that are associated with the vendor you enter in this field. You can select one vendor to associate with a buy line. If you enter a pay-to vendor in the inquiry window, the inventory metrics are calculated for products linked to the pay-to vendor ship-from vendors under that pay-to vendor. To see inventory metrics for only products linked to a ship from, enter that ship-from vendor in this field.

   > **Note:** If you associate a pay-to vendor with a buy line, and enter a ship-from vendor in the inquiry window, the inventory metrics do not include that buy line.

3. In the **Branch** field, enter the shipping branch, branches, or territories for which want to view vendor data.
4. In the **Start Date** and **End Date** fields, enter the first date and last date in the range of dates for which to select purchase orders, directs, and procurements to include in the summary.

   If you enter an end date that is later than the end date you used when you built the scorecard file, the inquiry shows only data up to the last date available in the file.

5. Set which order types to include in the inquiry and click **Update**.

Field	Description
Include Stock	Enter **Yes** to include stock purchase orders in the inquiry. The inquiry includes only purchase orders that are completely received in the system, and excludes purchase orders that contain credit items, and orders flagged as exceptional. To inquire about only stock purchase orders, set this field to **Y** and the other fields to **No**.
Include Direct	Enter **Y** to include direct orders in the inquiry. The inquiry includes only directs that are completely received in the system, and excludes any directs that contain credit items, and orders flagged as exceptional. To inquire about only directs, set this field to **Y** and the other fields to **No**.
Include Procure	Enter **Yes** to include procurement purchase orders in the inquiry. The inquiry includes only procurements that are completely received in the system, and excludes any procurements with credit items, and orders flagged as exceptional. To inquire about only procurements, set this field to **Y** and the other fields to **No**.

See What the Inquiry Shows for details about the metrics that display.

To create a detailed report, select **File > Report** to display the Vendor Scorecard Report window, populated with information from the inquiry window. For more information about changing the report options, see *Running the Vendor Scorecard File Report*.

6. Return to Step 2 to run the inquiry for another vendor.

What the Inquiry Shows

The following view-only information displays for the vendor based on the last period for which the vendor scorecard file was built.

- Vendor Purchases

Metric	Description
Total	The total amount, in dollars, of the purchase orders for the vendor that you have completely received in the system during the selected date range. This total includes stock purchase orders, direct orders, and procurements.
Stock	The total amount, in dollars, of the stock purchase orders for the vendor that you have completely received in the system during the selected date range.
Direct	The total amount, in dollars, of the purchase orders for the vendor that you have completely received in the system during the selected date range
Procure	The total amount, in dollars, of the procurements for the vendor that you have completely received in the system during the selected date range.

- Inventory Management

  Metrics are as of the date you entered in the **As of Date** field, which defaults to the date you entered in the **End Date** field until you update it with a different date. Select the **File > Inventory Options** menu to enter a different as of date. Also use this option to select whether to include

stock and nonstock in the inventory metrics. To view more detail about individual product statuses and types, use the Inventory Valuation Report and the Inventory GMROI Report.

Note: Vendor consigned inventory is not included in inventory performance calculations.

Metric	Description
Average Inventory	The average cost of your on-hand inventory from the vendor for the 12 months prior to the date listed in the **As of Date** field.
Overstock	The average dollar amount of inventory from the vendor in excess of the days supply that you specified when you built the vendor scorecard file. The system calculates this value by multiplying the demand per day by the number of days indicated as overstock when you built the vendor scorecard file. This value is compared to what is currently on hand. Anything above the days demand is considered excess. The default overstock days is 90. This metric also provides the percentage of overstock inventory dollars compared to the total inventory dollars for the vendor you entered in the **Vendor** field. To view the products in your overstock, use the Inventory On Hand With No Sales Report.
Stagnant	The average dollar amount of inventory from the vendor that has not sold in the time period you specified as stagnant when you built the vendor scorecard file. The default stagnant time period is 12 months. ***Important:*** Branch transfers are not included in this calculation. This metric also provides the percentage of stagnant inventory dollars compared to total inventory dollars for the vendor you entered in the **Vendor** field.
Turns	The average amount of inventory sold from the vendor. The system calculates this value by dividing the total annual cost of goods sold (COGS) by the average dollars of inventory on hand for the 12 months prior to the date in the **As of Date** field.

- Performance Results

Metric	Description
Average Lead Time	The number of days between received date and order date for each item on a purchase order. The average lead time for a given vendor is the sum of all lead times divided by the total number of items on purchase for the vendor.
Average Number Shipments	The average number of shipments it took the vendor to complete a purchase order. The average number of shipments is the sum of all shipments divided by the total number of purchase orders. The system considers a purchase order complete when the entire order quantity for every line item is 100 percent received.
Initial Fill Rate	Stock line items received complete on the first invoice as a percentage of total stock line items on the purchase order. A complete shipment is required. The fill rate is zero if you have not received everything on the order. Final vendor initial fill rate is determined by summing the total items filled on first invoice for each purchase order, and dividing by the total number of items on all purchase orders.

Metric	Description
Shipping Accuracy	The number of lines shipped and filled 100 percent correctly divided by the total number of line items ordered. If you find inaccuracies in shipping, you can record codes to indicate the shipping inaccuracies. For more information, see Recording Vendor Shipping Inaccuracies.

- Electronic Communications

  In addition, you can view metrics for each vendor around purchase orders sent to suppliers using EDI 850 purchase orders or orders that were created in response to inbound 855s for vendor managed inventory. Use the information displayed in the Electronic Communication Usage section of the window to compare the EDI purchase order totals against all purchase orders totals.

Field	Description
EDI P/Os, Dollars, Line Items	The total number of EDI 850 purchase orders sent or purchase orders created in response to inbound 855s for vendor managed inventory. The **Dollars** field indicates the total amount of dollars received from the vendor for EDI purchase orders. The **Line Items** field indicates line items received on EDI purchase orders. Compare these totals with those displayed for all purchase orders in the **Total P/Os** fields. The percentage at the end of each row indicates the percent of the total purchase orders that were sent using EDI.
Total P/Os, Dollars, Line Items	The total number of purchase orders, EDI and non-EDI, sent to vendors. The **Dollars** field indicates the total amount of dollars received from vendors on all purchase orders. The **Line Items** field indicates the total number of line items received on all purchase orders. Compare these totals with those displayed for only EDI purchase orders in the **EDI P/Os** fields. The percentage at the end of each row indicates the percent of the total purchase orders that were sent using EDI.
#Inbound 810s	The total number of EDI 810 invoice documents you received.

Trending Summary Vendor Scorecard Information

After you build the vendor scorecard file, you can inquire and view a vendor's high level scorecard in graph form, which establishes a visual trend for the vendor's performance. If you prefer to view a scorecard data with individual purchase order detail, or a scorecard with data for more than one vendor, see Running the Vendor Scorecard File Report.

For information about the metrics that display for each vendor, see the What the Inquiry Shows.

> **Note:** If you want to evaluate inventory metrics using a different cost basis, number of overstock days, or stagnant inventory days, you need to purge and rebuild the vendor scorecard file.

To trend the summary vendor scorecard information:

1. From the **Reports > End of Month Reports > Vendor Scorecard** menu, select **Vendor Scorecard Inquiry** to display the Vendor Scorecard Inquiry window.
2. Complete the selection fields to gather data about the vendor's performance.
3. Click the graph icon next to the metric you want to display in graph format.

   The system displays the graph in a separate window. Use the data selection options, which are the same options used in the Vendor Scorecard Inquiry, at the top of the window display different information in the graph.

Logging Vendor Shipping Inaccuracies

For any line item on a purchase order or direct sales order, you can enter any combination of the following shipping inaccuracy codes to indicate a shipping inaccuracy or discrepancy for the line item:

- **Carrier Claims** - The item was lost or damaged after it left the vendor on its way to you.
- **Wrong Quantity** - The vendor shipped too many or not enough of the product.
- **Wrong Part Number** - The vendor shipped a product with a different part number than what you indicated on the order.
- **Item Not on P/O** - The vendor shipped an item that was not on the order.
- **Packing List Error** - Any packing list error, or no packing list included with the shipment.

If you are viewing the Vendor Scorecard File Report from your Hold file, you can drill directly into the purchase orders or direct sales orders to which you want to add shipping inaccuracy codes.

To log a vendor shipping inaccuracy:

1. From a purchase order or a direct sales order, select the line item for which you want to record a shipping inaccuracy code and press **Shift F6**.
2. Select **Vendor Scorecard Shipping Inaccuracy Entry** to display the Vendor Scorecard Shipping Inaccuracies Entry window.

   The system populates the header fields in the window.

Field	Description
Vendor	The vendor to which you submitted the purchase order.
Order #	The purchase order or direct sales order number.
Date, Time	The date and time you pressed **Shift F6** from the purchase order or direct sales to log the shipping inaccuracy.
Product #	The product part number or product description in the line item for which you are logging the shipping inaccuracy.
Branch	The branch to which the vendor shipped the line item.

3. In the **Code** field, select the code that applies to the shipping inaccuracy for the line item.

   Move your cursor to a new line and enter multiple codes, as needed.
4. Save your changes and close the window.

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