

molex	SUPPLIER PERF. SCORECARD METHODOLOGY	Number: 2156750013	Doc Part EN	Doc Type QMD
		EC Number: 653863		

Purpose	This procedure defines the process of measuring supplier performance against Molex's strategic objectives using the Performance Scorecard which rates the supplier in categories of quality and delivery.						
Scope	Molex Strategic, Key, and Transactional Suppliers are in the scope to be evaluated and monitored for performance using the Global Performance Scorecard.						
Roles	<table border="1"> <thead> <tr> <th style="background-color: #cccccc;">Role</th> <th style="background-color: #cccccc;">Responsibility</th> </tr> </thead> <tbody> <tr> <td>Plant Quality</td> <td>Ensure accuracy of quality related data</td> </tr> <tr> <td>Plant Planning/Materials</td> <td>Ensure accuracy of data related to delivery</td> </tr> </tbody> </table>	Role	Responsibility	Plant Quality	Ensure accuracy of quality related data	Plant Planning/Materials	Ensure accuracy of data related to delivery
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1. PROCESS OVERVIEW

Introduction

Supplier Scorecards are an integral component of Molex supplier relationship management program. Molex will use the Global Performance Scorecard to measure supplier performance. The scorecard provides objective evidence of the supplier's conformance to Molex's strategic objectives and drives continuous improvement at both the supplier and at Molex.

Scorecard Structure

The **Global Performance Scorecard** consists of categories for both quality and delivery.

- Posted monthly on the 8th day of each month on Molex supplier portal site
 - It is the supplier's responsibility to retrieve the scorecard each month.
- Scoring period is always the previous month
 - The old scorecard will be removed when a new (*current*) scorecard is uploaded on the 8th day of the month
- Rolling 12-month results will be included for trend analysis
- The scorecard will consist of 80% quality and 20% delivery metrics
- Suppliers must maintain a minimum score of >=90%

2. PROCESS DETAIL

Performance Scorecard Elements

Supplier Scorecards are made up of the following elements. These elements have assigned point values and when combined comprise the Scorecard Ranking.

Category: Quality

Subcategory: Zero Defect Quality Performance (Including Field Performance and Quality Notification Severity)

Severity level is assigned to Quality Notification (QN) when it is being created in Molex SAP system. There are three severity levels coded in accordance with severity matrix:
L2 – Low; L3 – Medium; L4 – High

Number of QNs for each Severity level will be displayed in the scorecard Actual Results section

Sub-Category Metric	Maximum Score	Actual Score	Actual Results
Zero Defect Quality	40	40	L2:0 L3:0 L4:0

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Subcategory: 8D Responsiveness

The Molex QN includes Action Item Task (8D steps) that must be completed to address the supplier quality issue raised. The D3C (Containment) task must be completed within 24 hours of Molex quality problem being identified and D3C task planned completion date is defined in SAP. Molex measures 8D Responsiveness by comparing planned completion date to actual completion date.

Number of D3C tasks which actual completion date is later than planned completion date will be displayed in the scorecard Actual Results section.

Sub-Category Metric	Maximum Score	Actual Score	Actual Results
8D Responsiveness	10	0	Number of D3C Tasks not completed on time: 1

Subcategory: 8D Completeness

The Molex Quality Notification must be closed within 28 days (4 weeks). Supplier shall submit completed 8D report. 8D is completed when it has Root Cause analysis such as 5-Why, and/or fishbone, Corrective and Preventive Action Plans utilizing quality tools. Planned 8D completion task is defined in SAP system. Molex measures 8D Completeness by comparing planned task completion date to actual task completion date.

Number of 8D tasks which actual completion date is later than planned completion date will be displayed in the scorecard Actual Results section.

Sub-Category Metric	Maximum Score	Actual Score	Actual Results
8D Completeness	20	0	Number of 8D Tasks not completed on time: 1

Subcategory: 8D Effectiveness

Each QN is coded with defect type which the best way describes manufacturing process and define attribute of the product or service. QNs coded with the same defect type are considered reoccurrence. Molex measures 8D Effectiveness by verifying if the same defect type was assigned to the QN on any part number during last 12 months period.

Reoccurrence status will be displayed in scorecard Actual Results section.

Sub-Category Metric	Maximum Score	Actual Score	Actual Results
8D Effectiveness	10	10	No reoccurrence of the same defect type on any part number during last 12 months period

Category: Delivery

Supplier delivery performance is measured for both: Molex Requested Delivery date (MRD) and Vendor Promised Delivery date (VPD). Molex measures Purchase Order lines with requested and promised dates inside the scoring period and lines with requested and promised dates before the

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scoring period and are still not completed (late). Only the last delivery which activates completed delivery flag is measured. Partial deliveries are not taken into consideration.

Subcategory: On Time to Molex Request Date

The Delivery Date on the Purchase Order will be the basis of measurement for on time to MRD unless Molex changes the Delivery date. If Molex changes the Delivery date on the SAP Purchase Order, the revised date will be the MRD and basis of the on-time measurement. On time delivery window is calculated the following way:

MRD On Time Delivery window = GR Date - MRD Date = 10 days early to 1 day late

Percentage of Purchase Order line items delivered on time will be displayed in scorecard Actual Results section.

Sub-Category Metric	Maximum Score	Actual Score	Actual Results
% On-Time to Molex Requested Date	10	10	90.91%

Subcategory: On Time to Vendor Promised Date

The date that is acknowledged by the Vendor is considered Vendor Promise Date (VPD) and will be the basis of measurement for the on-time to Vendor Promise date. If the Supplier subsequently changes the acknowledgment for any Purchase Order, Delivery Performance is measured against revised promise date (VPD). Subsequent changes requested by Molex to the Purchase Order Delivery Date will require a supplier acknowledgment which will update the VPD. If Supplier does not provide a Purchase Order Acknowledgment, then Molex Requested Date becomes the Vendor Promise Date (VPD).

On time delivery window is calculated the following way:

VPD On Time Delivery window = GR Date – VPD Date = 10 days early to 1 day late

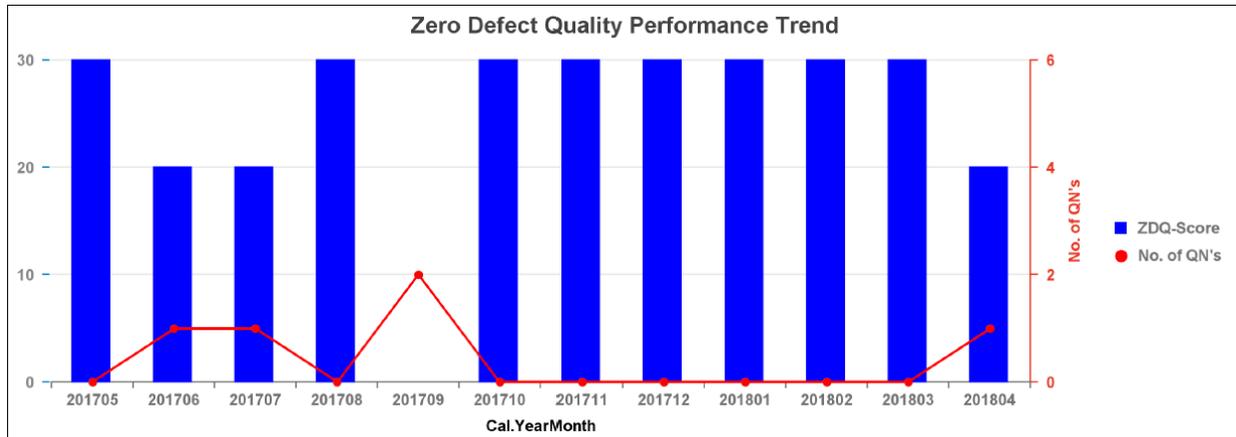
Percentage of Purchase Order line items delivered on time will be displayed in scorecard Actual Results section.

Sub-Category Metric	Maximum Score	Actual Score	Actual Results
% On-Time to Vendor Promise Date	10	10	90.91%

Performance Scorecard Trends

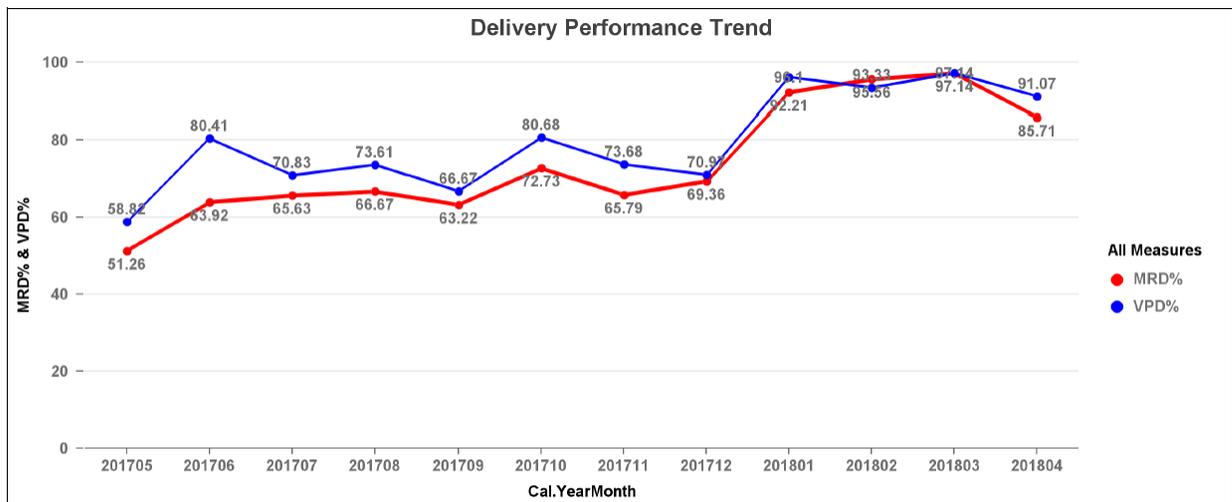
Performance Scorecard includes graphical elements which illustrate last 12 months supplier performance trends for selected subcategories:

1. Zero Defect Quality Performance Trend
 - a. Zero Defect Quality Performance subcategory score (bars with scored points)
 - b. Number of Quality Notifications (line with actual result)



2. On Time Delivery Performance Trend

- a. On time to Molex Requested Delivery Date (actual result in %)
- b. On time to Vendor Promise Date in % (actual result in %)



Performance Scoring

molex		MOLEX SUPPLIER SCORECARD GUIDELINE						
Category	Subcategory	Unacceptable	Marginal	Average	Good	Best in Class		
PERFORMANCE SCORECARD	Quality	Zero Defect Quality Performance (Including Field Performance and QN Severity: high, medium, low)	Number & Severity of QNs H/L4>0 or M/L3>1 or L/L2>2 or (M/L3=1 and L/L2=1 or 2)	Number & Severity of QNs H/L4=0 and (M/L3=1 or L/L2=2)		Number & Severity of QNs H/L4=0 and M/L3=0 and L/L2=1	Number & Severity of QNs H/L4=0 and M/L3=0 and L/L2=0	
		Points	10	25	NA	35	40	
		8D Responsiveness	D3 responses not within 24h		D3 responses within 24h			
		Points	0	NA	10	NA	NA	
		8D Completeness	Failed to return completed 8D within 4 weeks. Incomplete 8D (i.e., Lacking or No Root Cause analysis such as 5-Why and/or fishbone, Corrective and Preventive Action Plans utilizing quality tools)		Submitted complete 8D within 4 weeks. Completed 8D has Root Cause analysis such as 5-Why and/or fishbone, Corrective and Preventive Action Plans utilizing quality tools			
		Points	0	NA	20	NA	NA	
		8D Effectiveness	Reoccurrence of the same defect type on any part number during last 12 months period		No reoccurrence of the same defect type on any part number during last 12 months period			
		Points	0	NA	10	NA	NA	
		Delivery	% On-Time to Molex Request Date	<65%	65% to <70%	70% to <80%	80% to <90%	≥90%
			Points	0	5	6	8	10
% On-Time to Vendor Promise Date	<65%		65% to <70%	70% to <80%	80% to <90%	≥90%		
Points	0		5	6	8	10		

Ranking	Unacceptable	Marginal	Average	Good	Best in class
Performance Scorecard	<70	70 to <80	80 to <90	90 to <95	≥95

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3. REFERENCES

None

4. TERMS AND DEFINITIONS

Acronyms	Definitions
8D	8 Disciplines
GR	Goods Receipt
JIT	Just in Time
MRD	Molex Requested Delivery
PPM	Parts per Million
QN	Quality Notification
SOI	Supplier Owned Inventory
VMI	Vendor Managed Inventory
VPD	Vendor Promise Date

5. APPENDIX

None

6. SUMMARY OF CHANGES

Revision	Summary of Changes	Author	Release Date
A	Initial Release	Artur Markowski	See ECTR