Name

Name of Professor

Class

Date

Case Report

**Case Overview**

HTC (High tech Computer) Corporation is one of the well-known names in the market when it comes to the manufacturing of smartphones and different forms of personal digital assistants. It is worthy to mention that it is recognized as the one leading design manufacturer name for different mobile operators such as Orange, T-Mobile, Sprint, Cingular, Verizon, etc. In recent years, the organization of HTC expands its business and attained its position as one of the 5 leading smartphones names at the global level. The global customer is one critical factor in the overall domain of business enlargement of HTC. The company of HTC developed a network to build a close association with the suppliers functioning in different parts of the world. It is vital to understand the HTC needs to manage approximately 1,000 suppliers. This particular approach demands to establish a network program that ultimately helps the organization to attain better working relationships with its suppliers and enhance its strategic performance at international level.

A proper understanding of HTC’s scorecard is essential to figure out its consideration and association with the suppliers working in different parts of the world. This certain system implemented in the organization of HTC to provide the required assistance to the supplier management team of the company to take rational decisions to select and observe the performance of its suppliers. It is crucial to figure out that this particular case study comprises on the situation when K.H. Tung (KH) head of the global supply chain management at HTC needs to take a decision about the allocation of supply between five suppliers to increase company’s profit globally. There is a need for critical analysis of the entire situation to figure out how supply can be distributed between suppliers for the next quarter orders. The objective of rational decision demands to critically observe the operating system and the supply management approach adopted by HTC to increase its business level in different countries.

**Analysis of the Situation when Suppliers Receiving B Grade**

Comprehensive knowledge about the strategic performance measures is essential to make inference about the role of each supplier for the company. This form of information further helps to make a decision about the allocation of orders to different suppliers according to their contribution to enhancing business growth. Supplier monitoring is one critical phase of the overall paradigm of the supplier management system. Undoubtedly, it is one troubling aspect for the supply management team to monitor the performance of each supplier through the method of the scorecard. The actual difficulty started when the team have to make a decision about the allocation of supply for all the suppliers based on the performance. It is important to consider various factors that involve the entire scenario. It is mandatory to consider that all the fiver suppliers for HTC are not functioning in the same business environment. Their approach to business operation differs from each other due to the difference of the market size and market share.

Active involvement of all the supplier management team workers is to ensure the successful execution of both the steps of supplier selection and monitoring. The criteria of the scorecard are used by the company to evaluate the performance level of each supplier. The outcomes of the scorecard in attained on monthly basis to check the working perspective of different suppliers. Proper application of the monitoring system in the form of smartcard helps the team of supply management to identify the issues concerning the entire operating method of the scorecard. It is a helpful domain to timely form the strategies to make a rational decision about the distribution of supply between different suppliers.

Understanding of diverse forms of the scorecard is integral to evaluate the performance of five different suppliers. KH and his team evaluate the performance by combining different scores related to the features of different size and market share. It also refers to the consideration of specific association or issues of suppliers with HTC. It is mandatory to figure out which supplier performs on which score to take further decisions. When it comes to the performance stats for supplier A than it is great to mention that its performance is up to the mark in almost every category with the overall grade of A (scoring at least 85 points). There are B. C, D suppliers who obtained B grades. Now it major task for the supplier management team to form the decisions about the suppliers who fall into the group of B grade. It is vital to make an inference about the allocation of orders for them for the next quarter. The team of supplier management is a responsible entity to decide what needs to do with the suppliers who received B grade. It is viable to make a decision that whether these suppliers should be dropped out or continue working with them to enhance their grades.

The overall performance statistics of all the B grade suppliers indicate that all have some positive aspects that can be a source for the company to expand its growth. It is vital for the supply management scorecard team to consider both the positives and negative aspects of all the suppliers. This form of consideration further helps to formulate the logical decision that how grade B suppliers should be treated by the company of HTC. It is recommended for the supplier management team to never consider the option of drop down companies of grade B. It is vital for the organization to continue working with them and attain benefit from their strength. It is vital to apprehending this approach for each B grade supplier separately to identify its strong and weak aspects.

It is favorable for the company to never completely cut off the suppliers who receive B grade in performance scorecard. It is viable for the company to develop a quality management team that assist local suppliers to enhance their quality at the plant level. Deep monitoring of all the operations at the site helps to timely identify the actual problem and rectify it as early as possible. Direct communication is obligatory to assess the actual problems and propose better solutions to increase the performance level of all the B grade suppliers. Adoption of other assessment features is also feasible to continuously monitor the performance of B grade suppliers and rectify the performance issues when they start affecting the operations.

**Status of orders for Suppliers**

The overall status of allocation of orders will be changed for the b grade suppliers after the assessment procedure of supplier management monitoring through scorecard. It is utmost critical for the supply management team working for HTC to take rational decision referring to the scorecard performance of each supplier. This form of consideration ultimately reflects the distribution of orders to all the suppliers for the next quarter. The overview of the performance of the suppliers is essential to step to make the decision about the allocation of orders to them.

The results for the supplier A showed that it performed well in almost every feature by scoring overall grade A. On the other hand, supplier B, C, D have attained the position of B grade by scoring between 70 and 85 points. It is mandatory to check the separate performance domain of each supplier ranked in grade B to formulate the status of order between them for the future. The quality performance is decline by the supplier b but on the other hand, it excels in the form of delivery performance. On the other hand, supplier C indicate positive outcomes for quality performance and lacking in the form of proper handling of cost and delivery performance. The statistics about the performance of supplier D for the quarter indicate about the unstable performance in both forms of quality and delivery mechanism. Lastly, there are supplier E who had score C with a disappointing performance. The detailed understanding of the scorecard of all the supplier can observe through the table attached in the appendix.

All the results of the suppliers’ performance are the benchmark for the supply management team to take a decision about the distribution of orders for the next quarter. Supplier A is one consistent and crucial strategic source for the company. It is obvious for the monitoring team that they should be allocated a great form of order to supplier have as it recognized as the entity who achieve the optimum level of quality for almost all forms. The distribution of order for Supplier B and C should be increased because they showed their achievement for at least one of the crucial aspect of the supply performance. When it comes to the distribution of order to Supplier D and E than it should remain the same. Supplier D delivered consistent performance in the past and somehow manage to attain the position of a B grade in the scorecard. On the other hand, Supplier E is new in the market that requires some time to successfully establish. It is significant for the supply management team to never change the amount of order for this supplier with the option of its competency to achieve the target of high quality and delivery performance.

Appendix

Sample Scorecard from HTC

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| Grade A  Quality 35%  Cost 30%  Delivery 20%  Technology 8%  Service 7%  Total 100% | Supplier A  30.8  26.4  17  6.8  5.95  87.0 |
| Grade B  Quality 35%  Cost 30%  Delivery 20%  Technology 8%  Service 7%  Total 100% | Supplier B  24.5  25.5  16.0  6.8  6.9  78.8 |
| Grade B  Quality 35%  Cost 30%  Delivery 20%  Technology 8%  Service 7%  Total 100% | Supplier C  29.8  22.5  15.0  6.8  6.0  80.0 |
| Grade B  Quality 35%  Cost 30%  Delivery 20%  Technology 8%  Service 7%  Total 100% | Supplier D  26.3  24.0  14.0  5.6  4.9  74.8 |
| Grade C  Quality 35%  Cost 30%  Delivery 20%  Technology 8%  Service 7%  Total 100% | Supplier E  24.5  22.5  13.0  5.2  4.6  69.8 |