



Section OU: Outsourcing and Supplier Relations

Although exact answers are preferred, answers may be approximate.

Please answer questions below relative to a supplier you consider to be your **most important supplier**:

OU01. Is this an international supplier? Yes No

OU02. In your opinion, does this supplier's product primarily sell domestically? Yes No

OU03. The primary reason this supplier is the most important is (please check one)	
A. It supplies the largest purchase volume of this facility	D. It provides the latest manufacturing technology
B. It provides the latest new product technology	E. It represents our longest contract
C. It has been designated by our parent company	F. Other

OUS04. What is the approximate percentage that this supplier represents of the total plant materials? _____ %

	Much smaller	Smaller	About same	Larger	Much Larger
OU05. What is your organization's size compared to this supplier?	1	2	3	4	5

	No Clause	Very unlikely	Somewhat unlikely	Possibly	Likely	Very likely
OU06. Please indicate the likelihood that the following contractual clauses be legally enforced (please mark 0 if contract does not exist)						
OU6.A. Penalties for breach of contract termination date	0	1	2	3	4	5
OU6.B. Penalties for breach of "exclusivity clause" (i.e. the supplier is not allowed to sell to other organizations)	0	1	2	3	4	5
OU6.C. Penalties for poor technical performance	0	1	2	3	4	5
OU6.D. Penalties for late delivery	0	1	2	3	4	5

OU6.E. What percentage of your total material purchases is your plant obligated to take from this supplier? _____ %

	No Clause	Very unlikely	Somewhat unlikely	Possibly	Likely	Very likely
OU6.F. Please indicate the likelihood that the percentage of total material purchases from question (OU6.E.) would be legally enforced.	0	1	2	3	4	5

OU07. The primary reason our plant does not produce this supplier's products is:	
A. Lack of resources at needed location	E. Contractual obligations with supplier
B. Lack of specific skilled labor	F. Lack of time to acquire resources
C. Imposition by parent company	G. Lack of specific capital equipment
D. Lack of patent for needed technology	H. Lack of access to natural resources
I. Inability to produce at competitive costs	J. Others? Please Indicate _____

	No Risk	Little Risk	Average Risk	More Risk	Very Risky
OU08. Please evaluate the risks associated with this outsourcing partnership, as follows:					
OU08.A Technology risk associated with this supplier's products (Technology risk = likelihood the technology associated with this product may not work, because it is "new", or because it can easily be replaced by newer / better technology).	1	2	3	4	5
OU08.B Behavioral risk associated with the attitudes of this supplier (Behavioral risk = the likelihood your supplier may act opportunistically and take advantage of you, under difficult exchange circumstances, impossibility of contract enforcement or complex unforeseen circumstances)	1	2	3	4	5
OU08.C Market risk associated with this supplier's products (Market risk = the likelihood the market for your product that includes this supplier's technology not developing as expected)	1	2	3	4	5

OU09.A For ALL this facility's suppliers, approximately what percentage of the factory hours are spent on clarifying contract/product specifications? _____ %



OU09.B For JUST THIS SUPPLIER, approximately, what percentage of the overall factory hours are spent on clarifying contract/product specifications with just this supplier? _____%

OU09.C How frequently does this supplier provide you with feedback on contract performance? (Check one.)
 _____ Contract by contract or _____ times a year (0 if no feedback)

OU09.D Approximately, what percentage of the supplier's products involve advanced product technology developed recently?

OU10 How does <u>this supplier</u> compare to other suppliers of this facility in terms of commitment to a relationship that fosters...	Worst	Less than others	About Same	Better than others	Best
OU10.A. Mutual exchange of information in regards to production forecasts, plans, schedules and supply requirements	1	2	3	4	5
OU10.B. Mutual feedback on how well the outsourced part work, endure and fit the specifications of the final product?	1	2	3	4	5
OU10.C. Joint efforts to stabilize production schedules?	1	2	3	4	5
OU10.D. Avoidance of requests for schedule changes, especially those requests that tend to disrupt the normal lead time period	1	2	3	4	5

To what extent do you agree that negotiations with this supplier	Completely Agree	Somewhat agree	Somewhat disagree	Completely disagree
OU10.E. Involve an "excessive" (i.e. beyond what you would consider to be 'normal') amount of negotiation sessions	1	2	3	4
OU10.F. Involve "excessive" haggling	1	2	3	4
OU10.G. Involve parties getting agitated with each other	1	2	3	4

Please indicate the degree to which you agree with the following statements in relation to THIS SUPPLIER	Completely Agree	Somewhat agree	Somewhat disagree	Completely disagree
OU11.A This supplier and my firm carefully detail product specifications before contract signing.	1	2	3	4
OU11.B It is easy to determine the performance of this supplier.	1	2	3	4
OU11.C This supplier and my firm have developed a standard approach to solving problems when they arise	1	2	3	4
OU11.D. This supplier and my firm are committed to working out details after a contract is signed	1	2	3	4

OU11.E Approximately, what percentage of the details of your contract(s) was finalized after it was signed? _____%

Please indicate the degree to which you agree with the following statements in relation to THIS SUPPLIER	Completely Agree	Somewhat agree	Somewhat disagree	Completely disagree
OU11.F. This supplier and my firm are committed to resolving product performance problems	1	2	3	4
OU11.G. This supplier and my firm rely on 'implicit agreements' for dealing with contingencies not covered by 'formal written agreements'	1	2	3	4
OU11.H. This supplier and my firm are committed NOT to alter facts (or how facts appear) so as to to take advantage of one another	1	2	3	4
OU11.I. This supplier invests in new physical assets and / or alters manufacturing processes to satisfy our unique needs as a customer.	1	2	3	4

OU12 Do you perceive you utilize your resources more efficiently or less efficiently with this supplier relative to other suppliers?	
A. 20% to 10% less efficiently	D. 2% to 10% more efficiently
B. 10% to 2% less efficiently	E. 10% to 20% more efficiently
C. With the same level of efficiency	F. Other _____%