Welcome to PHConnect

Introduction to PHConnect Buy-Side – Supplier Metrics



ENGINEERING YOUR SUCCESS.

PHConnect – Supplier Metrics

- Purpose:
 - Allows Suppliers to review their performance metrics in detail in real time reporting
 - Three supplier metrics are:
 - Quality
 - On-Time Delivery
 - Process of Continuous Improvement Participation

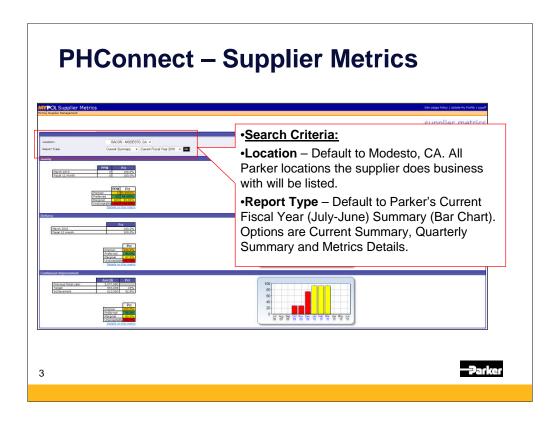
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The purpose of the supplier metrics is to allow suppliers to review their performance metrics in detail in real time reporting.

The three supplier metrics for Parker Hannifin are:

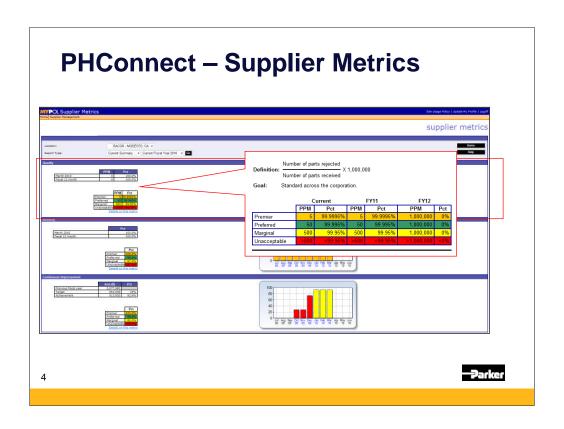
- Quality
- •On-Time Delivery
- •Process of Continuous Improvement Participation



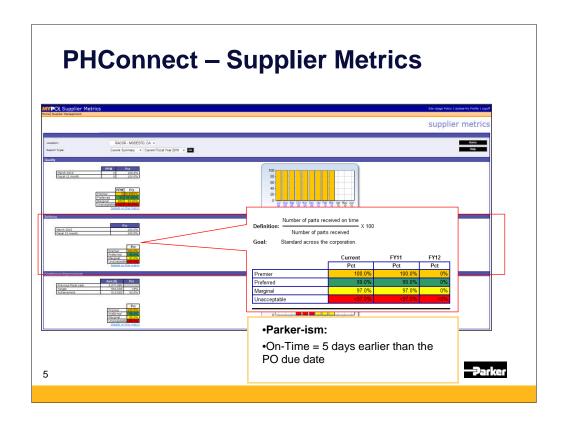
The Supplier Metrics screen will default to the 12 month color coded bar chart. The default location for the Racor Division/Village Marine Tec. is Gardena, CA. Suppliers that do business with the other locations of the Racor Division or other Parker locations can use the location drop down box to select through their metrics.

There are three different types of reports available for the supplier metrics:

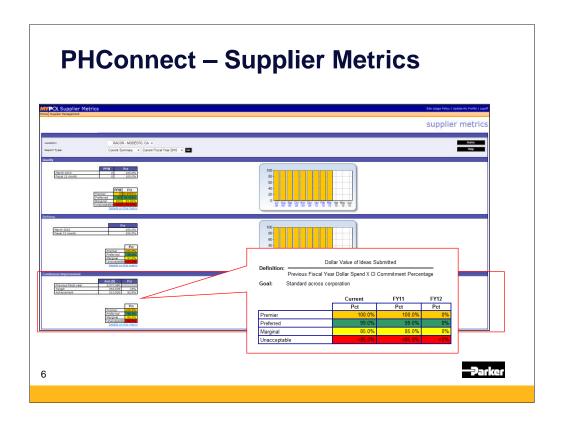
- •Current Fiscal Year Summary (Bar Chart)
- Quarterly Summary
- Metrics Details



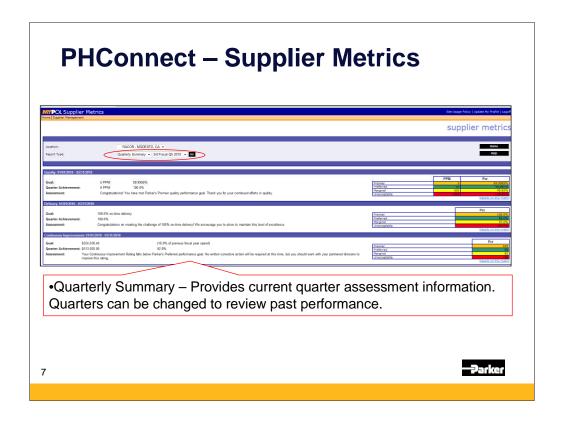
The three metrics suppliers are measured on are Quality, Delivery, and Continuous Improvement. Quality is defined as the number of rejected divided by received time one million = rppm rejected parts per million. The goal is the same across all divisions. We expect zero defects, but we understand quality issues will occur. Please keep them to a minimum. There are four ratings: Premier, Preferred, Marginal, and Unacceptable. Metrics will also show the goals for the next year. As you can see on the slide the Current Year, FY 11, and FY 12.



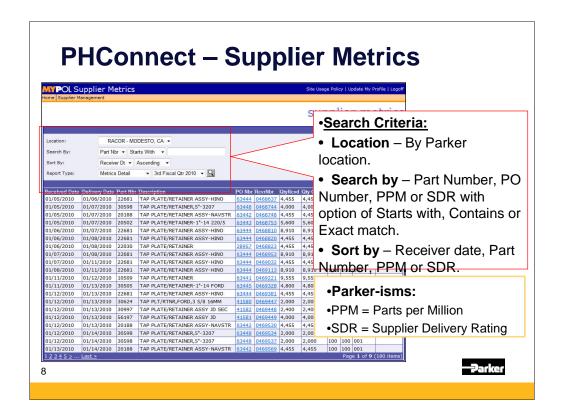
Delivery is the number of received on-time parts divided by the parts received late times 100%. There is a window that counts as on-time. The window is 5 days before the promise date. Anything earlier will affect the suppliers metric negatively. Example: if the promise date is July 15. The window is July 10 - July 15.



Every year the slate is wiped clean. At the beginning supplier ratings will be Unacceptable, but this way will show improvements.

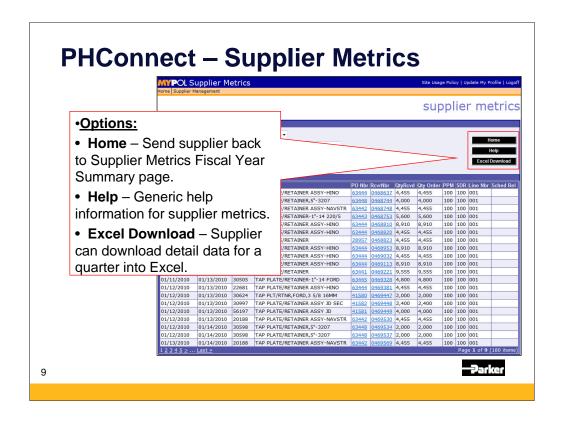


Quarterly Summary is a different way to view your progress.



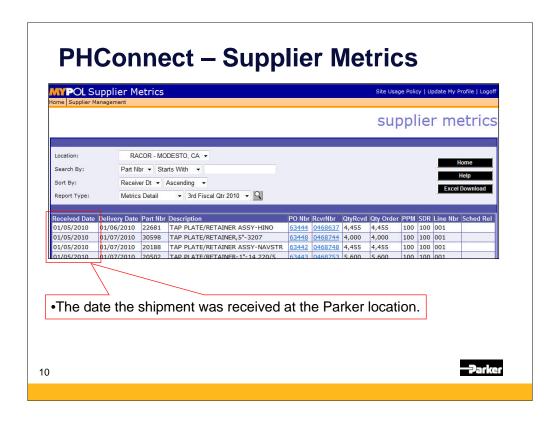
The Metrics Detail screen provides the supporting documentation to the Quality and On-Time delivery metrics. Search criteria allows the supplier to narrow down the quarter information into relevant information:

- •Location By Parker location.
- Search by Part Number, PO Number, PPM or SDR with option of Starts with, Contains or Exact match.
- •Sort by Receiver date, Part Number, PPM or SDR.

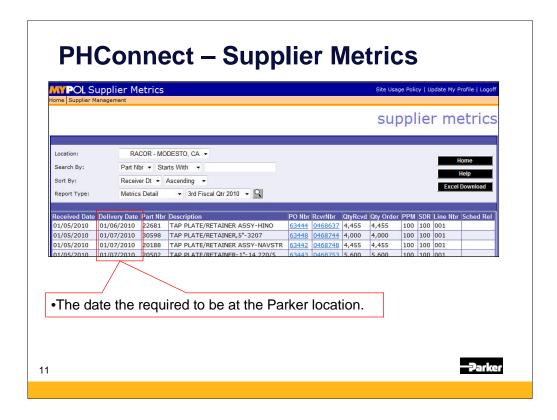


In the details screen there are some management tools that allow the supplier to analyze the information provided.

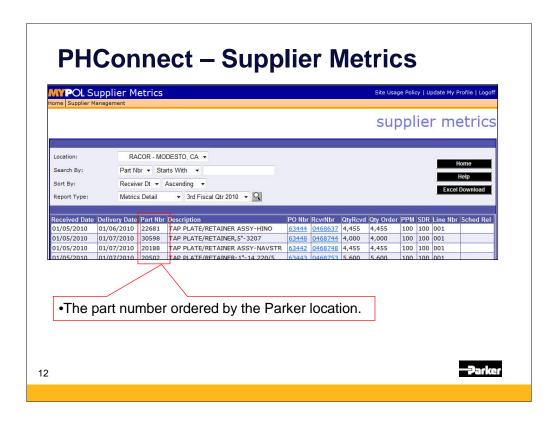
- •Home Send supplier back to Supplier Metrics Fiscal Year Summary page.
- •Help Generic help information for supplier metrics.
- •Excel Download Supplier can download detail data for a quarter into Excel.



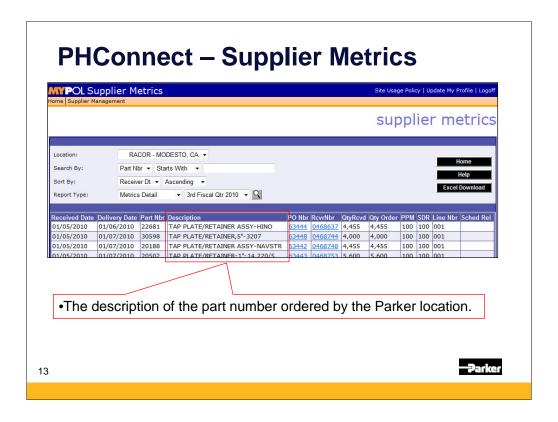
This is the date that we entered into our system that we received it. This is not the date that it entered our dock.



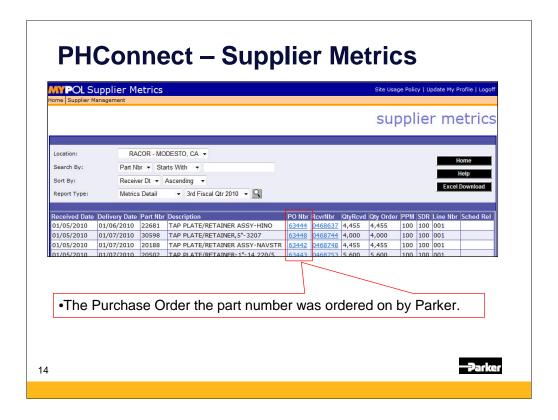
Delivery date is the date that Parker wants the part in the system.



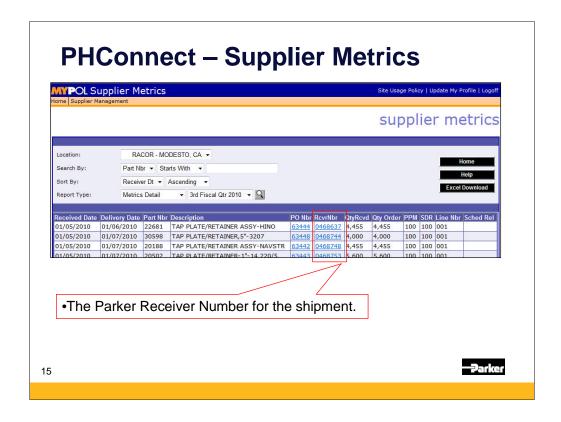
The third column is the part number tied to the particular shipment.



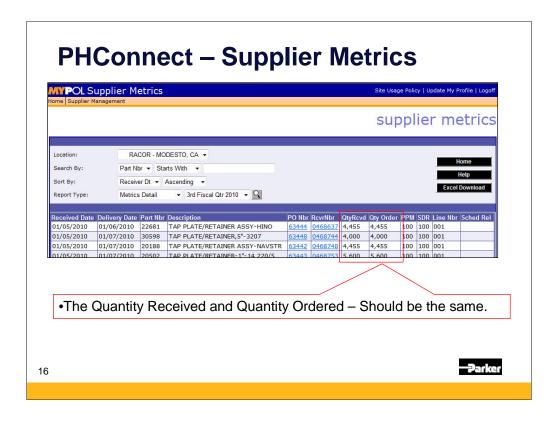
The fourth column is the description of the part number ordered by the Parker location.



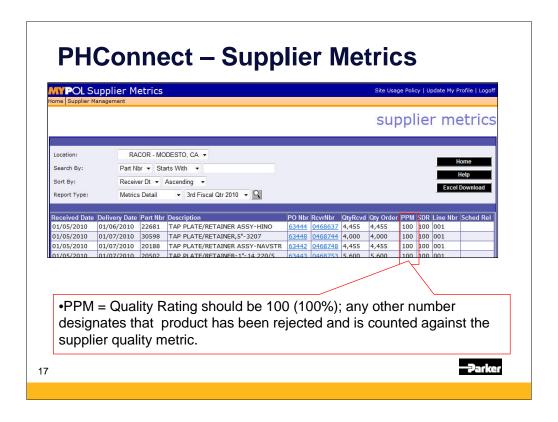
The fifth column is the purchase order tied to the shipment.



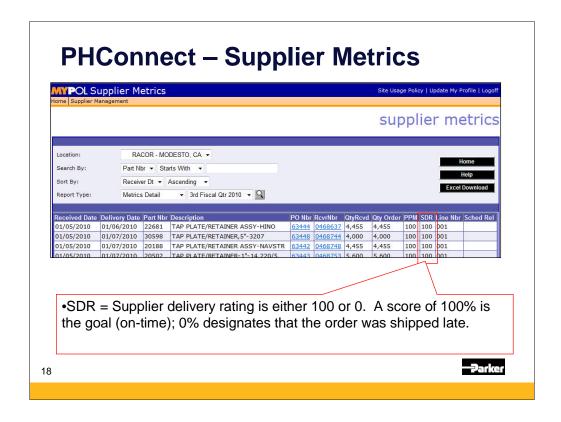
When Parker receives a part, as it is entered into the system it is given a receiver number.



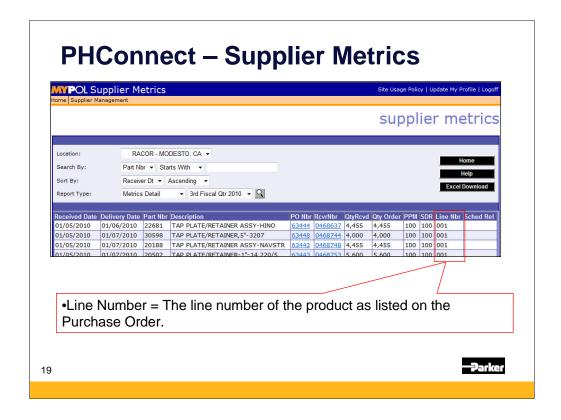
The seventh and eighth columns of the detailed information deals with the quantity ordered and the quantity received. For most products ordered my Parker Hannifin the quantity received and the quantity ordered should be the same. There is a 10% variance that is allowed for certain commodities due to their nature, processing or unit of measure.



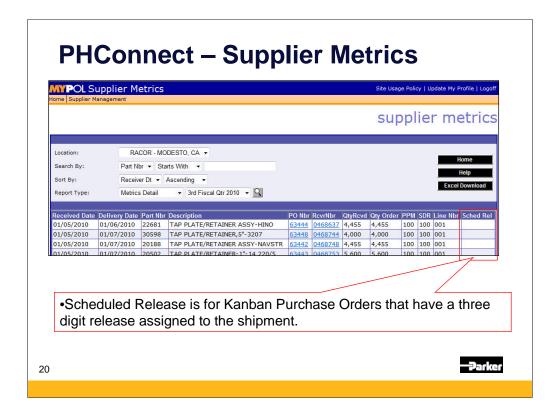
The ninth column of the detail information lists the information related to the quality metric. This allows the supplier to view the information by line item to a quality defects. The quality rating should be 100 in the PPM field, meaning the shipment did not have any rejects.



The tenth column is the supplier delivery rating column. SDR stands for Supplier Delivery Rating. The delivery rating is either 100 or 0. A score of 100% is the goal, any other percentage less than this designates that the order was shipped late.



The eleventh column displays the line number on the purchase order the shipment is referenced.



The final column of the supplier metrics detail displays the scheduled release is for Kanban Purchase Orders that have a three digit release assigned to the shipment.