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CRITERIA FOR THE OPTIMAL CHOICE OF SUPPLIER

VLADIMÍR ALEKSEYENKO, JOHN BANZEKULÍVAHO MUHÍZI

Polotsk State University, Belarus

This article describes the most important criteria needed to make a decision on the choice of the optimal resource provider, helping to reduce the risks associated with the supplier's inability to fulfill its obligations.

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Supplier selection is one of the most important tasks of procurement logistics. The underestimation of this stage of production is not only a gross mistake of the manufacturer, but may later become a decisive factor in the recognition of the products of this enterprise as uncompetitive on the market. The supplier's performance is simply necessary for the successful operation of any organization.

There are two ways to choose a supplier:

Choosing a supplier from among companies that have already been your suppliers and with whom you have already established close ties. This facilitates the choice, since the company's purchasing department is already familiar with their level of professionalism [1].

Selection of a new supplier, as a result of the search and analysis of the market of interest: a market with which the company is already working, or a completely new market. Let this option be more costly compared to the first, since it requires a certain amount of time and resources to verify a possible supplier, but it provides an opportunity to follow the situation on the market as a whole, and, having made certain conclusions, use the services of the most suitable (for selected organizations criteria) of the supplier. It is also reasonable to assume that the higher the competition in the market of the supplier, the more favorable conditions (without the loss in quality) can be achieved by the client organization.

There are two main criteria for choosing a supplier:

- 1) cost of acquiring products or services;
- 2) quality of service [2].

Quality of service includes quality of products or services and reliability of service. The latter is estimated by means of the probability of no refusal to satisfy the customer's application. In addition to the main criteria, there are additional ones. These include:

- Remoteness of the supplier from the consumer;
- Deadlines for the execution of current and emergency orders;
- Organization of quality management at the supplier;
- The ability of the supplier to ensure the supply of spare parts during the entire service life of the supplied equipment;
- Creditworthiness and financial position of the supplier, etc.

The stages of choosing the optimal supplier are:

Search for potential suppliers.

Contests, auctions; the study of promotional materials (corporate directories, ads in the media, sites on the Internet, and so on); visiting fairs, exhibitions; personal contacts with possible suppliers (correspondence, telephone conversations, business meetings) [3].

Check supplier.

Supplier reliability is one of the most important criteria for choosing it. In the event of an insolvency of the supplier, the company will not only suffer losses due to a shortage of raw materials and materials, but will also be forced to increase costs of finding new resources. It is at the stage of dating that the potential partner is checked. If the supplier turns out to be unfair, then the buyer may experience problems in trading, which can lead to financial losses, so it is important to identify the reliability of the supplier before entering into an agreement. To verify the reliability of the supplier, information can be obtained from the following sources: a

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personal meeting with the management of the organization; financial statements of the supplier; local sources (legal entities operating in the area); banks and financial institutions; potential supplier's competitors; trade associations; news agencies; public sources (registration chambers, tax and other, with information open for familiarization). The result of the second stage is a list of suppliers with a proven reputation.

Analysis of identified suppliers.

As a result of the analysis of potential suppliers, a list of specific suppliers is formed, with which the work on the conclusion of contracts is carried out. Criteria based on the analysis of potential suppliers are the price and quality of products, as well as the reliability of supply.

Supplier Reliability Assessment.

Evaluation of the results of work is carried out on already concluded contracts.

The criteria for selecting a supplier also include the following issues:

- 1) Information on the company's position in the existing market, its experience, supplier's reputation, reputation, the identity of the manager, a contingent of major customers, the size of the current market and plans for the future, competitive advantages, as well as leadership in the market of specific products, the possibility of a long-term business partnership, financial stability and financial conditions (for example, the possibility of providing price discounts);
- 2) Existing relations with the supplier – the existence of existing or already invalidated contracts with this company, the prospects for long-term cooperation, the presence of various circumstances affecting the choice of supplier (kinship ties), the volume of sales of goods necessary for mutual interest;
- 3) Products supplied – fame, breadth of assortment, quality and appearance of goods, compliance with established sanitary and technical standards, availability of certificates;
- 4) Pricing policy – prices for the products supplied, their difference from the average market, the possibility of discounts;
- 5) Reliability of supply – compliance with the delivery schedule and emergency orders, compliance with requests for the volume and structure of goods, the implementation of a transport service provider, the possibility of varying the various terms of delivery;
- 6) Availability of reserve capacity;
- 7) Improving the quality of products, related services in the form of organization, the possibility of returning defective products, the ability to ensure the supply of spare parts during the entire service life of the supplied goods, as well as make repairs;
- 8) Geographical location of the supplier;
- 9) The absence of negative messages about it from business partners or the media;
- 10) Professional level of staff, staff turnover and so on.

For the organization of smooth operation, it is desirable to have a large number of suppliers, since it provides the following benefits:

- 1) The ability to successfully negotiate prices, terms of delivery or other obligations;
- 2) A choice if one of the suppliers is experiencing difficulties (difficulties may be associated with the terms of delivery, product quality and service);
- 3) The ability to solve problems arising from an increase in production or sales, not provided for in the current production (sales) plan.

It is also necessary to constantly monitor what measures the supplier is taking to ensure the safety of the quantity and quality of the products being shipped:

- 1) Compliance with the established rules for packaging and packaging of products, marking and sealing of individual items;
- 2) Accurate determination of the number of products shipped (mass and number of places, boxes, bags, bundles, bales, packs);
- 3) When shipping products in a package, there is a clearance for each container document (packaging label, packing list), indicating the name, quantity and quality of the products in this container location;
- 4) Accurate and correct registration of shipping and settlement documents, compliance of the data indicated in them on the quantity of products to the actual quantity being shipped;
- 5) Control over the work of persons engaged in determining the number of products shipped and registration of shipping and settlement documents for it;
- 6) Shipment (delivery) of products that meet the quality and completeness of the requirements established by the standards, specifications, drawings, recipes, samples, standards;

7) Accurate and correct execution of documents certifying the quality and completeness of the products supplied (technical passport, certificate, quality certificate), shipping and settlement documents, the compliance of the quality and completeness data indicated in them with the actual quality and completeness, as well as timely shipment (delivery) of products that meet the quality and completeness of the requirements established by the standards, specifications, drawings, recipes, samples, standards;

8) Accurate and correct execution of documents certifying the quality and completeness of the products supplied (technical passport, certificate, quality certificate), shipping and settlement documents, the conformity of the quality and completeness data indicated in them with the actual quality and completeness, as well as timely sending of documents certifying the quantity, quality and completeness of the product to the recipient; documents are sent with the products;

9) Compliance with the transport regulations for the delivery of goods for transportation, their loading and fastening, as well as special loading rules established by the standards and technical conditions.

Thus, the process of selecting the optimal supplier is extremely complex and requires maximum attention from the buyer's organization, including an assessment of the reliability of the supplier, analysis of the identified suppliers, as well as supplier verification. We also stressed the importance of having several suppliers at the same time at the enterprise, which will allow us to diversify risks. Reducing the likelihood of a complete lack of required resources.

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