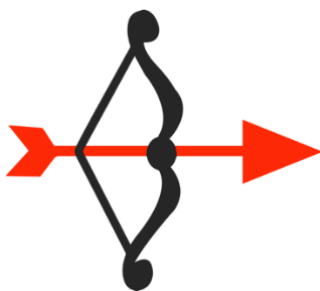




Suppliers are an important stakeholder in the success and growth model of a company. They are part of the external image or brand of a company; hence their involvement in the running and operations of businesses should be on a vetted prism (SARI, 2019). Supplier appraisal or evaluation is defined as “assessment of a potential supplier’s capability of controlling quality, delivery, quantity, price and all other factors to be embodied in a contract” (Compton and Jesseop, 200). Supplier appraisal may not be applicable to all categories but is mandatory for strategic and high-value projects that are critical to business. The fundamental idea of the selection and valuation of suppliers is dependent on the understandability of the appropriate appraisal model and its implementing methodology. Procurement managers or the executive branch responsible for this idea must be on top of the game in matters about tendering and procuring. Meticulous assessment of potential suppliers can greatly improve your supply chain management and have a positive impact on your financial bottom line.

## Is Supplier Evaluation necessary?

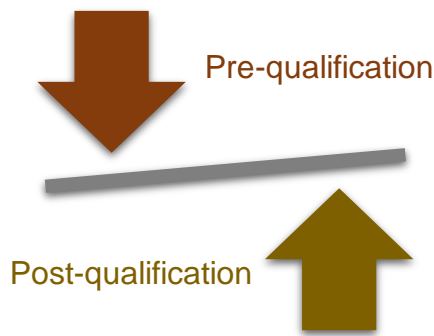
Based on a survey performed by “Hacket Group Survey, 2017”, about 40% of the problem in procurement process is about the identification, evaluation and selection of reliable suppliers or contractors. The average organisation spends approximately 41 hours per event on supplier identification and qualification.



Imagine a situation wherein a complex sourcing activity is concluded after a lot of technical inputs only to realise that the supplier does not have enough production capacity to meet your organisational demand or quality is inconsistent. This sort of situations may result in missed delivery schedules, quality issues, and potential damage to the company’s reputation.

The world economy has unlimited wants, but with limited resources, the basic principle of the proposed model is to ensure that we optimize resource usage (suppliers), at a lower cost consuming just the right amount of time. Whether it is Strategic, Tactical, Operational or a Commodity supplier, it is imperative that a thorough supplier evaluation exercise is conducted before initiating sourcing process with new suppliers, especially for strategic goods in single or sole source situations. This can help to ensure that the supplier is capable of delivering desired quality goods and services, meet delivery schedules, and adhere to regulatory requirements. The supplier evaluation can also help to identify potential risks and ensure that the supplier has the necessary resources, such as technology and capacity, to support the business needs.

The supplier appraisal procedure is a two-step methodology in a single supply stream. The first phase of the assessment is done at the prequalification stage. This is the initial opening to the procurement processes, and usually, is the determiner of the contract. At this stage, the procuring office in-charge is expected to act with the utmost fidelity in the supply chain process to fulfil or meet the entire process goal. The process ensures that the supplier is capable of the task and can meet the general purpose. The second phase, which is a continuous activity, happens only after completing deliverables (post-contractual evaluation stage). This two-step approach will help in balancing supplier capabilities when analyzed (SARI, 2019).



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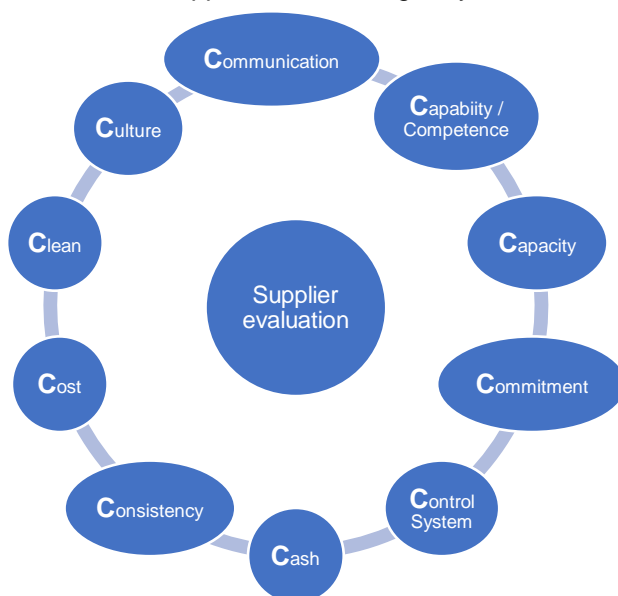
First phase of supplier evaluation can be conducted using any of the three methods listed below:

1. Desktop questionnaire or an interview supplemented by a site visit
2. Field research mainly targeted at strategic or high value supplies including site visit and
3. Appraisals through an accredited agency (D&B, Reuters etc.)

Usually, there's a lot of embarrassment that can also lead to lawsuits when such processes are not thought out well. Carter's 10C model is one of the fundamental tools that ease time, cost, and effort in addressing the complex task of supplier evaluation or appraisal. This article demonstrates the applicability of Carters 10C model in the supplier appraisal processes.

## What is the 10C model of supplier appraisal

The 10C's model is the idea of Dr. Ray Carter as the solution to the first phase in determining the required standards of a supplier. He had originally described the 7Cs of effective supplier evaluation in a 1995 article



in *'Purchasing and Supply Management'*. That number has become 10 since then. This Model is a structure of "10'C letter" that authenticates and defines an individual on the capabilities of supplying for the company.

Carter's 10 C model of supplier evaluation is not a checklist. Instead, each of the criteria requires evaluating your suppliers in a more comprehensive way. This model soon became very popular with procurement professionals and has been adopted and adapted by many organisations.

The philosophy of this model entails individual analysis on the attributed C's qualities. In this way, potential suppliers will have a fair competition, and you may be able to negotiate a better price for your product.

Let us review each of the "C" elements and understand its significance.

### **1. Capability / Competence**

This is the ability to deliver the materials needed or accomplish the tender scope. A supplier must be analyzed in his/her capability to seal and implement the deal. The procurement team must be satisfactorily convinced that the supplier meets the competence enshrined or required under the various procurement rules.

### **2. Capacity**

This is the preparedness and wellness in completing the task. The supplier must convincingly show out his capacity to start and complete the task. Therefore, he must demonstrate the required resource strength. He must meet the capacity threshold in terms of personnel required, equipment, time-bound and other resource-based requirements.

### **3. Commitment**

The supplier must demonstrate the commitment to meet the quality standards of the company. Such standards are; fully subscribed to quality suitable performance. Are the suppliers responsible for building a long-term relationship with the company?

### **4. Control system**

The supplier must demonstrate the control of their policies and procedures. Further, they must prove the control mechanism of the whole contract or supply. Are they outsourcing their services to another company or they are independent?

### **5. Cash**

The financial strength of the company must be on par with the logistics of the tender. They must demonstrate healthy financial statements supported by the ability to borrow or outsource funding. Suppliers must be financially stable to start and complete tender logistics.

### **6. Consistency**

The aspect of consistency must be proved in terms of how the supplier can be consistent in the provision of the goods and services for the required period. Further, they must show that they can maintain and keep quality.

### **7. Cost**

The supplier's price must be reasonably arrived at. This is to ensure that the company can meet the costs and derive the maximum value from their respective expenditures.

### **8. Clean / CSR**

The supplier must meet sustainability compliance terms. He should be sensitive to environmental sustainability policies and demonstrate the ability to supply environmentally conscious goods.

## 9. Culture

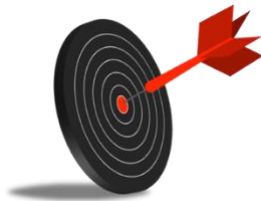
This is the level of compatibility in the cultures of the supplier and the company. The supplier should at least have some commonness in terms of culture, behaviour, language, technical experience and other traits.

## 10. Communication

This is very vital in any organization. There should be a possibility of active communication from the supplier throughout the supplying period. Therefore, he or she must demonstrate that he is reliable whenever called upon or during the process of supplying.

In conclusion, the Carters' 10C principles offer a basis through which a supplier can be evaluated. Companies should adopt the process to meet the right supplier and ensure that the company meets the objectives. A strong management procurement policy will have the 10C model as a considerate process in recruiting suppliers.

However, it should be noted that similar to other evaluation models, you reap what you sow. The model is not a silver bullet that you fire and forget; it requires a meticulous vision much before you initiate the evaluation process. The weightage of each "C" element would depend on the complexity of the sourcing projects or the relevant category. For e.g., a strategic outlook may be missing from the suppliers of stationery or pantry items. Hence, the party conducting appraisal should be diligent in assessing right elements to measure and weigh the capabilities of the supplier.



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