

Course ID
OFFSHORE
Course Duration
2 Days

Course Title
Offshore Supplier Management and Performance Assurance

Related Courses

- Manufacturing Leadership Workshop (MANULEAD, 3-4 days)
- Quality Management (QUALMGT, 3 days)
- Delivery Performance Improvement (DPI, 2 days)
- Cost Reduction: Opportunities and Strategies (COSTRED, 2 days)

Aimed At

This course is aimed at project managers, program managers, supervisors, managers, engineers, project engineers, design engineers, process engineers, supply chain managers, and others responsible for managing offshore suppliers.

Group Size

7-25

Prerequisites

While there are no formal prerequisites, the course assumes a business, manufacturing, or technical background.

Course in a Nutshell

This course brings together important offshore supplier management concepts.

Many organizations are either considering or actively engaged in transferring activities to offshore suppliers. This workshop develops an approach for objectively evaluating in-house versus offshore work assignment, and presents a proven approach for managing engineering, quality, manufacturing, contract, and other risks associated with offshore supplier management. The training approach provides real-world techniques proven in hundreds of companies.

Customize It!

Whatever the nature of your business, whether you are a manufacturer or a service provider, we will customize the course to meet your specific needs, concerns, and objectives. Here are some of the ways in which we can tailor the course to help you get more out of it:

- Add a “workshop day” to the course to allow the participants to work together to analyze offshore supplier management challenges specific to your organization. The workshop day can be scheduled a few weeks after the course to allow time for applying the approaches presented in class under an experienced practitioner’s guidance.
- Add an in-depth discussion of offshore supplier management considerations, such as supplier corrective action systems, process capability studies, supplier payment approaches, etc.
- Schedule post-class follow-up consultation for continuing offshore supplier management improvement.

- Learn How To**
- Work together in an effective multi-disciplinary team environment to manage offshore supplier activities.
 - Objectively identify and resolve offshore supplier management issues.
 - Identify and manage offshore supplier risk.
 - Implement and sustain an effective offshore supplier management approach.
 - Tap into and incentivize your employees to better manage offshore suppliers.

**Course
Outline**

Day 1

Module 1: The Nature of Offshoring. Introductions. Definitions. Offshoring growth in US industry. Offshoring advantages and disadvantages. Offshoring, subcontracting, and outsourcing. The nature of the offshoring challenge.

Module 2: Making the Decision. Company size versus offshore outsourcing. Deciding what to outsource and what to keep in house. In-house, offshore, in-country outsourcing. Third party intermediaries. Identifying all costs. Nonrecurring versus recurring cost. Make versus buy analysis. Net present value analysis. Cost model comparisons. Preventing savings overestimates. Establishing a reserve. Shipping considerations. Air freight costs versus surface transportation costs. Customs issues.

Module 3: Supplier Selection. Evaluating supplier load considerations. Capacity versus load considerations. Cultural considerations. Government assistance programs. Facility evaluation. Assessing supplier capabilities, competence, and quality. Supplier workforce qualifications and stability. Supplier experience in working with customs and shipping. Due diligence. Understanding cultural and legal differences. Turnover. The management bench. References.

Module 4: Engineering Considerations. Engineering approaches. Identifying and designating critical design features. Design responsibilities. Engineering change management. Geometric versus conventional tolerancing. Tolerance analysis. Defining responsibilities for product failures. Case study.

Module 5: Manufacturing Considerations. Process control. Manufacturing management systems. Reliance on labor versus automation. Tooling ownership, modifications, maintenance, and disposal. Delinquent delivery management approaches. Assuring on time delivery performance. Financial responsibilities in the event of delinquent delivery. The supplier's schedule culture. Eliminating schedule ambiguity. Responsibilities for Customs and other delays. Monitoring schedule performance.

Day 2

Module 6: Quality Considerations. Defining quality requirements. Supplier quality responsibilities. First article inspections. Process capability. Using process capability studies and metrics effectively. Preventing quality fade. Supplier corrective action. Statistical process control. Failure analysis approach and responsibilities. Case study.

Module 7: Offshore Supplier Management. Communications challenges. Required/recommended periodic reports. Process capability reporting. Production control. Controlling supplier cost growth. Defining responsibilities for cost growth. Working with third-party intermediaries. Supplier visits. Supplier visibility. In-house management teams. Litigation and arbitration. Defining a contract dispute approach.

Module 8: Financial Considerations. Identifying all costs. Shipping. Traveling. Customs issues. Schedules. Preventing cost growth. Learning curve theory and learning curve contract incorporation. Clearly defining cost responsibilities. Soliciting and incentivizing supplier cost reduction.

Module 9: Contract, Legal, and Regulatory Considerations. Requirements clarity and the elimination of ambiguity. Joint ventures. Eliminating ambiguity. Scope definitions and clarity. Counterfeits. Tariff and related considerations. Prohibited and sensitive items. Case study.

Module 10: Risk Management. Protecting Proprietary Data. Sample part risks. Counterfeits. Providing samples. Preventing the creation of competitors. Contracting issues and recommendations. Customs delays. Contingency planning. Multisourcing. Supplier outsourcing. National embassies and government assistance. Identifying supplier customers. Common challenges.

Module 11: Course Wrap Up. Review, Questions and answers, and course critique.

How You Will Learn

- A seasoned consultant/instructor with 30 years of offshore supplier management will present this course in an interactive lecture/workshop format.
- Along with the lecture, we use exercises, puzzles, case studies, and interesting group activities to enrich the instruction and drive home the essential points.
- Each participant will receive a Participant Handbook including all materials presented in class. These items will help you remember and retain what you learned and apply it in your organization.
- You will learn the key offshore supplier management concepts from a theoretical, practical, and organizational perspective.

Revision V3SPnl