

## **Animation 2.4**

Consider dependability as an order qualifier or order winner. This is the ability of an organisation to consistently meet its promises to customers is a very important factor in today's business environment. Within the category of dependability, Neely suggests there are four main factors to which we have added a fifth, namely safety.

**Schedule adherence:** The ability of an organisation to meet customers' requirements, both in the short and long term. Many businesses rely on more frequent scheduled deliveries from their suppliers in order to reduce inventories and thereby reduce their costs. This is particularly true in the automotive industry and in retail operations.

**Delivery performance:** The ability of an organisation to meet a required standard for delivering the product or service. This is usually based on the percentage of on-time and complete quantities delivered.

**Price performance:** The ability to meet a commitment to the customer for delivering its product or service at the agreed price, often over a contract period. Upward price pressure from fuel suppliers must then be absorbed by the supplier until the next round of price negotiations can begin.

**Ability to keep promises:** The ability to supply goods and services on time. Along with delivery performance this will be a key measurable across the supply network in most industries.

**Safety:** The ability of a product or service to ensure that its user comes to no harm. In the case of manufactured products these should carry a mark to show that they have been safety tested and have clear instructions for the user.

For services it is important that safety systems such as fire and evacuation procedures are tested regularly and that everyone is made aware of the procedures.

Many companies are measured on a number of these criteria as part of supplier level agreements which are used to determine future collaborations. Dependability is mainly an order qualifier but it can be an order winner in certain supply critical applications such as the urgent delivery of blood or organs for transplants.