

# GA Supplier Day 2022

## Supplier Performance Program (SPP) Session

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# Supplier Performance Program

- **Agenda**

- Introductions
- Powerful Partnerships
- Program Primer
- Growth & Maturation
- Monitoring Performance
- Program Utilization
- On The Horizon
- Customer Resources

# Introductions

- **Presenter**

- Brian Garcia – General Atomics (GA) Supplier Performance Program Administrator

- **Session Support**

- Joshua Amante – Contracts, Procurement and Proposals Management Buyer
- Christopher Langer – Contracts, Procurement and Proposals Management, Business Analyst

# Supplier Performance Program

**Powerful Partnerships**

# Powerful Partnerships

- **From inception to the first pilot in 2008, General Atomics (GA) Supplier Performance Program (SPP) has grown to include most of GA's material suppliers. This 15-year heritage has enabled the SPP to develop, mature, and serve as a key driver for continuous improvement. We look forward to strengthening existing partnerships and fostering new ones; as our collective business environments and challenges evolve, so shall we together.**

# Supplier Performance Program

## Program Primer

# What is the Supplier Performance Program?

**General Atomics' Supplier Performance Program (SPP) satisfies Customer-mandated monitoring requirements and provides the following:**

- Objective Supplier capability assessments to drive continuous improvement.
- Key input to supply chain operations and strategic sourcing.
- Tool to drive recognition of top performing Suppliers.
- Standalone Delivery and Quality metrics.
- Coverage of 700+ Suppliers inclusive of GA's Approved Supplier List (ASL).
- Comprehensive Monthly/Quarterly Performance Scorecards.
- Cross-functional representation (e.g., Senior Mgmt., Business Leads, Internal Stakeholders, Sponsors).
- Customized GA SAP metrics platform benchmarked against industry peers.

# Supplier Performance Program

## Growth & Maturation

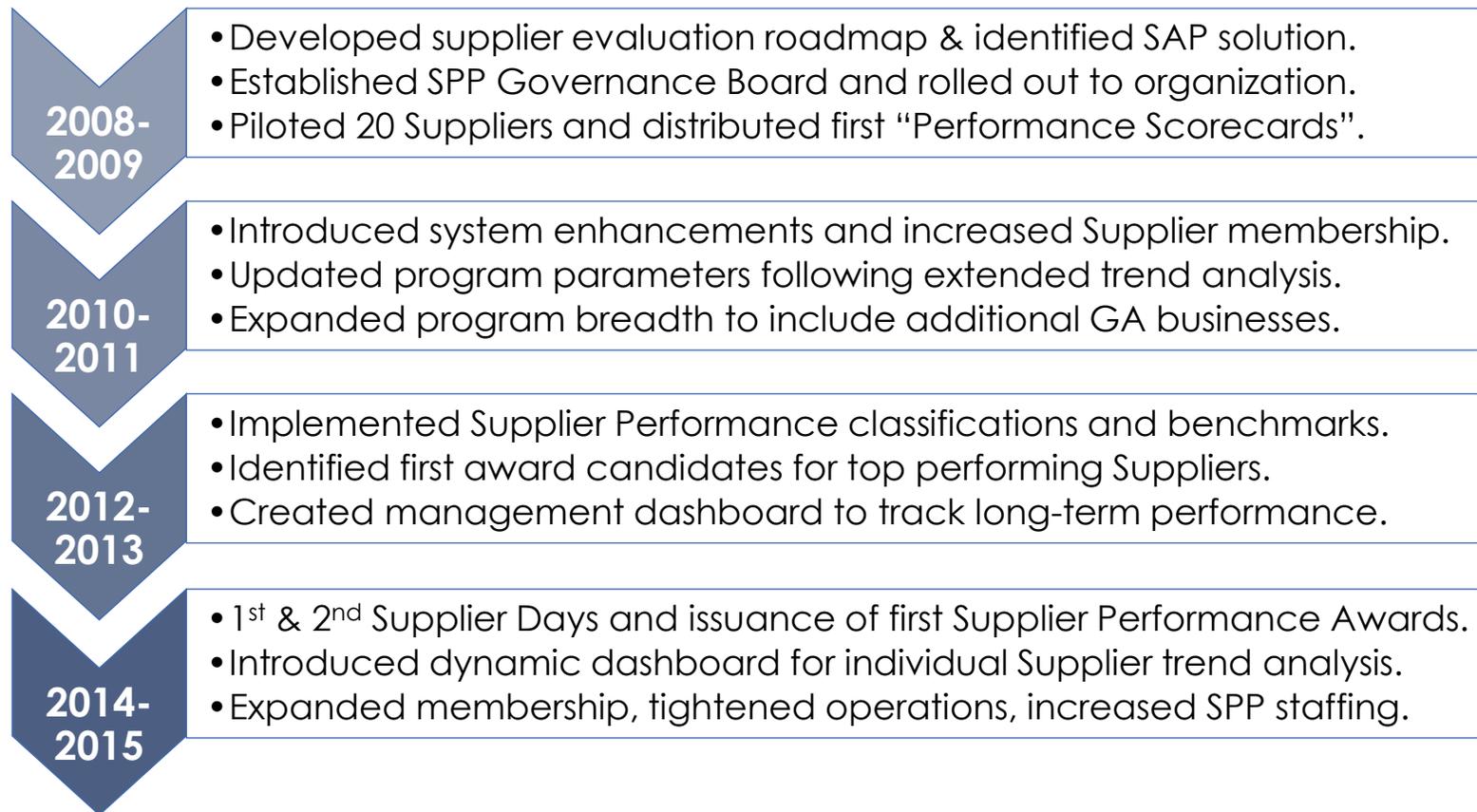
# Program Expansion

The SPP continues to grow its coverage, contributions, and impact.



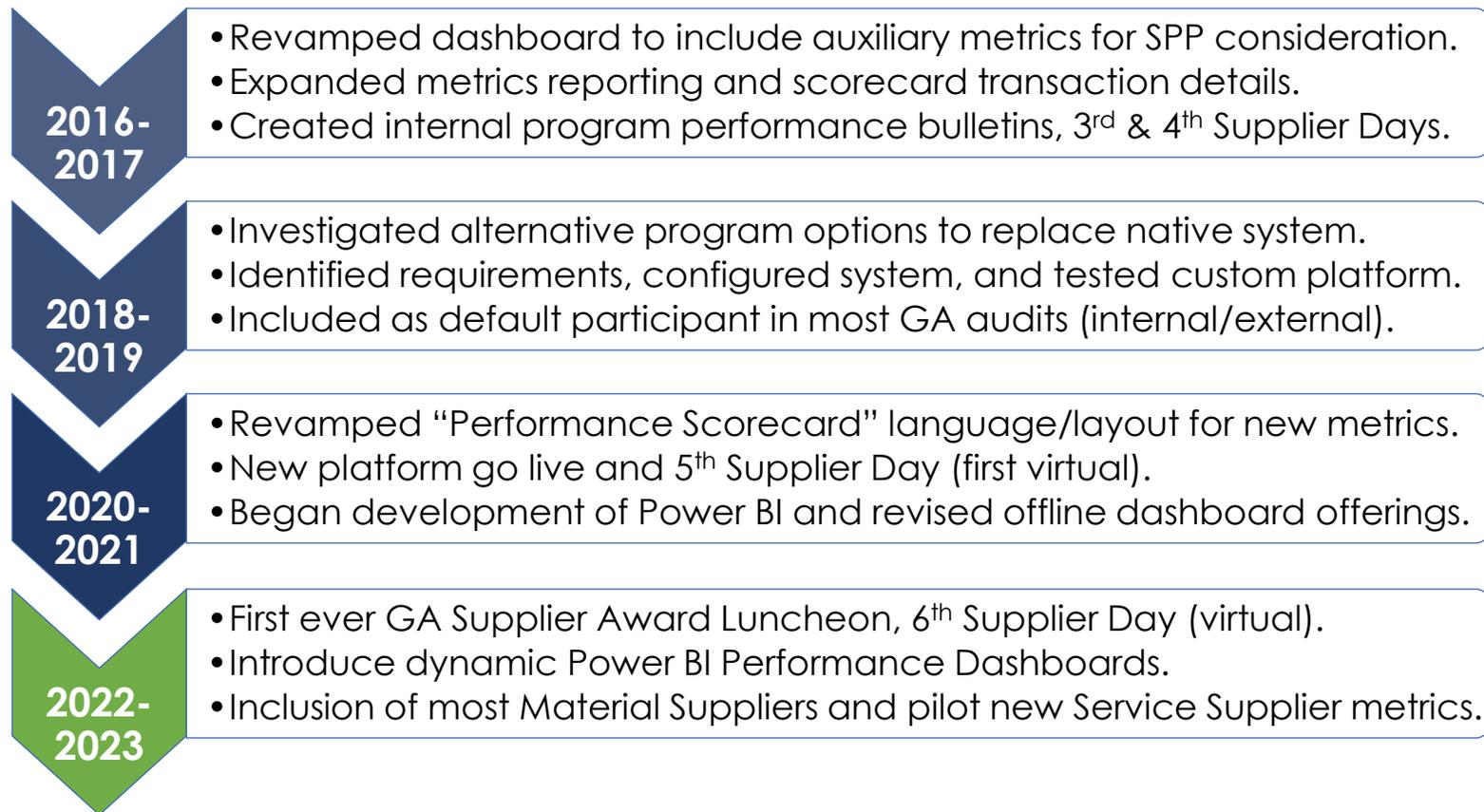
# Significant Milestones

**After a successful pilot, the SPP expanded both scope and structure.**



# Significant Milestones

**The SPP has steadily matured to become a core GA program.**



# Supplier Performance Program

## Measuring Performance

# Objective Metrics

**Original SAP-native platform piloted in 2008 was replaced in 2021 to leverage more straightforward calculations and standalone metrics.**

- On Time Delivery\*

$$\frac{\text{Parts Received On Time}}{\text{Total Parts Received}} * 100\%$$

- Fulfillment Delivery Score\*

$$\frac{\text{Count of PO Schedule Lines Fully Received On Time}}{\text{Count of PO Schedule Lines Fully Received}} * 100\%$$

- Quality Score\*

$$\frac{(\text{\# Receipts in Period} - \text{Sum of Quality Notification Defect Classification Weights})}{\text{\# Receipts in Period}} * 100\%$$

\*0 (zero) denotes a valid score; a blank indicates no activity.

# Performance Scorecards

Any metric scoring transaction activity for a Supplier on the SPP triggers the distribution of Monthly/Quarterly Performance Scorecards.

**GENERAL ATOMICS Supplier Monthly Performance Metrics Report**  
For Month 06/2022 Report Run Date: 06/19/2022

**Supplier Performance Metric(s) Assessment(s)**  
Vendor Number: 303001  
On Time Parts Delivery: 60%  
On Time Line Items In Full: 33%  
Quality: 71%

**Performance Classification**  
Unacceptable Unacceptable Unacceptable

**Purchase Order Delivery Details**  
On Time Part Delivery Metric = Total Parts Received On Time / Total Parts Received \* 100%  
On Time Line Items In Full Metric = PO Schedule Lines Fully Received On Time / PO Schedule Lines Fully Received \* 100%

Buyer	Purchase Order	Line Item	Sch Line Number	Description	Contract Delivery Date	Received Date	Workday Delta	Allowable Tolerance	Parts Delivery Status	PO Line Quantity	PO Line Quantity Received	Full Line Item Quantity Received	Delivery Complete
Any Okay	450070807	880	1	0461741 880 1 0461741 041	06/23/2022	06/24/2022	1	-15/+5	On Time	80 EA	80 EA	Yes	Yes
Any Okay	450070807	930	1	0461741 930 1 0461741 041	06/23/2022	06/24/2022	1	-15/+5	On Time	6 EA	6 EA	Yes	Yes
Josephine Ortega	450079800	30	1	0461741 30 1 0461741 302	05/12/2021	06/22/2022	279	-15/+5	Late	43 EA	24 EA	Yes	Yes
Josephine Ortega	450079800	30	1	0461741 30 1 0461741 302	05/12/2021	06/27/2022	282	-15/+5	Late	43 EA	19 EA	Yes	Yes
Nancy Koch	470056144	10	1	# P# 0461741039 SN 1001 R#M R#P- E-00129	07/06/2021	06/16/2022	238	-15/+5	Late	1 EA	1 EA	Yes	Yes

**Performance Summary**  
On Time Part Delivery: 100  
On Time Line Items In Full: 100  
Quality: 100

**Criteria Performance**  
On Time Part Delivery: 100  
On Time Line Items In Full: 100  
Quality: 100

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**On Time Part Delivery**  
On Time Part Delivery Metric = Total Parts Received On Time / Total Parts Received \* 100%

**On Time Line Items In Full**  
On Time Line Items In Full Metric = PO Schedule Lines Fully Received On Time / PO Schedule Lines Fully Received \* 100%

**Quality**  
Quality Metric = Number of Receipts - Sum of Quality Notification Weights / Number of Receipts \* 100%

An absence of a score (i.e. blank) in any performance metric indicates that performance related activity has not occurred within the system for the period reported while a zero (0) represents a valid score in any performance metric.

**Quarterly Performance Activity Details**

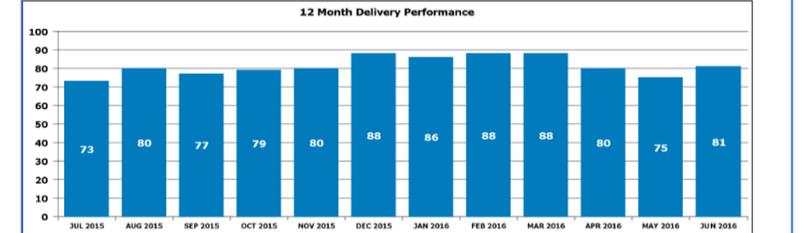
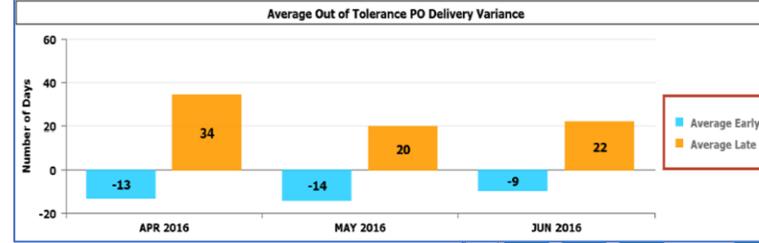
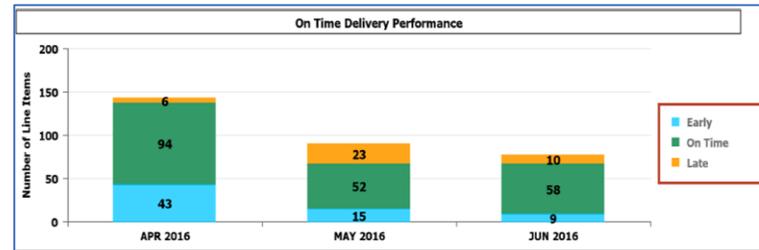
Month Year	Parts Received	Parts Early	Parts On Time	Parts Late	FLI Received	FLI Early	FLI On Time	FLI Late	Quality Notifications Opened	Sum of QN Weights
JAN 2022	2,740	0	2,740	0	8	0	8	0	0	0
FEB 2022	660	0	660	0	8	0	7	0	0	0
MAR 2022	812	0	812	0	13	0	13	0	0	0
Quarter	4,212	0	4,212	0	29	0	28	0	0	0

Supplier performance is classified per quarter in accordance with the below Performance Benchmarks. Suppliers who consistently perform at an elevated level (i.e. Exceptional, Outstanding) throughout the Calendar Year may be eligible for Performance Award recognition. Suppliers whose performance repeatedly at an Unsatisfactory level may be subject to Supplier Cause and Corrective Action Requests.

**Performance Classification**

Exceptional	≥98%
Outstanding	≥95% - <98%
Satisfactory	≥85% - <95%
Unsatisfactory	<85%

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# Scorecard Attributes

## Both Monthly and Quarterly Performance Scorecards share and include common key elements:

- Performance Period
- Supplier Information
- Recipient Contact Details
- Metric Formulas
- Metric Explanations
- Performance Scores
- Performance Classifications
- Report Run/Refresh Date
- Non-conformance Details

## Monthly Inclusions

### **All Delivery & Quality transaction details for any month with scoring activity.**

- All material Goods Receipts
  - Part & Line-Item Delivery status
  - Full purchasing details
- Past Due PO Details
  - Unreceived, but would have been deemed "Late"
- Quality Notifications (Supplier Responsible only)

## Quarterly Inclusions

### **Only non-conformance transactions during any given quarter.**

- Monthly & Quarterly scores/graphics
- Quarterly transaction totals (e.g., # Deliveries, QNs, Parts Accepted)
- In depth Delivery analysis (e.g., Average Days Early/Late)
- Rolling 12-month scores/graphics

# Program Parameters

**The SPP is driven by data and is GA's recognized performance program; some core characteristics include:**

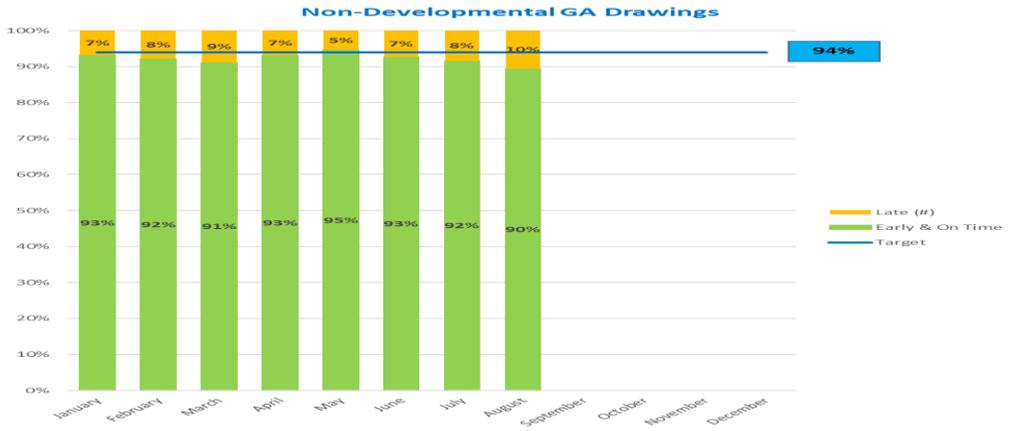
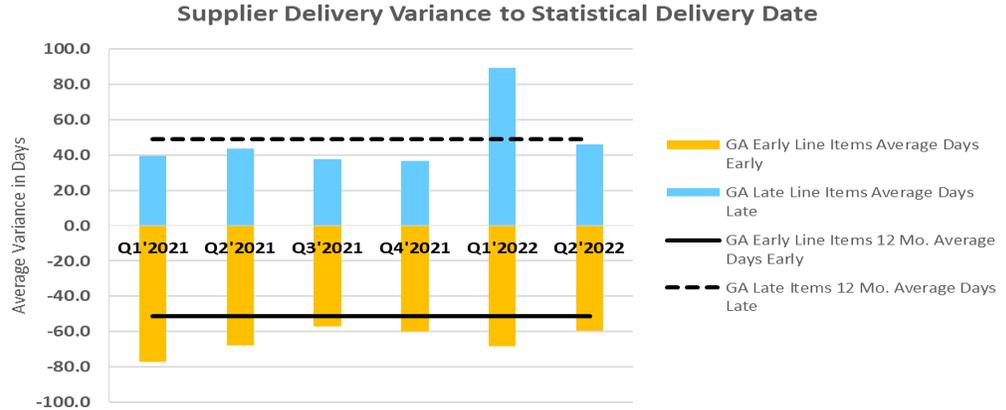
- Benchmarked against industry peers & modeled after ASI's platform.
- Score calculations consistent regardless of timeframe w/no averaging.
- Metrics and resultant scores are standalone with no weighting or blending.
- No SPP Administration touchpoints on scoring transactions (i.e., best practice).
- System is reflective of data owner inputs; the notion of "bad" data is largely a fallacy.
- GA Purchasing Agents are Supplier's primary contact for performance issues.
- Delivery Tolerance:
  - -15/+5 working days on either side of the Statistical Delivery Date.
  - Within tolerance = "On Time", otherwise "Early" or "Late" respectively.
- Performance classifications also closely mirror ASI.
  - Exceptional ( $\geq 98\%$ ) | Outstanding ( $\geq 95\% - < 98\%$ ) | Satisfactory ( $\geq 85\% - < 95\%$ ) | Unsatisfactory ( $< 85\%$ )

# Supplier Performance Program

## Program Utilization

# Comprehensive Analysis

The SPP continues to grow its coverage, contributions, and impact.



# Critical Touch Points

**Over time the SPP has evolved to become an increasingly integral component of GA's business and growth.**

- Supports supplier performance management efforts.
- Partners with GA stakeholders and Suppliers to address performance issues.
- Principle participant in both internal & external audits.
- Provides Supplier support and, as needed, advocacy.
- Primary driver for Supplier recognition.
- Core contributor to all Supplier Day and Award events.
- Celebrate 15 years in operation.

# Supplier Performance Program

On The Horizon

# Enhancements Continue

## Program enhancements for 2023 on schedule.



- Inclusion of most material Suppliers
- Increase performance dashboard offerings
- More granulated trend analyses
- Identify internal improvement opportunities

- Improve Supplier communications/involvement
- Develop relevant metrics for Service Suppliers
- Elevate the SPP role as business determinant
- Improve Supplier recognition and promotion

# Supplier Performance Program

## Customer Resources

# Customer Resources

- The SPP coverage spans all of GA Corporate and associated GA business units, save ASI.
- Multiple tools and resources are at SPP's disposal to assist as needed.
- Internal stakeholders and our valued Suppliers comprise our customer base; as such the SPP Team is always available:
  - Brian Garcia
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  - SPP
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# Supplier Performance Program

“

Watch the little things; a small leak will sink a great ship.

- Benjamin Franklin

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# Supplier Performance Program

Questions?