



Dragon Sourcing - 龙源

Delivering sustainable sourcing value from emerging markets

Lifting Equipment & Components Sourcing Case Study



Agenda

- 1. Sourcing Project Introduction**

2. Sourcing Approach

3. Conclusions



Objectives and approach

Context

Objectives:

- Client is and European lifting equipment retailer
- Identify new potential competitive suppliers in China, India, Southeast Asia, Turkey and Eastern Europe.

Category:

- Rope deflections and rope pulleys
- Rack and pinion winches
- Crane hook scales
- Goods lifts and assembly lifts
- Lifting equipment

Deliverables:

- Supplier database
- Scorecard
- RFI report
- RFQ report
- Supplier profiles
- Recommended suppliers



Dragon Sourcing approach

1. **Demand Analysis:** Work with client to understand the products and requirements (specs, volumes, target price, supplier qualification , technology used, location, etc)
2. **Supply Market Analysis:** Identify long list of potential suppliers by leveraging B2B Websites, DS Database, Fair catalogues, Chamber of Commerce, Magazines, Network, References.
3. **Telephone Pre-screening:** Selection of suppliers to be included in the RFI/RFQ process by telephone pre-screening based on agreed simple criteria (e.g. capability to provide the service, minimum company size, interest in participating).
4. **Develop RFI/RFQ & Scorecard template:** Prepare an RFI/RFQ document, with an aligned Balanced Scorecard that has the objective to pre-qualify the capabilities of the suppliers, including: Background, Financials, Client and industry experience, Quality certification & processes, Social Responsibility, Service /technology capability.
5. **Administer the RFI:** The RFI is distributed to the relevant suppliers with telephone follow-up to push for maximum participation.
6. **Analyze RFI Responses:** Analysis of RFI responses, preparation of a report, which profiles & objectively ranks the manufacturers by capability , including a recommendation for those to RFQ phase.
7. **Administer the RFQ:** The RFQ and drawings are distributed to shortlisted suppliers according to RFI report
8. **Analyze RFQ Responses:** Analysis of RFQ responses to rank suppliers' price competitiveness. Recommend suppliers for samples development or audit according to RFI and RFQ.
9. **Audits, Selection & Contracting (optional):** Prepare for audits, conduct audits, analyze audit results, samples development & testing, negotiation & contracting.



Agenda

1. Sourcing Project Introduction
- 2. Sourcing Approach (Crane hook scales)**
3. Conclusions



The project is scheduled for 8 weeks period.







Steps		Who	W0	W 1	W 2	W 3	W 4	W 5	W 6	W 7	W 8	W 9	W 10
0	Kickoff	client / DS											
1	Demand Analysis	client / DS											
2	Supply Market Analysis	DS											
3	Telephone pre-screening	DS											
4	Develop the RFI-RFQ												
5	Administer RFI/RFQ	client / DS											
6	Analyze RFI/RFQ Responses and recommend suppliers	DS											
7	Suppliers Audit, Selection and Contracting (optional):	client / DS											

Not-started Started Delayed Finished Milestones



Crane hook scales

Total 6 product series

	Product Series Definition	Image	Number of SKUs	Weight range	Digital Range
1	Crane hook scale for industrial use with LED display, calibrated		7	500-30,000kg	Digit step: 0.2kg-20kg
2	Crane hook scale for industrial use with LED display, calibrated		7	500-30,000kg	Digit step:: 0,1kg-10kg
3	Tension sensor with digital display for measuring tensile forces		4	10.000-50,000kg	Digit step:: 10kg-10kg
4	Tension sensor with digital display for measuring tensile forces		4	2,500-20,000KG	Digit step:: 1kg-10kg
5	Tigrip crane hook scale with digital display		3	1,000-3,200kg	Digit step:: 0,5kg-1kg
6	Tigrip crane hook scale with digital display and remote control		3	5,000-12,000KG	Digit step:: 1kg-5kg



- Long list of suppliers were identified from target countries leveraging multiple sources of information & from existing DS database.

Step

RFI/RFQ Administration

show

Alive

for

All markets

Search

Clear

<input type="checkbox"/>	Company Name	Supplier Identification Status	Supplier Source	Pre-Screening Status...	RFI/RFQ Administration Status	Proc fruits	Business Type	Country
<input type="checkbox"/>	<div>Confidential</div>	Identified	DS Database	3. Passed	5. Full RFI/RFQ Received		Manufacturer	China
<input type="checkbox"/>		Identified	DS Database	3. Passed	5. Full RFI/RFQ Received		Manufacturer	China
<input type="checkbox"/>		Identified	DS Database	3. Passed	5. Full RFI/RFQ Received		Manufacturer	China
<input type="checkbox"/>		Identified	DS Database	3. Passed	1. Send RFI/RFQ		Manufacturer	Egypt
<input type="checkbox"/>		Identified	DS Database	3. Passed	1. Send RFI/RFQ		Manufacturer	Egypt
<input type="checkbox"/>		Identified	DS Database	3. Passed	1. Send RFI/RFQ		Manufacturer	Egypt
<input type="checkbox"/>		Identified	DS Database	3. Passed	5. Full RFI/RFQ Received		Manufacturer	China
<input type="checkbox"/>		Identified	DS Database	3. Passed	5. Full RFI/RFQ Received		Manufacturer	China
<input type="checkbox"/>		Identified	DS Database	3. Passed	5. Full RFI/RFQ Received		Manufacturer	China
<input type="checkbox"/>		Identified	DS Database	3. Passed	4. Partial RFI/RFQ Received		Manufacturer	China
<input type="checkbox"/>		Identified	DS Database	3. Passed	5. Full RFI/RFQ Received		Manufacturer	China

- Full sourcing process including building long list of supplier database was done online on the DS e-sourcing tool GSP



- Pre-screening process was initiated after receiving client validation,
- This process was to filter the long list of suppliers prior moving them to the RFI step

Suppliers “Must have” and “Good to have” criteria to pass pre-screening.

Does your company produce crane hook scale with LED display ?

Other

Must yes

Does your company export to EU?

Other

Preferred

Does your company's products have CE?

Other

Preferred

- Full sourcing process including pre-screening the suppliers was done online on the DS e-sourcing tool GSP







83 suppliers identified, 83 suppliers called, 28 passed pre-screen, 28 RFI/RFQ sent, 9 RFQ only and 13 RFI/RFQ received.

Step	China	Indonesia	Malaysia	Myanmar	Singapore	Vietnam	Turkey	Austria	Bulgaria	Czech	Poland	Romania	Ukraine	Serbia	Total
Total number of suppliers	42	4	2	2	1	4	6	3	1	4	3	6	3	2	83
Suppliers called	42	4	2	2	1	4	6	3	1	4	3	6	3	2	83
Shortlisted suppliers after call	27	0	0	0	0	0	1	0	0	0	0	0	0	0	28
RFI/RFQ sent	27						1								28
RFQ only	8						1								9
RFI/RFQ received	13														13



- **Supplier assessment**
- Balance score card was drafted to rank the suppliers by capability, infrastructure and several other criteria's.

Section Name	Section Weighting	
Business information	30%	
Production	30%	
Quality management	25%	
Certificate, documents and pictures	15%	
TOTAL	100%	



9 RFQ only and 13 RFI/RFQ received, 1 from Turkey, 21 from China.

#	Supplier Name	Country	RFI	RFI score	Number of items quoted	CE	Supplier Website
1	Sup1	China	Y	84	12	N	xx
2	Sup2	China	Y	80	6	N	xx
3	Sup3	China	Y	78	5	Y	xx
4	Sup4	China	Y	76	2	Y	xx
5	Sup5	China	Y	73	3	N	xx
6	Sup6	China	Y	71	5	Y	xx
7	Sup7	China	Y	67	4	Y	xx
8	Sup8	China	Y	64	5	Y	xx
9	Sup9	China	Y	62	9	Y	xx
10	Sup10	China	Y	60	12	Y	xx
11	Sup11	China	Y	57	2	N	xx
12	Sup12	China	Y	46	4	Y	xx
13	Sup13	China	Y	34	8	N	xx
14	Sup14	China	N		12	Y	xx
15	Sup15	China	N		5	Y	xx
16	Sup16	China	N		4	Y	xx
17	Sup17	China	N		6	Y	xx
18	Sup18	China	N		5	Y	xx
19	Sup19	China	N		4	N	xx
20	Sup20	China	N		2	Y	xx
21	Sup21	Turkey	N		4	Y	xx
22	Sup22	China	N		2	N	xx



22 suppliers quoted, 3 Suppliers quoted 12 items, 15 suppliers have CE.
Supplier Sup3 has warehouse in France, their price is EXW France.

#	Sup1	Sup10	Sup14	Sup9	Sup13	Sup2	Sup17	Sup3	Sup6	Sup8	Sup15	Sup18	Sup7	Sup12	Sup16	Sup19	Sup21	Sup5	Sup4	Sup11	Sup22	Sup20
1	29	105	67		490	185	222	336	136	48	211	40	204		45	32		231	207	40	215	14
2	405	830	1231	1400	1295		1361									903					1115	
3	29	105	120		490		272	349		48	211		255		62	32		231	259	40		14
4	405	830	1669	1400	1295		1411									903						
5	45	130	120	130		230	278	371		57		115	290	170	12		170					
6	57	141	196	130			306	371		89		115	340	170	25		330					
7	93	160	196	140		385		402				160		170			390					
8	178	620	530			950				112		210		433			535					
9	275	560	609	200	666				182		245											
10	1053	1950	1775	750	1735				832		982											
11	19	270	249	90	530	180			197		80							212				
12	551	1050	687	400	832	650			605													
Number of items quoted	12	12	12	9	8	6	6	5	5	5	5	5	4	4	4	4	4	3	2	2	2	2
RFI score	84	60	0	62	34	80	0	78	71	64	0	0	67	46	0	0	0	73	76	57	0	0

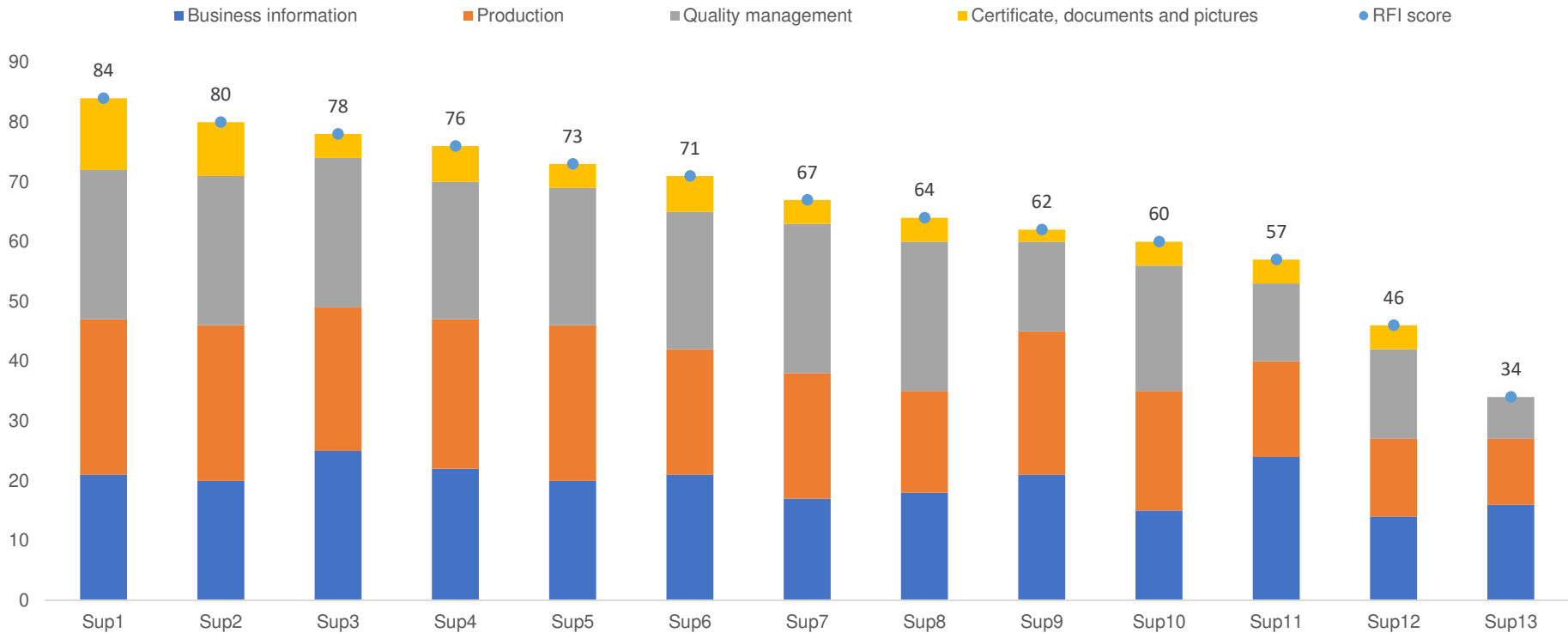
Incoterm: FOB
Currency: USD





13 suppliers were scored and ranked

Supplier RFI Score





DS recommend 5 suppliers to next step considering price, 12 items quoted, CE, company profile and other categories quoted.

DS suggest to ask suppliers to quote more items in the product series, check supplier's detailed spec and catalog, get samples to check the quality.

#	Supplier short name	Country	Supplier Website	RFI score	Items quoted	CE	Recommended reason
1	Sup1	China	XX	84	12	N	<ul style="list-style-type: none">• Highest RFI score• Big company, quoted two other categories.• Have CE for Chain, electric hoist, manual hoist, lever hoist. Be able to apply for CE after.• ISO 9001
2	Sup9	China	XX	62	9	Y	<ul style="list-style-type: none">• Focus on crane hook scales• Have CE
3	Sup10	China	XX	60	12	Y	<ul style="list-style-type: none">• Quoted two other categories.• ISO 9001• Have CE
4	Sup14	China	XX		12	Y	<ul style="list-style-type: none">• Quote 12 items• Have CE• Quote other category
5	Sup3	China	XX	78	5	Y	<ul style="list-style-type: none">• Good RFI score• Quoted two other categories.• Have CE• ISO 9001• Have warehouse in France



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Total 513 suppliers identified, 157 passed pre-screen, 21 RFQ only and 52 RFI/RFQ received, 25 suppliers recommended.

#	Rope deflections and rope pulleys	Rack and pinion winches	Crane hook scales	Goods lifts and assembly lifts	Lifting equipment	Total
Total number of suppliers	123	65	83	138	104	513
Suppliers called	123	65	83	138	104	513
Shortlisted suppliers after call	47	13	28	28	41	157
RFI/RFQ sent	47	13	28	28	41	157
RFQ only	2	2	9	2	6	21
RFI/RFQ received	6	6	13	9	18	52
Suppliers recommended	4	5	5	5	6	25



Total 17 suppliers recommended for next steps, 6 supplier were recommended for multiple categories.

#	Supplier Name	Country	Supplier Website	RFI score	Rope deflections and rope pulleys	Rack and pinion winches	Crane hook scales	Goods lifts and assembly lifts	Lifting equipment
1	Sup1	China	XX	84	Y, 8 items quoted,		Y, 12 items quoted,		
2	Sup23	China	XX	66	Y, 5 items quoted				
3	Sup24	China	XX	61	Y, 7 items quoted				
4	Sup14	China	XX		Y, 8 items quoted		Y, 12 items quoted,		
5	Sup4	China	XX	76		Y, 2 items quoted,		Y, 4 items quoted,	Y, 5 items quoted,
6	Sup36	China	XX	73		Y, 4 items quoted,			
7	Sup6	China	XX	71		Y, 2 items quoted,			Y, 5 items quoted,
8	Sup7	China	XX	67		Y, 3 items quoted,			
9	Sup40	China	XX	62		Y, 2 items quoted,			
10	Sup9	China	XX	62			Y, 12 items quoted,		
11	Sup10	China	XX	60			Y, 12 items quoted,		
12	Sup3	China	XX	78			Y, 8 items quoted,	Y, 6 items quoted,	Y, 8 items quoted,
13	Sup38	China	XX	80				Y, 8 items quoted,	Y, 5 items quoted,
14	Sup2	China	XX	80				Y, 6 items quoted,	
15	Sup27	China	XX	79				Y, 4 items quoted,	
16	Sup50	Malaysia	XX	70					Y, 8 items quoted,
17	Sup43	China	XX	68					Y, 8 items quoted,