

SUPPLIER QUALITY BY THE NUMBERS:

A VISUAL SNAPSHOT OF KEY METRICS AND TRENDS

DID YOU KNOW ?

60%

60% of biopharmaceutical manufacturing is outsourced, relying heavily on suppliers and contract manufacturing organizations (CMOs)¹

KEY QUESTIONS TO ASK...

- How much of your supply chain is **external**?
- Do you know **how many suppliers and CMOs you have**?
- **Is the nature of your suppliers changing**; are you relying more on novel suppliers of raw materials and components or nontraditional CMOs or distribution partners?

60%

60% of the medical technology growth strategy is now inorganic with significant numbers of mergers, acquisitions and divestitures adding to that complexity.^{2,3}

KEY QUESTIONS TO ASK...

- **Are you aware of any acquisitions or divestitures?** It's always highly confidential but it would be wise to be aware of and plan for acquisitions or divestitures that might take place in the future. Such initiatives could significantly **impact your internal and external supply chain**.

43%

KPMG showed 43% of manufacturers have limited or no visibility into their supplier network; only 13% have complete visibility past tier 1 suppliers.⁴

KEY QUESTIONS TO ASK...

- Do you have **good visibility into your supplier network**? Does that include visibility into your suppliers' subcontractors (**tier 2 and 3 suppliers**)?
- Do you have supplier quality performance metrics on your quality dashboard?
- How effective is your **supplier audit program**?
- How involved is the quality group in **supplier evaluation, selection and onboarding**? Are those activities the responsibility of Quality or R&D?

58%

ASQ & Forbes showed 58% of quality executives see supplier quality issues as one of the most critical unresolved quality problems.⁵

KEY QUESTIONS TO ASK...

- Have you had any **recalls or other significant quality issues** that were directly related to suppliers?
- Are you **monitoring and measuring** supplier performance to identify and address quality issues proactively?

22%

Only 22% of companies see quality as an integrated function of their supply chains.⁶

KEY QUESTIONS TO ASK...

- Does your company see **quality as an integral part of their supply chain**; truly enabling operations?
- How could you **embed quality processes and standards** more effectively into your extended supply chain network?

47%

According to the FDA, up to 47% of recalls are due to supplier issue.⁷

KEY QUESTIONS TO ASK...

- Have you had any recalls or other significant **quality issues that were directly related to suppliers or CMOs**?
- Do you have a mechanism in place for identifying and monitoring supplier issues that could escalate into **high impact quality issues or recalls**?

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