

A RATIONAL FRAMEWORK TO ENHANCE DECISION MAKING IN A MULTIOBJECTIVE MULTIATTRIBUTE SITUATION - A PREREQUISITE FOR PERFORMANCE EVALUATION BASED SUPPLIER SELECTION

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Abstract

Strategic sourcing is an institutional procurement process that continuously improves and re-evaluates the purchasing activities of a company. In a production environment, it is often considered as critical component of supply chain management. Vendor is an important constituent in the supply chain and supply chain management is truly vendor management. Customer- Supplier relationship needs to be prioritized to sustain competitive advantage of the enterprise. This paper explores maximum no. of attributes relating to vendors and their sub attributes. A multi tier structure is suggested. In a given industry, the prioritization needs to be setup at different levels using specific tools and techniques which can give a holistic view of the criticality of these activities for further analysis. The most important activities need to be used in the strategic sourcing process leading to creation of a stable bond between the buyer and the most appropriate vendor, thus ensuring sustainability of the supply chain.

Keywords: Sustainability, Prioritization, Random Index, Consistency Ratio, Partnership Model, Win-Win Relationship, Purchasing Profiles and Prioritizing, RFP (Request for Proposal), AHP (Analytical Hierarchy Process),