

## **SUPPLIER SELECTION METHODS IN MANUFACTURING INDUSTRIES**

**RAVINDRA MOHAN, R. L. GUPTA AND SANJAY KATARE**

### **Abstract**

Across the world, in search of greater value, businesses have moved their operations online, resulting in an explosion in business-to-business (B2B) activity. Electronic marketplaces either as public, private or consortium exchanges is expected to dominate business relationships in the years to come. However, unlike traditional marketplaces, all interactions between buyers and sellers take place in a virtual environment, through web-based search, negotiation and collaboration tools. In today's highly competitive environment, an effective supplier selection process is very important to the success of any manufacturing organization. Supplier selection is a multi-criterion problem which includes both qualitative and quantitative factors. So for better results and better performance it is essential to select the best supplier. For this purpose number of models and techniques has been developed to deal with selecting and evaluating suppliers. This paper explains various selection methods and mainly Analytic Hierarchy Process (AHP) of selection and the advantages and disadvantages of it.

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**Keywords:** Analytic Hierarchy Process (AHP), supplier selection, qualitative and quantitative criteria.