

Supplier Quality PPM

How-to guide: what the workbook does, how to use it and what every number means.

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Supplier Quality PPM

Log incoming lots with parts received and rejected, and score every supplier's PPM against its agreed limit by month, with reject reasons.

For: Supplier quality engineers, receiving inspection leads, purchasing and buyers who run supplier reviews and corrective action requests.

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Quick start

1. On Setup, type your plant name and plant-wide incoming PPM target, then replace the example suppliers (each with the PPM limit from its quality agreement) and reject reasons.
2. On Receiving Log, add one row per lot: date, receipt ID, supplier, part number, parts received and rejected.
3. For a lot with rejects, pick the main reject reason and the disposition, and note the SCAR or RMA number.
4. Read the Check column: anything other than OK names the problem in words.
5. Open the Dashboard. Pick a supplier or a date range at the top for a supplier review.

What is in the workbook

Start Here	Read this first: what the workbook does and how to use it.
Setup	Your plant, the plant-wide PPM target, suppliers with their agreed limits, reject reasons and dispositions.
Receiving Log	One row per received lot: parts received and rejected, the reason, disposition and SCAR or RMA reference.
Dashboard	Incoming PPM and the supplier scorecard against each agreed limit, for the supplier and dates you choose.
Method	How every number is calculated, with assumptions, limits and sources.
Verify	Self-check: the workbook's formulas recomputed on fixed inputs against an independent reference.

What each number means

Quantity	How it is calculated	Units
Reject rate and PPM (one lot)	Rejected parts / parts received, as a percentage; PPM = the same ratio x 1,000,000.	%, PPM
PPM limit	The supplier's agreed limit, looked up from the Suppliers list on Setup.	PPM
Excess over limit	PPM - agreed limit; negative means under the limit.	PPM

Quantity	How it is calculated	Units
Status (lot, month, supplier)	On target at or below the limit or target; Near target up to 5% above; Above target beyond.	-
Incoming PPM (period)	Sum of rejected / sum of received x 1,000,000 over the lots in view. Reject rate = the same ratio as a percentage.	PPM, %
PPM vs limit	Supplier PPM / agreed limit; 100% is exactly at the limit.	% of limit
Rejects allowed	INT(parts received x agreed limit / 1,000,000): the most rejects the limit allows for that volume.	parts
PPM, last 3 months	Supplier PPM from the first day of the month two months before the latest receipt in view.	PPM
Lots accepted	Lots with 0 rejected parts / lots received.	% of lots
Pareto and matrices	Rejected parts by main reason (ranked; ties keep list order; hidden helper columns AO:AQ), and PPM and rejected parts per supplier and month.	parts, PPM

Assumptions, limitations, sources and the self-check (the Verify sheet, which recomputes the workbook's formulas on fixed test inputs) are in the workbook. The last page shows the Dashboard with the example data for Halden Pump Works, a fictional business.

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Engineering estimates for planning and improvement work. Verify the results against your own process, data and standards before you rely on them.

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Supplier

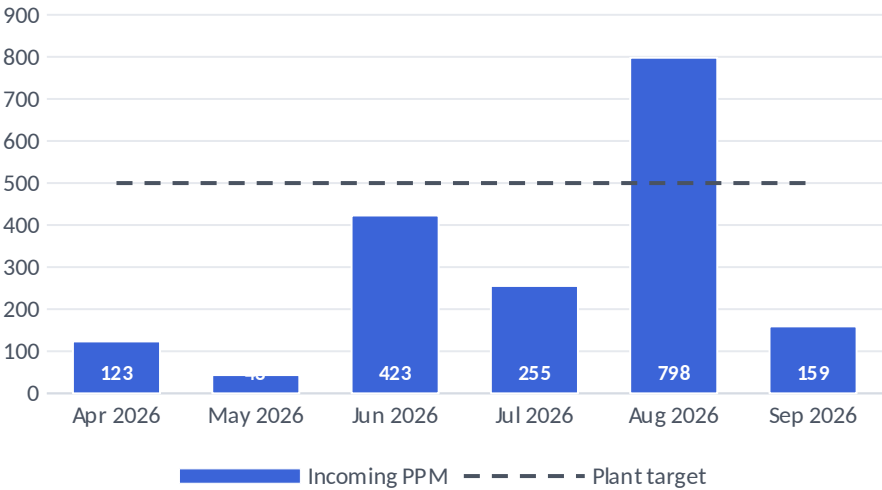
From

To

Showing 114 lots from Halden Pump Works (example). Leave the filters blank to include everything; dates are inclusive.

INCOMING PPM, ALL SUPPLIERS IN VIEW	PARTS REJECTED	LOTS ACCEPTED WITH NO REJECTS	SUPPLIERS ABOVE THEIR LIMIT
307 Target 500 On target	102 Nonconforming parts in the lots in view	76.3% Clean lots / lots received	2 Limit 0 Above target

Incoming PPM by month



Supplier PPM as % of its agreed limit (100% = at the limit)

