

# MEMO



To : Distribution List  
From : Procurement, Group Financial Services  
Ref. : 28-04/2016/PROC/SAJ/smr  
Date : 4 April 2016  
**Subject : SUPPLIER FEEDBACK AND PERFORMANCE – 2ND HALF 2015 REPORT**

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**Objective:**

To drive continuous improvements via:

1. Improving suppliers' performance.
2. Improving efficiency and effectiveness of Procurement's/UMW's processes.

**Method:**

- Conducted supplier performance review (SPR) and vendor satisfaction survey (VSS).
- Period of SPR and VSS – 2nd half of 2015.
- All UMWC divisions/departments cooperated, especially in the SPR.

**Results:**

- SPR report attached as Appendix A.
- 172 projects (from 157 suppliers) reviewed.
- Summary:
  - 4 suppliers shall be issued warning letters as users have rated them as 'not acceptable', i.e. they were rated as '2-poor' or '1-unacceptable' for 9 to 15 review questions.
  - 37 out of 71 suppliers are rated as 'needs improvement', and shall be issued reminders to strengthen their deliverables and customer service.
- VSS report attached as Appendix B.
- Distributed to 352 vendors where 204 (58%) responded and 148 (42%) did not.
- Summary:
  - 9 vendors responded as 'disagree' and 'strongly disagree' to the following UMW processes:
    - Payment – 8 vendors – late in receiving money from UMW.
    - Clarification for specifications – 1 vendor – explanation should be in writing.

There are thus a total of 50 cases that we are looking into and we target resolution by end of April 2016.

Procurement intends to continue these half-yearly SPR and VSS activities and we shall be in contact with you.

We look forward to your continuous support and cooperation, and we are also open to feedback/comments regarding the SPR and VSS.

Thank you.

**Shamshul Abdul Jabar**  
Senior General Manager

**UMW CORPORATION SDN BHD  
DISTRIBUTION LIST**

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**Management Committee Members (UMWC)**

En Badrul Feisal Abdul Rahim	-	President & Group CEO
En Azmin Che Yusoff	-	Group Chief Operating Officer & Group Financial Services
Pn Juliah Nik Jaafar	-	Group Human Resource
Dr Wafi Nazrin Abdul Hamid	-	UMW Land
Pn Roza Shahnaz Omar	-	Group Strategy
En Muzafar Munzir	-	Group Management Services

**Corporate Division Heads**

En Mazlan Abdul Samad	-	General Services & Travel
Pn Fadzilah Samion	-	Corporate Secretarial/Corporate Governance
Cik A'tikah Ahmad	-	Group Financial Services
En Ahmad Al Juhari	-	Transformation Management Office (TMO)
En Shamshul Abdul Jabar	-	Group Risk Management
Pn Norchahya Ahmad	-	Group Internal Audit Division
Mr Eric Chew Kar Kean	-	Property Development
En Mohd Anuar Mohd Isa	-	Property Division, Asset & Facilities
En Zoelaney Abid	-	Group Corporate Development
En Mohd Shaharuddin Mohd Izzuddin	-	Group IT Division
Mr S Vikneshwaran	-	Investor Relations & Sustainability
En Badrul Shah Abdul Rahman	-	Corporate Comm, Public Affairs/ CSR
Pn Adleen Abdullah	-	Group Legal
En Husaini Sulaiman	-	Group Integrity
En Ku Mahadzir Ku Yahya	-	Group Compliance
Pn Mazuin Mohammad	-	Group Insurance Division
Pn Nor Dalila Mohd Dali Jinah	-	President & Group CEO's Office

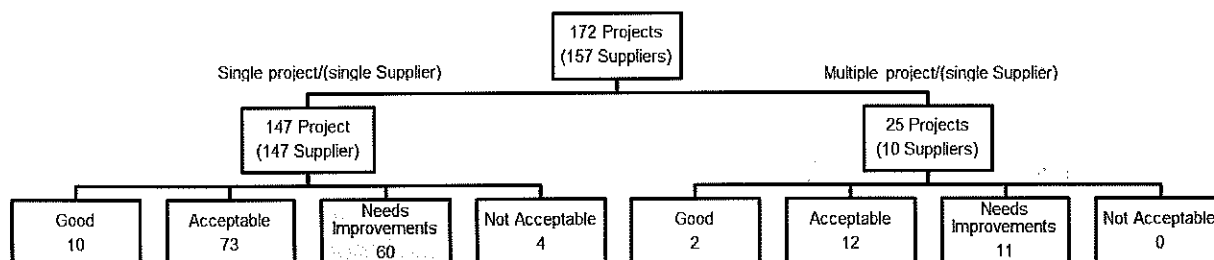
**Human Resources**

En Zainal Mat Aini	-	Group Human Resource, Training & Development
En Mohd Nasir Ujang	-	Group Human Resource, Human Capital
Mr Lim Hai Ming	-	Group Human Resource, Human Capital
En Abdul Aziz Mohd Edar	-	Group Human Resource, HSE/Group Marshal & Special Force

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**SUPPLIER PERFORMANCE REVIEW (SPR) – 2H 2015 (As of 19 Jan 2016)****I. Background**

The projects selected from those Purchase Orders issued between April and September 2015 (i.e. 172 projects).



Distribution of SPR Form has been done on 19th October 2015 via email and collected from users on 29 Oct 2015.

**II. The SPR Questions (Details will be provided upon request)**

Section 1: Company Particulars

Section 2: Contract Particulars

Section 3: Supplier Performance Evaluation:-

1. Cost (20%)
2. Quality (25%)
3. Delivery (25%)
4. Service/ Customer Support (20%)
5. Personnel/ Customer Relations (5%)
6. Documentation (5%)

Section 4: Main Contractual Terms – Feedback & Comments

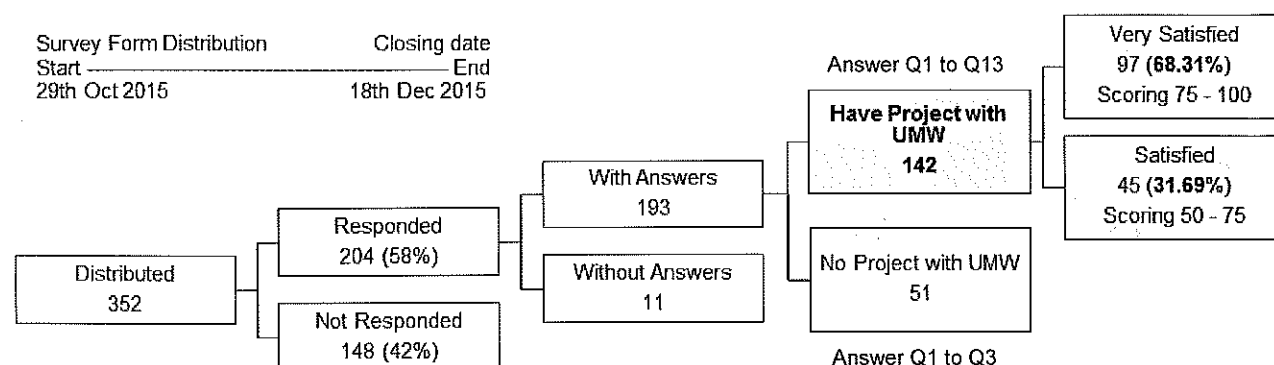
**III. The percentage of result by Rating**

Rating	Division/ Department/ Unit	Scoring Range & No. of Suppliers/ Contractors				Grand Total	Grand Total (%)
		90 - 100%	75 - 89%	50 - 74%	0 - 49%		
Good	Corporate Communications	1				1	
	Group IT Division	4				4	
	Group Property	1				1	
	Human Capital Department	1				1	
	Investor and Media Relations Division	2				2	
	Training & Development	3				3	
	<b>Good Total</b>		<b>12</b>			<b>12</b>	<b>6.98</b>
Acceptable	Corporate Communications		10			10	
	General Services & Travel - Receptionist		2			2	
	Group Financial Services		4			4	
	Group IT Division		18			18	
	Group Property		8			8	
	Health, Safety and Environment		1			1	
	Human Capital Department		2			2	
	Investor and Media Relations Division		4			4	
	Marshal & Special Force		1			1	
	Procurement		5			5	
	Record Management		1			1	
	Training & Development		29			29	
	<b>Acceptable Total</b>			<b>85</b>		<b>85</b>	<b>49.42</b>
Needs Improvement	Corporate Communications			13		13	
	Group Financial Services			2		2	
	Group IT Division			13		13	
	Group Logistics			3		3	
	Group Property			10		10	
	Group Secretarial			4		4	
	Health, Safety and Environment			4		4	
	Marshal & Special Force			5		5	
	Procurement			3		3	
	Training & Development			14		14	
<b>Needs Improvement Total</b>			<b>71</b>		<b>71</b>	<b>41.28</b>	
Not Acceptable	Corporate Communications				3	3	
	Health, Safety and Environment				1	1	
<b>Not Acceptable Total</b>				<b>4</b>	<b>4</b>	<b>2.33</b>	
<b>Grand Total</b>		<b>12</b>	<b>85</b>	<b>71</b>	<b>4</b>	<b>172</b>	

**IV. Action items to be completed by Q1 2016**

We are resolving issues that being highlighted by user under the 'needs improvement' and 'not acceptable' by end of Q1 2016. Please refer to **Table I** for details.

No	Supplier/ Contractor	Comments By Users	Suggested Improvement Items/ Action	Rating 2 & Below
1	Agrixsia Sdn Bhd	<ul style="list-style-type: none"> <li>▪ Quality - During the first 2 issues of newsletter, we were waiting for KDN to come back on the approval for change of name and design, we did explain to them of our expectations but they only meet 10% of it. Although we have given them some guide on layout and content but the mockup always come back to us with more mistakes.</li> <li>▪ Delivery - We have been missing deadlines for every issue since the first issue of newsletter. We tried to understand and being considerate for the first two issues due to KDN approval. However, they took more than expected to come back on the mockup for each issue and we have to follow up more than 3 times before we get it</li> <li>▪ Service/ Customer Support - Keep mentioning about miscommunication. All required information has always been provided but Agrixsia seem to overlook or ignore them. Eventhough we always communicate on whatsapp and email, they never raises any concern or issue until it becomes an issue and they put the blame on the editorial team.</li> </ul>	<ul style="list-style-type: none"> <li>▪ To issue warning letter to the supplier.</li> <li>▪ UMW Supplier Registration Guidelines (SRG) as reference.</li> </ul>	10
2	Alpha Zag Corporation Sdn Bhd	<ul style="list-style-type: none"> <li>▪ Quality - Not comply to user specification.</li> <li>▪ Delivery - Long delay.</li> <li>▪ Service - Unsatisfactory workmanship.</li> </ul>	<ul style="list-style-type: none"> <li>▪ To issue warning letter to the supplier.</li> <li>▪ UMW Supplier Registration Guidelines (SRG) as reference.</li> </ul>	9
3	Radical Box Sdn Bhd	<ul style="list-style-type: none"> <li>▪ The vendor has not been able to fully comprehend requirements. As a development house, they have not been able to provide a robust back-end that will allow the user to effectively use and update the Intranet applications.</li> </ul>	<ul style="list-style-type: none"> <li>▪ To issue warning letter to the supplier.</li> <li>▪ UMW Supplier Registration Guidelines (SRG) as reference.</li> </ul>	15
4	RM Communications	<ul style="list-style-type: none"> <li>▪ Quality - Poor quality job.</li> <li>▪ Delivery - A lot of pending job haven't delivered yet.</li> <li>▪ Service - Difficult to contact and no cooperation given.</li> </ul>	<ul style="list-style-type: none"> <li>▪ To issue warning letter to the supplier.</li> <li>▪ UMW Supplier Registration Guidelines (SRG) as reference.</li> </ul>	12
<b>Grand Total</b>				

**VENDOR SATISFACTION SURVEY – 2H 2015 (As of 14 Jan 2016)****I. Background****II. The Survey Questions**

Section	No	Questions
A	1	UMWC procurement supplier registration process is easy and accessible.
	2	UMWC procurement division provided excellent customer service during supplier registration process.
	3	Have you participated in our Request for Quotation (RFQ) / Request for Tender (RFT) exercise? If YES (Please proceed to section B)
B	4	UMWC procurement processes and timeline are clearly communicated.
	5	UMWC has provided adequate, clear and understandable procurement document (including technical specifications, drawings etc.)
	6	Sufficient information is provided during procurement process briefing.
	7	UMWC procurement staff provide appropriate assistance in resolving technical and administrative issues.
	8	UMWC procurement process provide timely responses to questions concerning procurement documents' solicitations.
	9	UMWC procurement process allow sufficient time for tender submission.
	10	Payment from UMWC is timely.
	11	Confidentiality of the process and documentation are treated properly by UMWC.
	12	UMWC has a stringent policy & guidelines in managing their supplier.
	13	Outcome from sourcing/tendering were received within reasonable time.

**III. The percentage responded**

Rating (142 respondents)	Questions No												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Strongly Disagree	0	0		0	0	0	0	0	0	2	0	0	0
Disagree	2	0		1	1	2	0	0	5	6	1	0	2
Neutral	32	27		27	36	32	29	36	41	52	31	35	37
Agree	92	95		94	89	91	90	88	80	59	83	89	78
Strongly Agree	15	19		20	16	17	22	18	15	18	27	18	14
With Feedback	141	141		142	142	142	141	142	141	137	142	142	131
Percentage	99.3%	99.3%		100.0%	100.0%	100.0%	99.3%	100.0%	99.3%	96.5%	100.0%	100.0%	92.3%

**IV. Action items to be completed by Q1 2016**

We are resolving issues that being highlighted by respondents under the Strongly Disagree and Disagree and expected to complete by end of Q1 2016. Please refer to **Table II** for details.

Vendor Satisfaction Survey (VSS) - Issues highlighted by vendors that requiring action from Supplier Management Team.

Table II

Sum of No of Vendor						Scope		
Rating	Question	Vendor Name	Issues	Current Practice	Action	Payment	procurement process	Grand Total
Disagree	Payment from UMWC is timely.	AG resources	Received payment late	Supplier submitted related documents to user	To remind user to do document submission immediately upon project completion	1		1
		irChart Nexus Sdn Bhd	Payment late	Supplier submitted related documents to user	To remind user to do document submission immediately upon project completion	1		1
		Leaderonomics Sdn Bhd	Need to follow up many times	Supplier submitted related documents to user	To remind user to do document submission immediately upon project completion	1		1
		Mamidor Reka Bina Sdn bhd	Receive payment late	Supplier submitted related documents to user	To remind user to do document submission immediately upon project completion	1		1
		Upskill Consulting Sdn Bhd	Payment late	Supplier submitted related documents to user	To remind user to do document submission immediately upon project completion	1		1
		Xcess Networks (M) Sdn Bhd	Payment very late	Supplier submitted related documents to user	To remind user to do document submission immediately upon project completion	1		1
		Sufficient information is provided during procurement process briefing.	Tentacle technologies MSC Sdn Bhd	Explanation through phone only, not through email	Supplier will given chance to clarify any uncertainties through e-mail	Suggestion to sourcing that will brief through call and further explanation with e-mail		1
<b>Disagree Total</b>						<b>6</b>	<b>1</b>	<b>7</b>
Strongly Disagree	Payment from UMWC is timely.	Budi Prisma Sdn Bhd	Payment should be disbursed in accordance to the agreement	Supplier submitted related documents to user	To remind user to do document submission immediately upon project completion	1		1
		In Concept Furniture Sdn Bhd	Invoice missing (UMWC) to resubmit	Invoice sent to user. No copy of acknowledgement taken by supplier	Suggest to user(Property),Account and supplier to practice document tracking record.	1		1
<b>Strongly Disagree Total</b>						<b>2</b>		<b>2</b>
<b>Grand Total</b>						<b>8</b>	<b>1</b>	<b>9</b>