

System evaluation matrix

This chart illustrates the use of a decision matrix to compare several vendors' inventory system functions. This analysis should be done for all system functions.

Rating methodology:

Priority is assigned and determined by your company and is not sent to the vendor but rather used to evaluate how closely the vendors software meets your need.

Legend:

- Priority: Must = Absolutely required-3 points
- Future = Need but not at once-2 points
- Nice = Would be beneficial, not required now-1 point

- Vendor responses: 5 - In current installed version
 4 - Alternative method
 3 - 3rd Party software
 2 - Minor Modification
 1 - Major Modification
 0 - Not capable

Rating Computation: Multiply Priority points by vendor response points for each Function.
 (Example: Priority "must" (3 pts.) x response "yes" (5 pts.)=15 pts.)

Reporting Functions		<u>VENDOR 1</u>	<u>VENDOR 2</u>
<u>Priority</u>	<u>Function</u>	<u>Response/Rating</u>	<u>Response/Rating</u>
<u>2</u>	One Screen/report to make rebuy decision	5 / 10	3 / 6
<u>3</u>	Can calculate units required for life-of-promotion	2 / 6	5 / 15
<u>3</u>	Data presented in units	5 / 15	5 / 15
<u>1</u>	Data presented in \$s	2 / 2	2 / 2
<u>3</u>	Report data for items in multiple promotions	5 / 15	2 / 6
<u>3</u>	Ability to enter percent's for: <ul style="list-style-type: none"> o order completion o returns o cancellations by category or item	2 / 6 2 / 6 2 / 6	5 / 15 5 / 15 2 / 6
<u>3</u>	Detail audit trail or inventory transactions	5 / 15	5 / 15
<u>3</u>	Can inventory data be summarized and reported with totals by color, item category and promotion	2 / 6	5 / 15
		<i>Point total: 87</i>	<i>Point total: 110</i>

Comments:

This Direct marketing company features women's apparel, shoes and some gifts. Some of the items are re-orderable. Vendor 1 presently has no installed apparel users. The vendor's orientation is more business-to-business, and there are separate demand, sales and inventory statistics by promotion. The six "Minor Modification" responses indicate a more severe level of change would be needed for Vendor 1's system to meet the company's requirements when compared to Vendor 2. In contrast, Vendor 2's system is designed for and has been implemented for apparel and shoe merchandise. Consequently, it has a better "fit" to the requirements. In both cases, however, all modifications should be cost estimated.