**Vendor and Supplier Assessment
Criteria Checklist Template**

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| Competency |
| **X** | Criteria | Action |
|   | **Experience** | Ask for a review and a brief history of the company’s years in business. |
|   | **Customers** | Request a list of key customers and contact information for endorsers. |
|   | **Training and Development** | Review the system the vendor has in place for staff training and development and any initiatives. |
|   | **Key Personnel** | Meet with the people who will be involved with your account. |
|   | **Recruitment** | Learn how people earn key positions and understand the hiring criteria. |

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| Capacity |
| **X** | Criteria | Action |
|   | **Current and Future Orders** | Gather information to determine total capacity; determine if there is sufficient capacity to meet your current and future requirements. |
|   | **Operational Statistics** | Check statistics that provide evidence concerning quality problems or service levels. This type of data is easy to acquire when the vendor or supplier has ISO accreditation. |
|   | **Resources** | Ensure that the necessary systems and procedures are in place to support good quality and high levels of service. |

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| Consistency Of Performance |
| **X** | Criteria | Action |
|   | **Consistent Quality and Service Levels** | Determine if the supplier will be able to deliver high levels of quality and service throughout the life of the contract. One indicator of customer focus is whether or not the supplier has a dedicated account manager or team of experts who can answer questions or service needs. |
|   | **Statistical Process Control (SPC)** | SPC measures the quality of the product, identifies trends to slip outside tolerance limits, and takes corrective action before a problem occurs in order to enhance quality and contain costs. |

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| Commitment To Quality |
| **X** | Criteria | Action |
|   | **Item or Service** | Ask for reviews and endorsements from customers or independent sources regarding the quality of the item or service. |
|   | **Quality Management** | Look into quality processes that the vendor employs, such as total quality management (TQM) or quality control measures that quantify the standard of output.  |
|   | **Standards Compliance** | When it is essential to your business, verify that potential partners adhere to standards relevant to their business (and yours). Standards may be related to product quality, such as international production ISO standards or the QS 9000 for American car manufacturers. Compliance with regulations like the Payment Card Industry Data Security Standard (PCI DSS), the HIPAA standards for healthcare information, and the California Electronic Communications Privacy Act (Cal ECPA) may also be relevant to your business. |
|   | **Non-Destructive Testing (NDT)** | NDT analysis is used in the technology and science industries to evaluate products or processes without causing damage, harm, hazards, or financial loss. |
|   | **Continuous Improvement** | Check for organizational culture and corporate value that focus on continuously achieving and improving quality. |

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| Cost |
| **X** | Criteria | Action |
|   | **Price** | Price quotes should reflect quality, service, and industry competition. |
|   | **Full Cost Analysis** | Ensure that your vendor or partner has a well-run business based on variable costs, fixed costs or overhead, profit margins, and the break-even point.  |

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| Cash And Finance |
| **X** | Criteria | Action |
|   | **Balance Sheet** | Check the official record of fixed and current assets and how they are financed. |
|   | **Profit and Loss** | A P&L sheet shows you whether the supplier is making a profit; the sheet is also an indicator of company stability. |
|   | **Credit Rating** | The financial institution credit rating should be high — a poor rating is an indicator of mismanagement. |
|   | **Financial Reputation** | Ask customers, analysts, and colleagues about a prospective partner’s financial suitability. |

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| Communication |
| **X** | Criteria | Action |
|   | **Appropriate Channels of Communication** | Ensure that the vendor can attend regular meetings, Skype events, or teleconferences. |

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| Control Of Internal Processes |
| **X** | Criteria | Action |
|   | **Inventory** | When a vendor or supplier carries sufficient inventory, it should be able to supply the right quantity at the right time.  |
|   | **Quality** | Quality controls are essential to a successful contract. |
|   | **Operations** | Disciplined operations enable on-time deliverables that meet specifications in the correct quantity. |
|   | **Procurement** | Efficient procurement processes are essential when your vendor uses its key suppliers to keep costs in line. |
|   | **Health and Safety and Environment (HSE)** | Check for sound systems and procedures, as well as an excellent safety record, which demonstrates social responsibility and a workplace that motivates staff and builds morale. |

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| Clear (Corporate Social Responsibility) |
| **X** | Criteria | Action |
|   | **Follows Ethical and Legal Standards** | Products and services should satisfy legislative requirements. Evidence of conformity might include policy and processes aimed at delivering ethical best practices, positive media or feedback, or good ratings from industry agencies. |

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| Culture |
| **X** | Criteria | Action |
|   | **Values** | A healthy relationship can foster a long-term and sustainable partnership that adds value to both parties. |
|   | **Understanding Business Drivers** | A partner should understand what impacts your business, from the competitive environment to the latest innovations. |

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