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Top 5 KPIs to Track for Every Supplier: 25-Point Self-Audit

25-Point Operator Self-Audit • modonix.com

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How to use: Go through each section and check every box that applies. Tally your score at the end. Any unchecked box is a documented supplier management gap.

On-Time Delivery & Contract Enforcement

1. ☐ Do you have a signed contract with every active supplier specifying delivery terms in writing?
2. ☐ Is a numeric on-time delivery threshold (with a defined measurement window) annexed to each supplier agreement?
3. ☐ Can you state each supplier's measured on-time delivery rate for the last 90 days from logged PO data?
4. ☐ Does a written escalation step trigger automatically when a supplier falls below the OTD threshold?
5. ☐ Do you have a qualified second source for every revenue-critical SKU?

Lead Time & Working Capital

6. ☐ Do you measure lead time end to end, from PO confirmation to stock available, not just from ship date?
7. ☐ Do you calculate lead time variability per supplier, not just the average?
8. ☐ Is safety stock sized from measured lead time variability rather than quoted lead times?
9. ☐ Do you track pre-shipment delays (production queue, export clearance) separately from freight time?
10. ☐ Do reorder points get recalculated when measured lead time exceeds quoted lead time on consecutive POs?

Order Accuracy & Receiving Control

11. ☐ Is every inbound shipment blind-counted against the PO before entering sellable stock?
12. ☐ Are quantity or spec discrepancies photographed and logged on the day of receipt?
13. ☐ Is every discrepancy raised with the supplier by phone immediately and confirmed in writing within 24 hours?
14. ☐ Do you track order accuracy per supplier (units received correct divided by units ordered)?
15. ☐ Do inventory records get corrected the same day a shortfall is confirmed, so reorder math stays clean?

Cost, MOQ & Payment Terms

16. ☐ Do you compare suppliers on true landed cost (freight, duties, MOQ effects, carrying cost) instead of invoice price?
17. ☐ Are SKUs where the MOQ forces excessive months of cover flagged for negotiation or second-sourcing?
18. ☐ Are payment terms written on every PO with explicit due dates on both sides?
19. ☐ Do you track each supplier's offered terms over time and treat terms tightening as an early warning signal?
20. ☐ Do you pay suppliers inside terms consistently and use that record as leverage in annual negotiations?

Responsiveness & Review Cadence

21. ☐ Are substantive supplier requests logged with timestamps for time-to-first-response and time-to-resolution?
22. ☐ Do you compare supplier response times before payment versus after payment clears?
23. ☐ Are payment milestones structured so meaningful cash releases only after inspection or delivery?
24. ☐ Is there a monthly one-page supplier scorecard review with a documented action for every breached threshold?
25. ☐ Is volume allocation across your supplier base actively steered by scorecard performance?

SCORING GUIDE

Score	Level	What it means
0-11	CRITICAL	Your supplier relationships run on memory and goodwill; margin and working capital are actively leaking
12-19	MODERATE	Gaps exist in 2 to 3 KPI areas that need immediate attention before the next reorder cycle
20-25	STRONG	Your supplier measurement system is solid; focus on negotiation leverage and portfolio optimization

Book a free data audit at modonix.com/services: we identify your top 3 margin leaks in one session. Written by Ahmed Abuswa, Modonix.com

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