

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 operational gap.

Single-Source Exposure

- 1 ☐ Can you name a qualified backup vendor for every single-sourced SKU?
- 2 ☐ Do you hold buffer inventory sized to your longest supplier lead time?
- 3 ☐ Have you calculated the cash reserve needed to survive one missed shipment?
- 4 ☐ Does any one supplier know they are your only option for a line?
- 5 ☐ Have you priced a second supplier in the past year, even unused?

Escalation And Recovery

- 6 ☐ Do you have a written escalation path for a supplier who stops responding?
- 7 ☐ Does your contract penalize the supplier financially for missed delivery dates?
- 8 ☐ Have you priced air freight as a contingency for your top SKUs?
- 9 ☐ Can you reroute an order to a secondary supplier within one week?
- 10 ☐ Do you track what percentage of lost production a backup plan recovers?

Quality Control Systems

- 11 ☐ Does anyone verify torque, weight, or spec settings on the physical unit?
- 12 ☐ Is every printed spec on packaging cross-checked against the engineering file?
- 13 ☐ Would one spec error force a full rework of already-shipped stock?
- 14 ☐ Has anyone physically confirmed your repair center actually repairs units?
- 15 ☐ Do warranty returns get logged as repaired or replaced at the unit level?

Vendor Cash Behavior

- 16 ☐ Do you require deposits or upfront terms from chronically late-paying customers?
- 17 ☐ Have you taken outside work to cover a customer's delayed payment?
- 18 ☐ Is there a written policy capping how long payment can be postponed?
- 19 ☐ Do you know which customers perpetually delay payment versus pay on time?
- 20 ☐ Have you priced a cash-only model if credit terms keep failing?

Early Warning Signs

- 21 ☐ Can your supplier give an accurate delivery estimate without hesitation?
- 22 ☐ Has supplier communication grown noticeably slower or vaguer recently?
- 23 ☐ Do you push suppliers for pricing below what their quality can sustain?
- 24 ☐ Would you recognize disinterested vendor communication as an early warning?
- 25 ☐ Have you audited whether your own price pressure is degrading quality?

SCORING GUIDE

Score	Level	What it means
0 to 11	CRITICAL	Structural failures are actively destroying margin
12 to 19	MODERATE	Gaps in two or three areas that need immediate attention
20 to 25	STRONG	Systems are solid, focus on optimization

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