

Service Provider

Audit and Checklist



Inspiring Business

Innovation Wisdom Care



Reclaiming the **JOY**
of Business.

A Clear Pathway to the Business Village.

Service Provider Audit and Checklist

Before you commence any renegotiation with Suppliers seek specialist professional advice on the existing contracts (verbal or written) to assess any risks associated with a renegotiation.

There is a risk in not having formal agreements but like in any negotiation you need to be prepared before you start.

The following are some of the steps you can take to initiate a Supplier Contract Audit and take steps to secure the future value of your business.

SUPPLIER REVIEW

1. Identify Key Suppliers

- List all suppliers that provide essential products or services to your business
- Assess the impact each supplier has on your operations and revenue
- Prioritize suppliers based on their criticality to your business

How Important is this based on the possible short term revenue impact? 1 to 10

Who is Accountable for this?

Who will Do it?

When will it be done?

2. Review Existing Agreements

- Gather all existing contracts, agreements, or documentation related to each supplier
- Identify any suppliers with whom you have only verbal agreements
- Evaluate the terms and conditions of existing contracts, noting any areas of concern
- Contact your legal service provider to review existing contractual concerns

How Important are each supplier based on the renewal dates or no written agreement? 1 to 10

Who is Accountable for this?

Who will Do it?

When will it be done?

3. Assess Risks

- Consider the potential consequences of losing each supplier on revenue and asset value
- Identify any single points of failure or over-reliance on specific suppliers
- Evaluate the financial stability and reputation of each supplier

How Important is this to your long-term business value improvement strategy?
1 to 10

Who is Accountable for this?

Who will Do it?

When will it be done?

SUPPLIER MANAGEMENT AND MONITORING

4. Draft and Negotiate Contracts

- Work with legal professionals to draft contracts that protect your interests
- Include clear terms for pricing, delivery, quality, and termination
- Develop a list of 'not negotiables' and 'nice to have' in preparation to supplier negotiations to reach a mutually beneficial agreement

How Important is this based on the possible short term revenue impact? 1 to 10

Who is Accountable for this?

Who will Do it?

When will it be done?

5. Initiate Contract Negotiation

- Develop an approach to each supplier with whom you have concerns
- Express your desire to formalize the relationship through a written contract
- Set up meetings or calls to discuss the terms of the agreement

How Important is this to your short-term product delivery and profitability? 1 to 10

Who is Accountable for this?

Who will Do it?

When will it be done?

6. Implement and Monitor Contracts

- Ensure all parties are comfortable and agreeable to the contract terms
- Set up a system to ensure signing by all parties
- Set up a system to monitor compliance with contract terms and performance metrics

How Important is this to the Operational Security?

Who is Accountable for this?

Who will Do it?

When will it be done?

ONGOING BUSINESS PROTECTION STRATEGIES

7. Develop Contingency Plans

- Identify potential alternative suppliers for critical products or services
- Create contingency plans for scenarios where a key supplier is unable to fulfill their obligations
- Set up a contract review process and update contingency plans as your business and supplier relationships evolve

How Important is this to your long-term business value improvement strategy? 1 to 10

Who is Accountable for this?

Who will Do it?

When will it be done?

8. Foster Strong Supplier Relationships

- Set up a contact management process for continued communication with suppliers
- Have an internal mechanism to identify issues or concerns that may signal a change in supplier behaviour.
- Look for opportunities to collaborate and build long-term, mutually beneficial partnerships

How Important is this to your long-term business value improvement strategy? 1 to 10

Who is Accountable for this?

Who will Do it?

When will it be done?

ADDITIONAL SUPPORT

For additional support with your Supplier Contract contact Inspiring Business here.

