

Evaluating Your Suppliers to Optimize Performance

Clear communication, strong performance and trust are critical for successful vendor and supplier partnerships. This worksheet will help you analyze your supplier relationships and identify what you can improve to keep your business growing.

Pre-work: Get prepared to discuss your supplier relationships with your business consultant. Before your coaching session, complete sections 1 and 2.

Section 1: Identify your current goals

What are your goals for the upcoming year? Do they include fixing issues or seizing opportunities? Review the options below and select the goals that relate to your business.

Business operations	Increase sales and revenue	Improve bookkeeping or accounting
	Improve budgeting/decrease costs	Upgrade technology systems or cybersecurity
	Become profitable and grow	Build talent/manage employees
Marketing	Implement new marketing strategies	Enhance customer engagement
	Expand brand awareness	Market expansion/speed to market
	Attract new customers	
Supply chain	Optimize supply chain process	
	Improve product reliability	
	New or improved product or service offerings	

Section 2: Review your current suppliers

Think through the suppliers supporting you in achieving your goals. Suppliers include any external people, companies or vendors that provide a service or product. Examples include:

Business operations	Marketing	Supply chain
• Accounting	• Website	• Manufacturer
• Bank	• Graphic design	• Product supplier
• Legal	• Brand	• Wholesaler
• Payroll or HR	• Strategy	• Distributor
• Systems and technology	• Packaging	

Action plan: Strong supplier relationships are at the core of a business's success. Use sections 3 and 4 to analyze the strength of your supplier partnerships against your business goals.

Section 3: Evaluate your current suppliers

Identify three suppliers you think will be most impactful in helping you reach your goals this year. Write each supplier's name in the boxes below.

Communication	Supplier #1	Supplier #2	Supplier #3
Do you communicate regularly and effectively with your supplier?	Y N	Y N	Y N
Are communication norms and expectations clearly established?	Y N	Y N	Y N
Do you have a contract or other documentation outlining roles and responsibilities?	Y N	Y N	Y N
Are business goals and expectations clearly established?	Y N	Y N	Y N

Performance	Supplier #1	Supplier #2	Supplier #3
Are key performance indicators (KPIs) clearly defined?	Y N	Y N	Y N
Does your supplier meet KPIs or other success metrics ?	Y N	Y N	Y N
Does your supplier adapt well to a change in plans?	Y N	Y N	Y N
Is your supplier timely and reliable ?	Y N	Y N	Y N

Trust	Supplier #1	Supplier #2	Supplier #3
Do you feel alignment with your supplier (e.g., mission, goals, philosophy, values)?	Y N	Y N	Y N
Do you seek strategic advice from your supplier?	Y N	Y N	Y N
Does your supplier act honestly and fairly ?	Y N	Y N	Y N
Do you trust your supplier?	Y N	Y N	Y N

Section 4: Next steps

If you answered **mostly yes**, it may be appropriate to maintain or potentially expand your relationship.

- Share your vision and goals with your vendor or supplier
- Ask if there are more ways they can support your business goals

If you answered **a mix of yes and no**, it may be appropriate to consider establishing and documenting the following:

- Clear business and relationship goals, including outlining KPIs and other success metrics
- Communication norms, roles, responsibilities and expectations
- Milestone check-ins to reflect on achievements and areas of improvement

If you answered **mostly no**, it may be appropriate to outline an improvement plan and explore alternative suppliers. Consider implementing the following with your current supplier:

- Be clear about what's not working and organize examples to support your statements
- Establish an improvement period and deadline to get your vendor back on track
- Review your contract to potentially terminate the relationship

Meanwhile, start researching and connecting with new potential suppliers or vendors:

- Create a list of criteria your new supplier will need to meet
- Research and identify which organizations or people are best in class
- Leverage your network for a referral
- Contact potential new suppliers to discuss opportunities, expectations and price

For a quantitative approach, use the [Vendor Analysis Worksheet](#) to compare current and prospective vendors, weighing each partnership based on the criteria that are most important to your business.

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