# Sourcing Process Best Practices Checklist

## Strategic Sourcing

### Supplier Identification and Evaluation

#### Define Supplier Requirements

* Conduct stakeholder interviews across procurement, operations, and quality.
* Document product/service specifications, volume forecasts, and delivery expectations.
* Define scoring weights for quality, cost, compliance, sustainability, and innovation.
* Align criteria with corporate procurement policies and risk appetite.
* Use ERP-integrated forms to standardize requirement documentation.
* Include mandatory fields for regulatory and financial compliance.

#### Conduct Market Research

* Use industry directories, trade portals, and analyst reports.
* Subscribe to supplier intelligence platforms for real-time updates.
* Categorize suppliers by geography, capability, and risk profile.
* Maintain a dynamic supplier segmentation matrix in ERP.
* Compare supplier offerings against industry benchmarks.
* Document findings to support strategic sourcing decisions.

#### Issue Request for Information (RFI)

* Include sections on company background, certifications, capacity, and references.
* Use conditional logic to tailor questions based on supplier type.
* Automate distribution using ERP or e-sourcing tools.
* Track response status and send reminders.
* Use automated scoring and tagging to classify suppliers.
* Generate summary dashboards for stakeholder review.

#### Evaluate Supplier Responses

* Assign weights to each criterion and normalize scores.
* Include qualitative assessments from cross-functional teams.
* Schedule structured interviews to clarify RFI responses.
* Document insights and update supplier profiles.
* Apply cut-off thresholds to filter top candidates.
* Archive evaluation history for audit and future reference.

### Supplier Selection and Contracting

#### Issue Request for Proposal (RFP) / Request for Quotation (RFQ)

* Include detailed specifications, delivery schedules, and pricing formats.
* Attach compliance checklists and legal terms.
* Use ERP-integrated sourcing portals to manage submissions.
* Enable Q&A forums for supplier queries.
* Monitor open rates, response times, and document downloads.
* Use analytics to identify supplier interest levels.

#### Conduct Supplier Negotiations

* Set target price ranges, service levels, and risk-sharing models.
* Prepare fallback positions and escalation paths.
* Use digital collaboration tools for real-time discussions.
* Record negotiation outcomes and update ERP records.
* Model cost vs. value scenarios using ERP analytics.
* Document concessions and final terms.

#### Finalize Supplier Selection

* Reapply evaluation matrix to RFP/RFQ responses.
* Include negotiation outcomes in final scoring.
* Present selection rationale to leadership.
* Secure approvals and document decisions.
* Trigger onboarding workflows in ERP.
* Assign supplier category and risk rating.

#### Draft and Sign Contracts

* Include standard clauses for SLAs, penalties, and renewals.
* Customize based on supplier type and region.
* Route contracts through legal and compliance for review.
* Use digital signature tools for execution.
* Upload to ERP or CLM system with metadata tagging.
* Set alerts for renewals and performance reviews.

### Supplier Onboarding and Management

#### Supplier Onboarding

* Request tax IDs, bank details, insurance, and certifications.
* Validate documents using automated checks.
* Populate ERP with supplier data including payment terms and contact info.
* Assign supplier codes and categories.
* Provide onboarding materials on invoicing, compliance, and communication.
* Track training completion and feedback.

#### Performance Monitoring

* Set metrics for delivery, quality, responsiveness, and innovation.
* Align KPIs with contract terms and business goals.
* Use ERP dashboards to track real-time metrics.
* Generate monthly scorecards and trend reports.
* Schedule quarterly business reviews (QBRs).
* Document feedback and improvement plans.

#### Relationship Management

* Set up regular calls, site visits, and planning sessions.
* Use SRM tools to log interactions and commitments.
* Invite suppliers to co-develop new products or processes.
* Track joint initiatives and outcomes.
* Create governance models for key suppliers.
* Include escalation paths and joint risk management protocols.

#### Risk and Compliance Management

* Use risk scoring models for financial, operational, and geopolitical factors.
* Integrate third-party risk data into ERP.
* Schedule periodic audits for regulatory and ethical standards.
* Document findings and remediation actions.
* Set up ERP alerts for expired certifications, sanctions, or performance dips.
* Implement automated workflows for issue resolution.