

Constructing a Supplier Assessment Questionnaire (SAQ)



With Procurement having the closest working relationship with suppliers, generating a Supplier Assessment Questionnaire (SAQ) can be an excellent stakeholder engagement tool.



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As procurement act as the main interface between internal stakeholders and suppliers, there can often be multiple requests for critical supplier information that is requested from various departments within your organisation or directly from your customers and clients.

Supplier Information

THE CHALLENGE

Many internal stakeholders can have regular needs for statistical information and guidance and conformance confirmation around the following areas:

Key Reporting areas

- Supplier spend analysis
- Internal relationship owners
- Contractual compliance
- Sustainable/Environmental procurement guidance including Modern Slavery.
- Financial due-diligence and Risk exposure
- The storage of personal and sensitive data
- Data Security
- Supplier Diversity

The way in which you manage and maintain your suppliers critical information can have a direct bearing on your departments time management and resource requirements.

So just how can all of this data be collected and managed efficiently to meet stakeholder needs?

Collaborating to improve the process

THE OPPORTUNITY

Whilst many companies will operate with a supplier assessment questionnaire, the sheer volume of content and questions can be overwhelming and time consuming for suppliers to complete in full. As supplier information can also undergo a yearly review process, whereby questionnaires will be re-submitted for updated information, the cycle of gathering the information can be time consuming for your company to gather and compile results and for your supplier to complete the questionnaire.

Q, So how can this process become more efficient?

A, Simply through stakeholder collaboration.

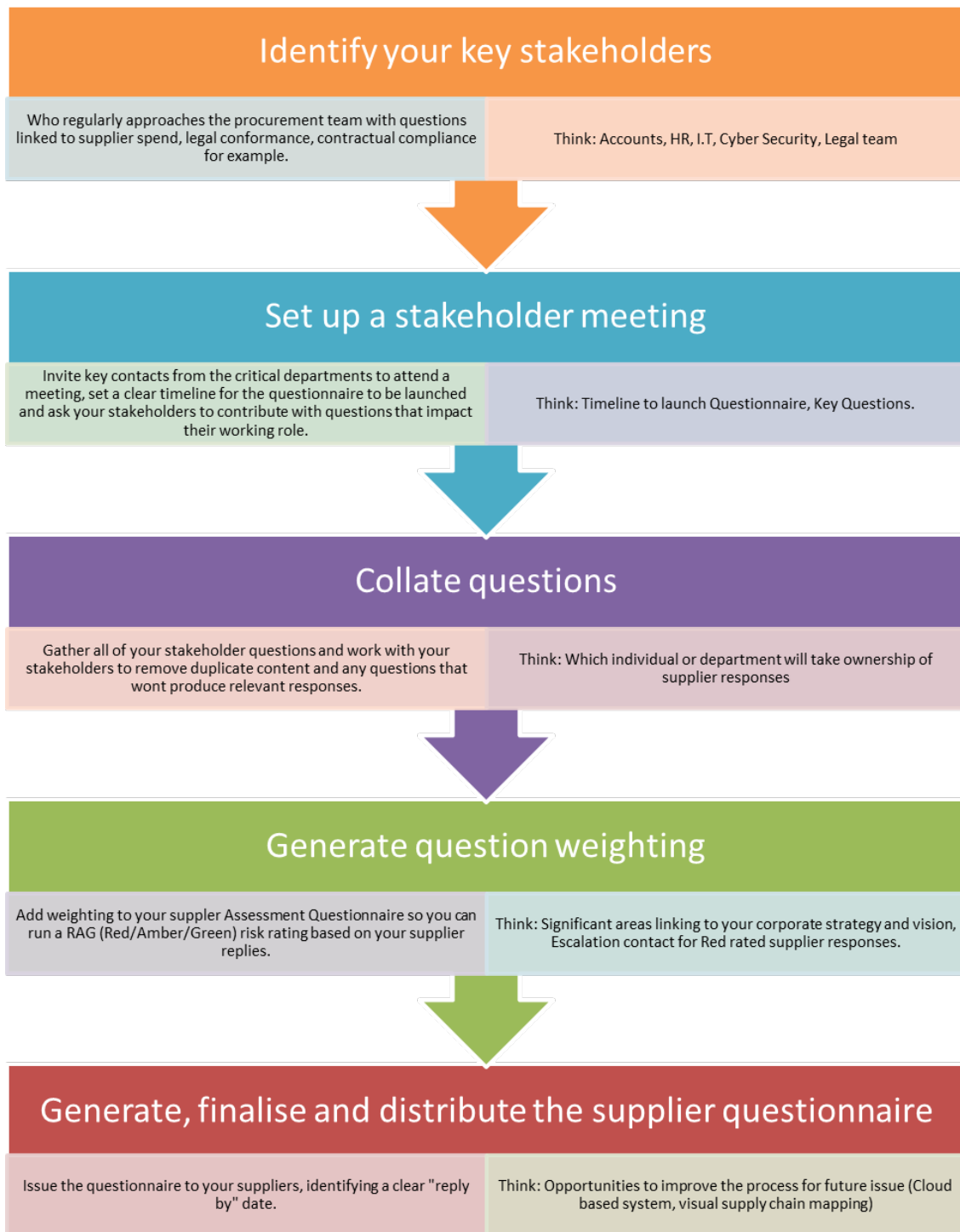


Building your supplier assessment questionnaire in partnership with your stakeholders is an ideal opportunity to bring together a focus group, so all of your stakeholders can identify core issues that have an impact on their working roles, a chance to discuss the key relevant questions that they require from your supply base.

Consulting with your stakeholders in a group meeting can result in the “right” questions being asked at the “right” time.

Asking the right questions

THE APPROACH



Generating your Supplier Questionnaire with clear questions should:

- Produce relevant data from your supplier base, such as supplier or category spend.
- Offer you the ability to report on the data collected,
- Enable you to identify areas of risk within your supply Chain

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- Support you in rating your suppliers in accordance with an approved preferred supplier database,
 - Give opportunity to reflect on red and amber feedback triggers
 - Support poor performing suppliers and give guidance to enhance their capabilities in areas that are significant to meet your company needs.



It would be beneficial to consider expansion questions where Amber or Red replies are feeding back from the supplier, so you can gather further insight.

Supplier Questionnaire

EXAMPLES

For guidance, an example of some key questions that could be incorporated into your supplier questionnaire are given below, however it is advised that your questions are aligned to meet your companies vision and strategy.

Company Details	
1.1	Full Legal company Name
1.2	Registered company Address
1.3	Address for Po/Billing if different from above
1.4	Registered number of company
1.5	How many company employees do you have?
1.6	Confirm the companies weekly operational hours
Company contact details	
2.1	Name of individual completing this questionnaire
2.2	Corporate position of individual completing the questionnaire
2.3	Contact Telephone number
2.4	Contact Email address
Company Policies	
3.1	Do you have an anti-corruption and/or an anti-bribery policy in place?
3.2	Do you have a modern slavery policy in place?
3.3	Do you operate a diverse and inclusive workplace and have a policy in place?
3.4	Does your company have an Environmental Management System?
3.5	Please identify any ISO certification outlining current Objectives and Targets
3.6	Do you have Social Value initiatives in place?
3.7	Do you ethically source raw materials that are be used in your products?
3.8	Please confirm statistical data relating to the ratio of Male:Female employees within your organisation
3.9	Confirm an average employees weekly working hours
Company Financials	
4.1	Please state your last financial year turnover
4.2	Please state your last financial year profit
Good and services	
5.1	Please advise if you are providing goods/services or both to our organisation
5.2	Do the goods/Services you provide utilise a low skilled labour force?
5.3	Do you conduct annual audits on your suppliers?
5.4	Please confirm quality standards that your organisation operates to for manufactured goods
5.5	Advise safety clothing and items that are provided to your workforce within the production areas.
5.6	Advise the shipping portbyour goods will ship from.
5.7	Do you generate the Export licence (CEO) or is this provided by a 3rd party
5.8	Confirm freight forwarder information you may currently operate with.
Information Security	
6.1	Will you require access to any confidential information?
6.2	How will you store and protect information supplied to you?
6.3	How will IP and drawings that remain the property of our company be protected?
6.4	Will any of your operating systems require integration with any of our organisations interfaces?
6.5	Will you require access, from any location, to out IT systems?
6.6	Will you be providing systems that need to integrate with our systems as part of your service?

Once you and your stakeholders have identified the most relevant questions to embed into your supplier questionnaire, weighting can be applied to the areas that are of most significance and this can then form part of your RAG (Red/Amber/Green) rating system.

A	B	C	D	E	F	G	H	I	J			
Risk Calculator												
Supplier Classification		Low Value/High Risk										
Risk I -	Type	Risk			Likelihood			Impact			Rating	Action taken to mitigate risk /Current
1	Strategic	Likelihood of Supplier being a Client to CC	1	Extremely Unlikely	1	Insignificant						
2	Compliance	Non-compliance with Procurement Policy	1	Extremely Unlikely	1	Insignificant						
3	Compliance	Confidentiality/ Data Protection/ Security Failure	3	Likely	4	Major						
4	Operational	Service Failure Inc lack of availability of staff, system & SLA failure	1	Extremely Unlikely	1	Insignificant						
5	Financial	Chance of bankruptcy and Supplier Financial Instability	1	Extremely Unlikely	1	Insignificant						
6	Compliance	Supplier related fraud	2	Unlikely	3	Moderate						
7	Compliance	Anti-Corruption/Bribery	2	Unlikely	4	Major						
8	Compliance	Chance of modern slavery entering the supply chain	2	Unlikely	4	Major						
Final Risk Score										4.29		

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