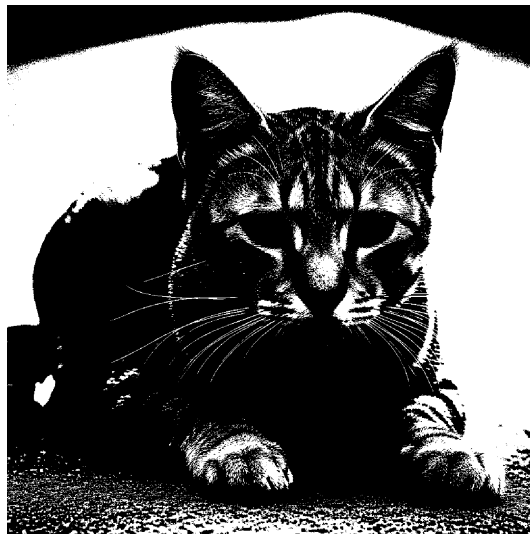


HIGH-VOLUME

WORKSHEET 1 OF 9

Vendor Scorecard Quick-Check

Run quarterly for every vendor with annual purchase value above \$30,000. Takes under 45 minutes on existing delivery and invoice records.



Complementary worksheet for
Vendor Negotiation Playbook
by Ibrahim Anwar

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What This Is For

A quarterly ritual that turns scattered delivery complaints and invoice disputes into four measurable numbers per vendor. Most operators know which vendors are "a bit unreliable" — they just cannot say by how much, or prove it when the renegotiation conversation arrives. This worksheet gives them that proof.

The trigger is not a crisis. It is a calendar entry: the same day you close the quarter's books, you fill in four dimensions for every vendor above your value threshold. Vendors who consistently score below target generate a data-based renegotiation agenda. Vendors who score above target earn a lighter review cycle and, if you choose to tell them, a concrete reason to stay that way.

Benefits

What you get when you actually run this worksheet on a real situation:

- Converts 'they deliver late sometimes' into a specific on-time rate that can be cited in a contract renegotiation.
- Identifies the single vendor whose combined gap across all four dimensions is costing the most in operational friction per quarter.
- Gives the purchasing team a standing agenda for vendor review meetings that requires no senior-manager preparation time.
- Surfaces price-compliance drift — invoices that exceed PO prices — before it accumulates across a full year.
- Creates the performance history needed to justify a termination clause or reduced order volume without appearing arbitrary.
- Lets vendors who are improving see that clearly, which increases their motivation to keep the trajectory.

Framework To Use

— Four-Dimension Vendor Gauge

Four measurable dimensions that together describe whether a vendor relationship is adding cost or subtracting it.

| Dimension | What it measures | Minimum target | Data source |
|------------------|--|----------------|------------------------------|
| On-Time Delivery | Orders arriving on agreed date ± 1 day | 90% | Delivery notes vs PO date |
| Defect-Free Rate | Orders with no claim, return, or replacement | 97% | Claims and return log |
| Price Compliance | Invoices matching PO or contract price exactly | 100% | Invoice vs PO comparison |
| Responsiveness | Average hours to first substantive reply | ≤ 8 hours | Email or WhatsApp log sample |

How To Use

Follow these steps in order. Each one builds on the previous.

- 1 Pull the delivery notes, claims log, invoices, and a sample of 8–12 vendor communications from the past 90 days for the vendor you are scoring.
- 2 Calculate on-time delivery rate: count orders received on the agreed date (± 1 day) divided by total orders in the quarter, multiplied by 100.
- 3 Calculate defect-free rate: count orders with no claim, return, or replacement divided by total orders, multiplied by 100.
- 4 Calculate price compliance: count invoices matching PO or contract price exactly divided by total invoices, multiplied by 100. Any unilateral surcharge or rounding up counts as non-compliant.
- 5 Calculate average response time: for your 8–12 sampled interactions, note the time from your message to the vendor's first substantive reply. Average the results in hours.
- 6 Enter all four scores into the table. Mark each cell Met or Below relative to the targets above.
- 7 For any vendor with two or more dimensions below target: estimate the quarterly operational cost of the gap in dollars — claim handling time, production delays, working capital tied in safety stock — and record it in the notes row. That number belongs in the next renegotiation conversation.

Example Use

A West Java snack-food manufacturer runs the quarterly scorecard on their primary packaging vendor. This vendor supplies flexible packaging at \$0.18 per sheet, with \$14,400 in monthly purchases. Complaints about late deliveries have been accumulating in the warehouse manager's WhatsApp messages for six months.

The purchasing assistant pulls 47 delivery notes from the last quarter and compares each to the PO date. 31 of the 47 orders arrived on time or within one day. On-time rate: 66%. Target is 90%. That is a 24-percentage-point gap.

Claims log shows three returns in the quarter — two for misprinted text, one for wrong sheet dimensions. Defect-free rate: 47 orders minus 3 returns = 44 clean orders out of 47. Rate: 93.6%. Below the 97% target.

All invoices matched the contract price. Price compliance: 100%. Met.

Ten sampled communications: average response time was 11 hours. Target is 8 hours. Below target by 3 hours.

Three of four dimensions below target. The purchasing assistant calculates the cost of the delivery gap: safety stock held because of schedule uncertainty is 8 days of packaging at \$14,400 monthly cost, which ties up \$3,840 in working capital. Two unplanned production reschedules in the quarter cost an estimated \$1,200 in overtime and rescheduling friction. Claims handling: 3 incidents at 90 minutes each for 2 staff members at \$8/hour equivalent = \$72 in direct handling cost. Total quarterly friction cost: approximately \$5,112.

The vendor scorecard and the \$5,112 calculation go to the vendor two days before the quarterly review meeting. The conversation shifts from "we have been having some issues" to "we measured the impact at \$5,112 last quarter. Here is the on-time delivery data behind that number. What is the plan for next quarter?"

The Worksheet

Tear this out, copy it onto a fresh sheet, or fill it in directly.

Vendor Scorecard Quick-Check

Run quarterly for every vendor with annual purchase value above \$30,000. Takes under 45 minutes on existing delivery and invoice records.

| VENDOR NAME | ON-TIME DELIVERY (%) | DEFECT-FREE RATE (%) | PRICE COMPLIANCE (%) | AVG. RESPONSE (HOURS) | OVERALL | EST. QUARTERLY FRICTION COST (\$) |
|--------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|----------------|--|
|--------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|----------------|--|

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Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. For any vendor with two or more dimensions below target: calculate the operational cost of the gap in dollars per quarter using this formula: (missed deliveries × avg production delay cost) + (defect incidents × avg handling time × staff hourly cost) + (safety stock days × monthly purchase value ÷ 30 × capital cost rate). That number belongs in the next renegotiation conversation.
-

2. Which single vendor shows the largest combined gap across all four dimensions? Mark them for a scheduled performance review within 30 days. Send the completed scorecard to the vendor two to three days before the meeting so they arrive with data, not with improvised excuses.
-

Tips and Traps

TIPS

- Run the scorecard on the same calendar day every quarter — the day after books close works well. The ritual matters as much as the format.
- Send the scorecard to the vendor before the review meeting. A vendor who arrives with the data already reviewed gives you a more substantive conversation than one seeing it for the first time across the table.
- When a vendor improves a dimension from below-target to on-target in one quarter, note it explicitly. Acknowledging improvement sustains the behavior.
- For vendors consistently above all four targets, reduce the review frequency to semi-annual. Use the freed time on the vendors whose scores are moving in the wrong direction.

TRAPS

- Measuring only delivery and defect rate, skipping price compliance and responsiveness. Price compliance drift of 1–2% per invoice accumulates to a material variance over a full year without ever appearing dramatic in any single month.
- Calculating the scorecard but not sharing it with the vendor. A scorecard that only lives in your folder produces no behavioral change.
- Setting 100% targets for every dimension on every vendor. A new vendor in their first quarter cannot be held to the same targets as a three-year vendor. Calibrate targets to actual performance history and raise them in documented steps.
- Accepting verbal promises of improvement without writing a specific target and timeline into the meeting minutes. 'We will do better' is not a commitment. '93% on-time rate by end of Q3, measured on the same method' is.

Appendixes

Appendix A — Quarterly Friction Cost Estimation Formula

Component 1: Delivery delay cost

| | |
|--|---------|
| Delayed orders per quarter | = A |
| Average production disruption cost per delayed order (\$) | = B |
| Delivery delay cost | = A × B |

Component 2: Safety stock working capital cost

| | |
|---|--------------------------|
| Extra days of stock held due to unreliable delivery schedule | = C |
| Monthly purchase value (\$) | = D |
| Annual cost of capital (%) | = E |
| Safety stock WC cost per quarter | = (C ÷ 30) × D × (E ÷ 4) |

Component 3: Claims and handling cost

| | |
|--|-------------|
| Defective/claimed orders per quarter | = F |
| Average staff-hours to resolve 1 claim (intake + correspondence + resolution confirmation) | = G |
| Fully-loaded staff hourly cost (\$) | = H |
| Claims handling cost per quarter | = F × G × H |

$$\text{Total quarterly friction cost} = (A \times B) + [(C \div 30) \times D \times (E \div 4)] + (F \times G \times H)$$

Example (packaging vendor, \$14,400/month):

| | | |
|------------------------------------|----------------|-----------------|
| A = 16 delayed orders | B = \$75/order | → \$1,200 |
| C = 8 days extra stock | D = \$14,400 | E = 14% → \$336 |
| F = 3 claims | G = 1.5 hrs | H = \$8 → \$36 |
| Total quarterly friction: ~\$1,572 | | |

Appendix B — Scorecard Target Calibration by Vendor Maturity

New vendor (first 2 quarters):

On-time delivery target : 80%
Defect-free target : 94%
Price compliance target : 100%
Response time target : within 1 business day

Established vendor (3-8 quarters):

On-time delivery target : 90%
Defect-free target : 97%
Price compliance target : 100%
Response time target : within 8 hours

Strategic vendor (8+ quarters, single-source):

On-time delivery target : 95%
Defect-free target : 99%
Price compliance target : 100%
Response time target : within 4 hours

Note: targets are floors, not aspirations.

Raise by 2-3 percentage points when a vendor sustains the current target for two consecutive quarters.



WHERE THIS WORKSHEET COMES FROM

Vendor Negotiation Playbook

The First Price Quoted Is Not the Best Price Available

by Ibrahim Anwar

This worksheet is one of nine in the *Vendor Negotiation Playbook* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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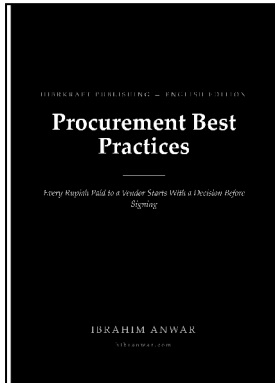
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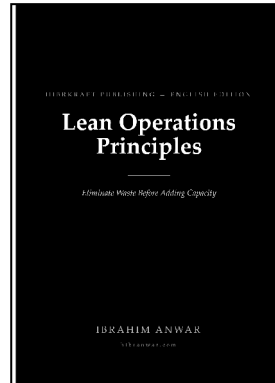
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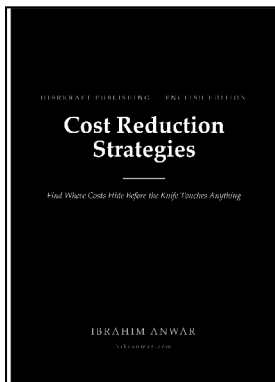
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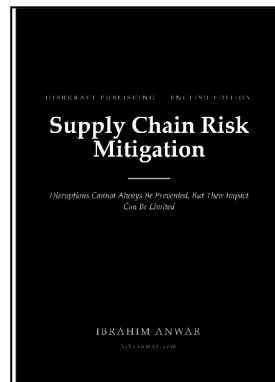
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