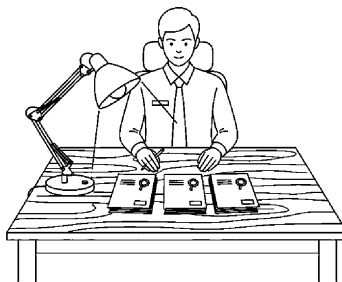


SPECIFIC-CASE

WORKSHEET 7 OF 9

Shortage Dispute: Vendor Refuses to Credit a 12% Shortfall

Scenario: a regular supplier delivers 88 units against a PO for 100. Your GRN was signed with a shortage note. The vendor claims their delivery order shows 100 units shipped and is demanding full payment. The shortfall affects a production run scheduled for this week. Fill this in for your specific situation.



by Ibrahim Anwar

What This Is For

A shortage dispute with a vendor who has their own delivery records showing full shipment is one of the most frustrating procurement situations, because both parties can be acting in good faith while looking at documents that contradict each other. The resolution depends on which party has a more complete and credible paper trail. If your GRN was signed with a shortage note and photographed at the time of receiving, you have the stronger position. If the GRN was signed without notes, your position is structurally weak regardless of what actually happened.

This worksheet maps the steps from the moment the dispute is identified to the moment it is resolved, with a column for the document each step depends on. Work through the steps in sequence. Do not skip to the vendor conversation before the documentation review is complete: arriving at that conversation without your documents assembled is the most common reason shortage disputes resolve in the vendor's favor despite the buyer being correct.

Benefits

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

- Structures a vendor dispute response that does not rely on memory, relationship goodwill, or tone of voice — only on documents.
- Identifies the weakest point in your own documentation before the vendor conversation, so you know what you can prove and what you cannot.
- Separates the immediate cash question (do not pay the full invoice yet) from the operational question (how do we cover the production shortfall this week?) — both need answers but they have different urgency.
- Produces a resolution record that goes into the vendor's KPI scorecard as a quality acceptance and response-time data point.
- Creates the precedent for how shortage claims are handled going forward, which directly affects vendor behavior in future deliveries.

Framework To Use

— Document Hierarchy in a Shortage Dispute

Three documents establish the timeline. The GRN is the buyer's record. The delivery order is the vendor's record. The PO is the agreed quantity. Resolution follows document quality, not assertion strength.

WITHOUT A GRN SHORTAGE NOTE	WITH A GRN SHORTAGE NOTE
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How To Use

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

- 1** Before any conversation with the vendor: assemble your documents. Locate the signed GRN and read the shortage note exactly as written. Locate the PO. Locate any photos taken during receiving. Note whether the shortage was photographed.
- 2** Review the vendor's delivery order if you received one. Note the quantity they claim to have shipped and the date of dispatch.
- 3** Calculate the financial exposure: the unit price from the PO multiplied by the shortage quantity is the credit amount in dispute. Record this figure.
- 4** Calculate the operational cost: what does the 12% shortfall cost your production schedule? Delay in days, cost per day of lost output, emergency sourcing premium if you need to cover quickly. Record this separately — it is a different number from the credit amount.
- 5** Put the disputed invoice on payment hold: do not process the full invoice amount until the dispute is resolved. Pay only the value of the 88 units received, withholding payment for the 12 units not received.
- 6** Send written notification to the vendor within 24 hours of the dispute being identified. Include: your GRN number, the PO number, the quantity ordered, the quantity received per your GRN, and the credit amount you are claiming. Attach the GRN.
- 7** Record the vendor's response date and outcome in the worksheet. This data point goes into the vendor's quarterly scorecard under Quality Acceptance Rate.

Example Use

A small textile manufacturer orders 100 meters of coated fabric from a regular supplier. GRN signed May 6 with note '88m received, 12m short.' Vendor invoice arrives for full 100m at \$18/meter = \$1,800 total. Vendor claims delivery slip shows 100m shipped.

Step 1 — Document check: GRN has the shortage note in writing, signed by warehouse staff. PO states 100m at \$18/meter. Three photos exist from the unloading: fabric bolts spread on the warehouse floor showing a clear count. Vendor delivery order claims 100m. No photos from the vendor's side.

Step 2 — Financial exposure: credit in dispute = $12\text{m} \times \$18 = \216 . Emergency sourcing of 12m from an alternative supplier will cost $\$22/\text{meter} = \264 , a \$48 premium. Total financial impact of this event: \$264 (emergency sourcing cost) + staff time for the claim process.

Step 3 — Payment hold: finance team is instructed to process payment for 88m only (\$1,584). The \$216 difference is held pending resolution.

Step 4 — Written notification sent May 7 (within 24 hours): email to vendor PIC including GRN scan and photos, stating: "Our GRN GRN-2026-05-041 dated May 6 records receipt of 88m against PO-2026-04-089 for 100m. We are claiming a credit note for $12\text{m} \times \$18 = \216 or replacement delivery within 5 business days."

Step 5 — Vendor response: vendor responds May 9 disputing the shortage. Buyer references photos and the signed GRN shortage note. Vendor agrees to send 12m replacement delivery on May 13.

Step 6 — Resolution: replacement arrives May 13, GRN signed clean. Full invoice processed May 14 on 30-day terms from final GRN date. Response time: 4 days. Outcome: replacement. This goes into the vendor scorecard: Q2 Quality Acceptance Rate for this vendor is 88% (44 of 50 units across all deliveries this quarter received clean), and the response time KPI shows 4 days.

The Worksheet

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

Shortage Dispute: Vendor Refuses to Credit a 12% Shortfall

Scenario: a regular supplier delivers 88 units against a PO for 100. Your GRN was signed with a shortage note. The vendor claims their delivery order shows 100 units shipped and is demanding full payment. The shortfall affects a production run scheduled for this week. Fill this in for your specific situation.

STEP	ACTION REQUIRED	DOCUMENT TO REFERENCE	RESPONSIBLE	STATUS

Reflection Prompts

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

1. Minimum documentation to have ready before any discussion with the vendor: the signed GRN with the shortage note, the PO with the ordered quantity, the vendor's delivery order (their document), and any photographic evidence taken at receiving. If the GRN shortage note is absent, review what leverage remains before beginning the conversation.
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2. Calculate: what is the cost of the shortfall to your production schedule? Production delay cost, emergency sourcing premium, or rework: that is the real cost of this event, beyond the credit amount. Record it separately from the credit claim. If this vendor has a pattern, both figures belong in the formal scorecard notification.
-

Tips and Traps

TIPS

- Send the written claim within 24 hours of the GRN. A claim sent three days after receiving gives the vendor room to argue that goods were counted incorrectly or moved after delivery. Same-day or next-day is defensible; three days is ambiguous.
- Pay only the received quantity while the dispute runs. Withholding payment is not a threat — it is the correct application of your payment terms, which state that payment is due for goods received, not goods invoiced.
- Keep the tone of the written claim factual and document-referenced. 'Our GRN GRN-2026-05-041 records 88 units received against PO-2026-04-089 for 100 units' is stronger than 'your driver only delivered 88 units and we're not happy about it.'
- Record the resolution outcome in the vendor's quarterly scorecard regardless of how the dispute ends. A vendor who resolved the dispute quickly and fully gets a better response-time score than one who delayed or denied without basis.

TRAPS

- Paying the full invoice under pressure of a strong vendor relationship and chasing the credit afterward. Once the full invoice is paid, the leverage is gone. Hold payment on the disputed amount, not the full invoice.
- Accepting a verbal apology from the vendor as resolution. Resolution is a credit note or a replacement delivery with a clean GRN. A verbal apology with no document follow-through is not resolution.
- Blaming the receiving staff for the dispute when the root is in the receiving process. If staff routinely sign GRNs before counting, this event will recur. The fix is a procedure, not a reprimand.

Appendixes

Appendix A – Written Shortage Claim Template

Subject: Shortage Claim – GRN [number] / PO [number]

To: [Vendor PIC name]

Date: [Within 24 hours of GRN signing]

We are writing to notify you of a shortage in the delivery received on [date] against Purchase Order [PO number].

Our Goods Receiving Note [GRN number], signed by [receiver name] on [date], records the following:

Ordered quantity (per PO):	[N] units
Quantity received:	[N] units
Shortage quantity:	[N] units
Unit price (per PO):	[\$price]
Credit amount claimed:	[\$[shortage qty x unit price]]

We attach: (1) signed GRN, (2) PO, (3) photographic evidence from receiving.

We request one of the following, to be confirmed within [3] working days:

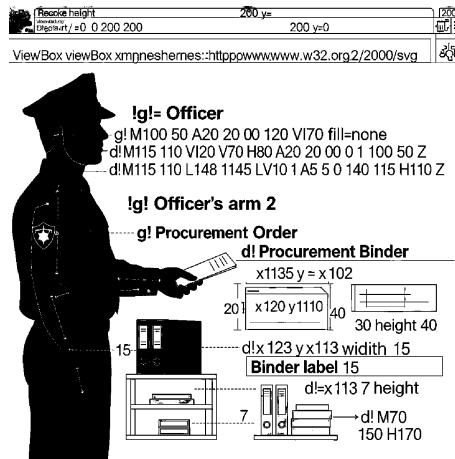
- Option A: Replacement delivery of [shortage quantity] units by [date]
- Option B: Credit note for \$[credit amount] against the outstanding invoice

Payment for the [received quantity] units received has been processed.

Payment for the [shortage quantity] units in dispute is held pending resolution.

Please confirm your response by [date].

[Your name and title]



WHERE THIS WORKSHEET COMES FROM

Procurement Best Practices

Every Rupiah Paid to a Vendor Starts With a Decision Before Signing

by Ibrahim Anwar

This worksheet is one of nine in the *Procurement Best Practices* 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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