



Vendor assessment is an evaluation and approval process that businesses can use to determine if prospective vendors and suppliers contract. The end goal is to secure a low-risk, best-in-class vendor and suppliers contract. there is a distinction: The term vendor applies to business-to-business (B2B) and business-to-consumer (B2C) sales relationships, while supplier applies only to B2B relationships, while supplier applies only to B2B relationships, while supplier applies only to B2B relationships. mutually beneficial, long-term business relationships. Dr. Ray Carter is Director of DPSS Consultants (Developing People Serving the Supply Chain), creator of the 10C Model of Supplier Evaluation, and author of five vendor management and supply chain books, including Practical Procurement. Carter points to the COVID-19 pandemic as a prime example of the need for systematic vendor and supplier assessment that enables organizations to weather any storm in the business environment."What the COVID-19 emergency illustrates," Carter says, "is the importance of engaging suppliers with sufficient resources and access to working capital to continue to operate, gear up if necessary to meet demand, and survive crises." Assessing vendor and supplier crisis management plans is one of the aspects of risk mitigation you should consider during your vetting process. "Future crises driven by foreseeable factors — global warming, wild animal and nature conservation, human interactions, and political unrest — are almost inevitable. Therefore exploring the quality and robustness of vendor and supplier contingency plans is crucial."Dr. Carter advises caution when selecting business partners for goods and services. "Deficient evaluation constructs begin with poorly defined specifications, which then feeds into the procurement process and award criteria and the selection of suppliers that lack the necessary expertise or resources," Carter explains. "Post-award, this leads to a perfect storm: a fractious relationship characterized by 'blame game' disputes and, often, operational failure. A reliable process and careful vetting helps avoid that risk — and many others." Additional benefits of vendor assessment include the following:Risk Mitigation: By carefully vetting vendors and suppliers, you can lower the regulatory, contract, and security risks of working with entities outside your company. Lower Regulatory compliance with the laws, regulatory, and standards that apply to your business. If your vendor is in another country or you sell to another country, check those countries' legal requirements, too. For example, if you do business in the European Union, the General Data Protection Regulation (GDPR) applies. Scope of Service and Contract Compliance: Conduct a legal review of contract terms, nondisclosure agreements (NDAs), or partnership agreements to ensure that you've set favorable conditions and mitigated any risks. Decrease Security and Cyber Risk: The threat of cyber risk grows as we increasingly move our work to the cloud. Therefore, it's crucial to protect all your customer and company data. Your selection process should focus on assessing a third-party vendor or supplier to store your data. First, identify and evaluate the type of data that vendors and suppliers may need to access, and decide whether they need to access all, some, or none of it to do their work. It's crucial to ensure the vendor takes the proper measures to encrypt and protect your data. management system details. Get more risk mitigation information, tools, and templates in the "Definitive Guide to Vendor Risk Management." Watch the demo to see how you can more effectively manage your team, projects, and processes with real-time work management in Smartsheet. Watch a free demo Understand your organization's tolerance for specific risks — this is an important factor when deciding which companies to contract companies for goods and services. This matrix captures the risk assessment information your company needs to review, estimate, and prioritize using rankings of generally acceptable (GA), as low as reasonably possible (ALARTP), and generally unacceptable (GU). Using this template, you can list each risk and determine their likelihood and rate the severity, all on a single color-coded chart. Download the Risk Assessment Matrix Templates."Identify Top Vendors: Based on a considered combination of your essential vendor selection criteria and risk assessment, you'll find vendors with the reputation, skills, and knowledge to solve your business challenges. Reduce Costs: While cost shouldn't be the ultimate deciding financial issues around poor service and delivery. Plus, once you establish your relationship, vendors may offer future opportunities to act fast and move quickly depends on the smooth flow of your supply chain. With ongoing monitoring, you'll notice when inefficiencies occur and be able to rectify them in partnership with your vendor or supplier before it's too late. Strengthen Relationships: Proper vendor management, which fosters communication, and loyalty, bolsters your brand and supports mutually beneficial working relationships that serve everyone in the long run and improve your reputation.Improve Your Business: Proper vetting will help you engage top-notice vendors and enable you to provide higher-quality and more competitively priced goods or services. This results in serving your customers far better — as you improve decision-making and effectiveness, expect an upswing in customer loyalty and sales. By performing extensive due diligence before you engage a vendor or supplier, you can save time and money, as well as support trust and your organization. For example, if data and personal information security is of utmost importance because you are a healthcare company bound by HIPAA security rules, that criteria may override cost or efficiency concerns. A vendor or supplier assessment framework is based on a set of standard criteria to determine prospective vendors' suitability and any risks they may pose to your company. You can use an assessment framework to determine the best vendor or supplier based not only on price, but also on a full spectrum of concerns that Dr. Carter created his model because he saw that poor supplier selection causes breakdowns. "In the based not only on price, but also on a full spectrum of concerns that Dr. Carter of DPSS Consultants delineates in his 10C Model of Supplier Evaluation. Dr. Carter of DPSS Consultants delineates in his 10C Model of Supplier Evaluation. Dr. Carter of DPSS Consultants delineates in his 10C Model of Supplier Evaluation. Dr. Carter of DPSS Consultants delineates in his 10C Model of Supplier Evaluation. Dr. Carter of DPSS Consultants delineates in his 10C Model of Supplier Evaluation. Dr. Carter of DPSS Consultants delineates in his 10C Model of Supplier Evaluation. 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Dr. Carter of DPSS Consultants delineates in his 10C Model of Supplier Evaluation. Dr. Carter of DPSS Consultants delineates in his 10C Model of Supplier Evaluation. Dr. Carter of DPSS Consultants delineates in his 10C Mo developed my framework to provide a simple and systematic process of investigating, analyzing, and verifying the resources and capabilities of potential suppliers (the extent of which is dependent upon the risk and value of the contract) leading to the appointment of an effective and sustainable source."Vendor and supplier assessment occurs mos often within purchasing departments. It also forms part of the pre-qualification step within the purchasing area, although it usually includes the participation and input of other departments and stakeholders. The 10C Model of Supplier Evaluation allows sufficient space for you to fill in the blanks with criteria in each category that applies to your specific business, business model, and goods and services needs. Competency: Ask vendors to provide evidence of proven quality with other customers, and review their training and development procedures, qualification records, essential personnel background and abilities, and recruitment methods. Capacity: Look into prospective partners' current and forecasted orders and customers, along with how that impacts the ability to meet your current and projected requirements. Ask for operational statistics around quality- or service-level challenges, which should be readily available if the supplier is ISO 9000 accredited. To learn more about this accreditation read "The Ultimate Guide to ISO 9000."Commitment to Quality: Review the policies and procedures the company uses on an ongoing basis to monitor and manage quality and service throughout the life of the contract. For example, look for a vendor that assigns an account manager as a single point of contact dedicated to quality control and oversight; this indicates the vendor's commitment to high performance.Cost: Review whether the product or service can be delivered at a reasonable price and keep your vendor or supplier in business. Cashe and Finance: Of course, you want to work with a financially stable entity. Request the most recent fixed and current asset lists, profit and loss (P&L) statements, and credit rating documentation. Communications channels, whether in person with your account manager and other key personnel, via virtual meetings, or with collaboration software. Control of Internal Processes: Ask for evidence of how the company manages inventory, quality control operations procurement, marketing, distribution and health, and safety. Clear (Corporate Social Responsibility): Vendor and supplier services and products should conform to legal and environmental standards and requirements. Culture: Determine if you and your potential partner share values and working philosophies before you enter into a contract. A similar outlook makes for smoother work relationships and helps you establish long-term partnerships. Vendor assessment criteria should support your company mission, ethics, and business goals in the areas of technical competence and quality, cost and financial integrity, ability to communicate, social responsibility, and cultural commitments. Assessing vendors and suppliers also involves reviewing the criteria that matter most to your company goals and your larger industry. For example, if a business looks for a packaging company, the most significant concerns might involve graphics and structural design and rely on a review of custom versus standard options and shipping durability. Use the following checklist, based on the 10C Model of Supplier Evaluation, to gather your criteria on vendors and suppliers, and then use it as a "go or no go" tool to assess prospective or current business partners. Download Vendor and Supplier Assessment Criteria to potential partners, as well as use them to evaluate and rate current partners, as well as use them to evaluate and rate current partners. Hackett Group, companies average 3,000 suppliers per \$1 billion in spend. While you may not spend \$1 billion a year with your vendors and suppliers, if you don't have strict control over your business partners or which companies have access to your data, you're taking a risk from a financial and security standpoint. When evaluating vendors and suppliers, you'll need to make both quantitative and qualitative assessments to ensure a purchasing process that works for your organization. It's a good idea to track metrics on an ongoing basis to confirm contracts are still beneficial. This third-party vendor assessment template includes areas to note corrective actions and observations, but you can also adjust it to reflect your company criteria. Additionally, the template includes a scoring system that makes it easy to rank individual vendors and suppliers, and you can use the aggregated scores to make comparisons. By compiling this information in one place, you can combine written descriptions with ease. Download Vendor Evaluation Template Excel | Word If you need more templates to manage your supply chain process, take a look at "13 Free Vendor Templates." There is no single vendor stake into consideration your business and the vendor stake a look at "13 Free Vendor remplates." already under contract, and if you're conducting a post-award review. Following is a list of common methods that you may use to conduct your vendor evaluation: Commercial side of any potential vendor or supplier, keep in mind their reputation, market dominance, market and advertising presence, awards, ability to deliver promptly, and existing clients. Technical evaluation, you collect data from public sources, such as financial records; industry news items, and award notices. Before-the-Fact: In this type of vendor evaluation, you collect data from public sources, such as financial records; industry news items, and award notices. evaluation, the evaluator plans and starts gathering data from public data sources and vendor or supplier endorsement or reviews early in the history of the project. Replies to RFIs and RFPs with substantiating documents should provide many of the necessary answers, too. After-the-Fact: For this evaluation, reviews early in the history of the project. assess performance and process. Ask critical stakeholders about successes, failures, and operations. Responses provide data for decisions, future planning, and discussions after an event is complete. By performing these vendor that in today's competitive business environment, you shouldn't simply be solving for cost — the price for poor quality or delivery can be too high in the end. Vendor performance evaluation; a system to track performance evaluation; a system to track performance evaluation requires three elements; and the utilization of a strategic ranking system.1. Organize Your Roster: You can use the description of the goods or services a vendor supplies or rank them by their value to the organization, then incorporate colors, numbers, letters, or words to categorize them in charts or spreadsheets. and how much you invest in their engagement to assign relative value by size, capability, or dollar amounts. Use this scorecard as a selection or ongoing rating system template for your vendor sort o evaluate a single supplier. Easily edit the criteria checklist to match your business needs. Download Vendor Assessment and Scorecards, refer to "The Ultimate to Vendor Score highlight distinctive evaluations. Track vendor and supplier value on an ongoing basis, or take a survey based on trigger metrics that have raised concerns like quality issues, delivery delays, or damaged products. Surveys can be helpful and provide a way to get input from purchasing or other personnel who may be closer to the situation than a manager. Set guidelines for employee feedback: Make sure they are fact-based and not just opinions. Answers to survey questions might include the following: Performance: Did the supplier perform according to specifications? Delivery: Were deliveries on time? Invoicing: How did the final price compare to the budget? Customer Service: How well does the vendor respond to questions or solve problems? Knowledgeable is the vendor about your company? 3. Maintain a Strategic Vendor Evaluation System: Apply what you know about vendor about your company? 3. Maintain a Strategic Vendor Evaluation System: Apply what you know about vendor and supplier performance to segment vendors strategically. The Kraljic Matrix is a vendor evaluation method used to apportion goods or services by dividing them into four quadrants or classes, based on the risk or complexity of market supply and the value of the purchased item based on the impact to your company's profitability. The matrix allows your company to define the most advantageous purchasing strategies and avoid bottlenecks that prevent you from meeting your product or service delivery goals. Kraljic Vendor Segmentation Matrix Template Use this template to maximize supply stability, lower costs, and shift procurement from a transaction to a strategic activity. In the Kraljic model, supply risk rises when there are few suppliers; when availability could be affected by natural disasters, pandemics, or government instability; or when delivery logistics are challenging. Profit impact is high when the item adds sizable value to the organization's productivity or impacts quality. leverage, bottleneck, or non-critical, according to the supply risk and profit potential of each. Doing so helps you determine which vendors make the most sense based on business objectives. Download Kraljic Vendor Segmentation Matrix Template Word | PDF Perform ongoing vendor reviews to yield red flags when vendors don't meet expectations. The process should be easy if you have proper documentation and ongoing oversight. When problems occur, alert the vendor right away. You and the vendor right away. You and the vendor should have contingency plans for potential workarounds when issues arise. If it looks like there's no remedy and the situation isn't an anomaly, you may need to end the partnership. If you practices to keep in mind when assessing vendors: Assign Responsibility: Decide who in your company is responsible for the assessment. It's often an employee in the purchasing department, but for high-dollar or complex situations, you may hire an outside business analyst. The consultant takes over some of the time-consuming aspects of the process, including research, writing the request for proposal (RFP), and performing an in-depth financial analysis that may not be available in house. Set Up a Timeframe: Without a timeframe and process, getting to the final selection and hiring process can take up to a year. A good rule of thumb is to allow a maximum of three months to complete the process. 1. Prepare: This is the state when you define your basic requirements and create request-for-information (RFI) and request-for-proposal (RFP) packages. RFIs and RFPs provide a standard against which to evaluate potential vendors. They provide a detailed explanation of what you want and why, and you can use them to solicit bids and identify the best partner in developing the product. An RFI or RFP is a competitive process in which several companies may submit proposals. If you're new to the RFI and RFP process, read "Write a Winning Request for Proposal and Conquer the Process in Your Company."2. Discover: Research vendors and suppliers, and distribute RFIs and RFPs to in your screening documents. This template provides a simple way to compile statistics and background information to aid in your selection process. Download Vendor Comparison Template Excel | PDF 4. Select: Based on criteria you set, choose and meet with the top two potential vendors. Have the purchasing lead or key decision-makers make a final selection. Prepare contracts, set up accounts, and prepare for onboarding. This Gantt template provides all team members with a simple way to organize and track the vendor and selection process, as well as ensure that you're sticking to deadlines. To begin your selection process, input the task data — organized here into the Prepare, Discover Evaluate, and Select phases — along with who owns the task, as well as start and end dates, to generate a high-level visual overview. Customize and Supplier Selection Process and Timeline Gantt Template Excel | SmartsheetVerify Information by Quality: When you evaluate vendors and suppliers, obtain the best possible information. "A key aspect of the 10C Model is the need to assess the quality and validity of the information submitted by potential partner companies," advises Dr. Carter. "The model defines verified and high-quality evidence as complete, verified by a third party, current and comprehensive Medium-quality evidence is almost complete, offers some verification, some observation, and a contribution of desk research, is incomplete, and has limited verification. You can use these scores in the overall evaluation of the contractor or supplier," says Dr. Carter.Establish Key Performance Indicators (KPIs): KPIs are business metrics deployed to evaluate the performance of specific factors and strategic goals that are crucial to company success. You can use KPIs in vendor evaluation to help vet their performance. Find out more about developing your own KPIs and how to organize them with "All About their performance. Find out more about developing your own KPIs and how to organize them with "All About their performance. Find out more about developing your own KPIs and how to organize them with "All About their performance. 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Find out more about the performance of the performance of the performance of the performance of the performance. Find out more about the performance of the perfor KPI Dashboards."Consider a Common Playbook: If you're working with other vendors on a large project, Dr. Carter says a common pre-qualification process makes sense. "The principal contractors working on HS2 (UK's £100M proposed high-speed rail link) have collaborated to create a common pre-qualification system that will cut costs and streamline tenders for subcontractors," he explains. "Bidders who want to work with four of the main contractors on the HS2 scheme will go through an identical pre-qualification process, thus reducing duplications: Give and take to improve relationships and deliverables. Be clear with vendors early in any process or project about expectations, deadlines, and critical information without overwhelming them. Personalize communication and respond promptly to concerns. Make a Site Visit: Conduct a site visit to verify that information submitted in writing or through conversation reflects reality. An in-person inspection reveals how the supplier conducts business, as well as their capacity to meet your criteria. Onboard: Once you've gone through such an exacting process, you'll want to maintain good relationships with your vendors. A proven way to start on the right foot and ensure a smooth interaction is with a transparent process to bring your new suppliers online. Learn onboarding best practices with "How to Streamline Supplier and Vendor Onboarding: Best Practices, Process Flows, and Checklists." Leverage Cloud-Based Software to simplify compliance, reduce risk, and help organize and speed vendor assessments. Assessing vendors should include questions about disaster and pandemic preparedness. The COVID-19 pandemic has underscored the need to assess vendors' ability to deliver the services and products you need to maintain critical operations under emergency conditions. Diversity of customer, supplier, and third-party providers across geographies will help avoid single points of failure and decrease your organization's exposure to local outages, as well as geopolitical and pandemic readiness questions to ask of present and potential vendors: Empower your people to go above and beyond with a flexible platform designed to match the needs of your team — and adapt as those needs change. The Smartsheet platform makes it easy to plan, capture, manage, and report on work from anywhere, helping your team be more effective and get real-time visibility into work as it happens with roll-up reports, dashboards, and automated workflows built to keep your team connected and informed. When teams have clarity into the work getting done, there's no telling how much more they can accomplish in the same amount of time. Try Smartsheet for Free Get a Free Smartsheet for Free Get a particularly complex when reviewing RFPs. Luckily, a vendor comparison matrix to leverage the tool in your project is much more straightforward. In this blog, we'll teach you everything you need to know about a vendor comparison matrix to leverage the tool in your vendor selection process. First, we'll define a vendor comparison matrix. Next, we'll share tips for using one. Then, explore some real-life examples of vendor selection matrix?A vendor selection matrix. comparison matrix is a grid-style tool used during the RFP evaluation process that provides a side-by-side view of vendor matrix, the goal of the tool is to make it easier to select the best vendor for a project. Typically, the matrix is a grid that lists RFP evaluation criteria down the left hand side (y-axis). However, one of the big benefits of using a vendor matrix is its flexibility to adjust and meet your needs. Variations of the vendor comparison matrix to put any vendor information side-by-side. For example, you can compare section scores, weighted scores, individual question responses or the results from several scorers. Which type of vendor comparison matrix examples. Comparing proposal section scores first, is the simplest and the most common approach. It uses the vendor comparison matrix to display proposal section scores. As you can see, the vendor selection matrix this way enables you to quickly see each vendor's strengths and weaknesses. This approach is best for straight-forward procurement projects. Ideally, use this when your RFP questions are closed-ended with responses that have pre-assigned values. Consequently, this approach to the vendor comparison matrix. In this version, we apply RFP weighted scoring. Unlike the simple scoring model above, weighted scoring enables you to prioritize the sections of the RFP that are most important to your business. Using the example above, you can see that the section scores remain the same, but the end result is different. When to use this version Weighted scoring is often used in RFPs that gather both general information as well as deal-breaker considerations. In this model, high-priority considerations, like capabilities and customer references, carry more weight than company background. Comparing multiple individuals review and score vendor proposals ensures that no one person carries the full weight of the decision. In addition, many find the vendor selection process benefits from several points of view. Consequently, scorers should complete their evaluation without seeing one another's scores to ensure an unbiased review. When to use this versionIdeally, your stakeholders will agree on which vendor is best. However, this is not always the case. Using the vendor scoring matrix to compare all scorers results enables you to see if there are any significant disagreements that may skew the outcome. For example, in the matrix above, Bob and Amy's scores vary widely on Vendor 1, but agree on Vendor 2 and 3. It's important to discuss and resolve any discrepancies before your final vendor selection. Comparing complex answers Now, another variation of the vendor matrix involves using it to compare responses. When closed-ended questions are required. Unfortunately, they may also yield complex answers that are difficult to compare from one proposal to another without putting them side by side in the vendor comparison matrix. When to use this version When engaging in strategic sourcing, the goal is to maximize value offered by a long-term partner. In this case, you'll ask questions about experience, approach and vision. Responses to questions on these topics will likely be detailed. This vendor comparison matrix makes reviewing these complex responses much easier. Comparing responses, weight, scorers and scores With so many considerations, this vendor comparison matrix. Indeed, creating this vendor matrix can quickly become complicated and confusing if you use spreadsheets to manage it. Although, if you use RFP management software, these vendor comparison tables, including weighted scoring, are created automatically. Tips for using a vendor matrix the number of vendors you can see in the examples above, organizing your vendor comparison matrix can get complicated quickly. If you use Excel to manually create your charts, it means a lot of copying and pasting. Keeping information to detail. Accordingly, it's important to narrow your vendor selection to no more than five contenders before placing them into the matrix. Use a scoring rubricBefore engaging scorers, ensure that you've set scoring expectations using an RFP scoring rubric. For those who rarely participate in the RFP process, this tool acts as a guide for scoring. Specifically, it outlines what types of responses warrant which scores. The example below is adapted from this rubric created and used by Kansas State University. Assign sections to scorers based on expertiseEngaging stakeholders in scoring is a crucial part of picking the right vendor. However, it's important to remember that it's another thing added to their workload. To minimize the time required, only assign relevant sections to participating scorers. For example, have your IT expert review the integrations and data security measures, but engage your primary stakeholder to score sections about the user experience and customer references. Minimize biasIdeally, using an RFP enables you to make data-based, objective decisions. With that goal in mind, it's important to limit unintentional bias in your vendor selection. So, when you create your vendor matrix for scoring and comparison, it's best to anonymize your vendor responses. This helps your scorers focus only on the quality of the answers rather than preconceptions and preferences. If you use RFP management software, ensure that you leverage the vendor visibility settings. Vendor comparison matrix examples and templatesSimple vendor matrix example - Department of Homeland SecurityThis vendor matrix is straightforward and easy to understand. Indeed, this table takes simplicity one step further and compares night vision technology vendor capabilities using checkmarks. Weighted vendor comparison matrix example - Brady Independent School DistrictWhen Brady ISD needed to summarize their vendor option for fiber internet service, they created this matrix. Luckily, the approach worked and they found the right vendor comparison matrix isolates those factors from a healthcare RFP. Indeed, you can use it to bring together specific responses from a single section matrix is a good option. In addition to comparing three options, this downloadable vendor selection matrix template also enables you to account for several other factors and includes an automatic score calculation. A better way to create a vendor comparison matrix may feel overwhelming. Admittedly, it's a lot of copying and pasting from spreadsheets. Fortunately, there's a better way to create error-free matrices using an RFP management system. No matter how many vendors you include in your RFP, the RFP automation creates a side-by-side view for easier vendor selection matrix discussed above. Ultimately, when you have a high-stakes, high-value RFP, using RFP software for vendor selection can save you hours — and improve your confidence that you're making the right selecting a vendor, it can be difficult to visualize the differences between vendors much easier. Consequently, selecting the right vendor for your project is much more straightforward. In this blog, we'll teach you everything you need to know about a vendor comparison matrix. Next, we'll share tips for using one. Then, explore some real-life examples of vendor selection matrix. What is a vendor comparison matrix? A vendor comparison matrix? A vendor comparison matrix is a grid-style tool used during the RFP evaluation process that provides a side-by-side view of vendor proposals. Also called a vendor selection matrix, vendor evaluation matrix or simply vendor matrix, the goal of the tool is to make it easier to select the best vendor for a project. Typically, the matrix is a grid that lists RFP evaluation criteria down the left hand side (y-axis) with prospective vendors listed across the top (x-axis). However, one of the big benefits of using a vendor matrix is its flexibility to adjust and meet your needs. Variations of the vendor comparison matrix to put any vendor information side-by-side. For example, you can use the comparison matrix to put any vendor information side-by-side. selection matrix you use will depend on your goals and needs. Below you can browse sample vendor comparison matrix to display proposal section scores. As you can see, the vendor selection matrix contains numerical scores for each RFP section. When to use this versionUsing the matrix this way enables you to quickly see each vendor's strengths and weaknesses. This approach is best for straight-forward procurement projects. Ideally, use this when your RFP questions are closed-ended with responses that have pre-assigned values. Consequently, this approach tends to be quick and clear cut. Comparing weighted scores next, we have a more advanced approach to the vendor comparison matrix. In this version, we apply RFP weighted scoring model above, weighted scoring the RFP that are most important to your business. Using the sections of the RFP that are most important to your business. example above, you can see that the section scores remain the same, but the end result is different. When to use this version Weighted scoring is often used in RFPs that gather both general informations. In this model, high-priority considerations, like capabilities and customer references, carry more weight than company background. Comparing multiple involved stakeholders. Having multiple individuals review and score vendor proposals ensures that no one person carries the full weight of the decision. In addition, many find the vendor selection process benefits from several points of view. Consequently, scorers should complete their evaluation without seeing one another's scores to ensure an unbiased review. When to use this versionIdeally, your stakeholders will agree on which vendor is best. However, this is not always the case. Using the vendor scoring matrix to compare all scorers results enables you to see if there are any significant disagreements that may skew the outcome. For example, in the matrix above, Bob and Amy's scores vary widely on Vendor 1, but agree on Vendors 2 and 3. It's important to discuss and resolve any discrepancies before your final vendor selection. Comparing complex answers Now, another variation of the vendor matrix involves using it to compare responses. When closedended questions won't suffice, open-ended questions are required. Unfortunately, they may also yield complex answers that are difficult to comparison matrix. When to use this versionWhen engaging in strategic sourcing, the goal is to maximize value offered by a long-term partner. In this case, you'll ask questions about experience, approach and vision. Responses to questions on these topics will likely be detailed. This vendor comparison matrix makes reviewing these complex responses much easier. offers a way to view them all.When to use this versionDue to the number of variables, it's best to limit the number of vendors and questions included in this type of vendor selection matrix. Indeed, creating this vendor matrix can quickly become complicated and confusing if you use RFP management software, these vendor comparison tables, including weighted scoring, are created automatically. Tips for using a vendor matrix can get complicated quickly. If you use Excel to manually create your charts, it means a lot of copying and pasting. Keeping information organized and formulas working properly takes a lot of attention to detail. Accordingly, it's important to narrow your vendor selection to no more than five contenders before placing rubric For those who rarely participate in the RFP process, this tool acts as a guide for scoring. Specifically, it outlines what types of responses warrant which scores. The example below is adapted from this rubric created and used by Kansas State University. Assign sections to score based on expertiseEngaging stakeholders in scoring is a crucial part of picking the right vendor. However, it's important to remember that it's another thing added to their workload. To minimize the time required, only assign relevant sections and data security measures, but engage your primary stakeholder to score sections about the user experience and customer references. Minimize biasIdeally, using an RFP enables you to make data-based, objective decisions. With that goal in mind, it's important to limit unintentional bias in your vendor responses. This helps your scorers focus only on the quality of the answers rather than preconceptions and preferences. If you use RFP management software, ensure that you leverage the vendor matrix example - Department of Homeland SecurityThis vendor matrix is straightforward and easy to understand. Indeed, this table takes simplicity one step further and compares night vision technology vendor capabilities using checkmarks. Weighted vendor comparison matrix example - Brady IND preded to summarize their vendor option for fiber internet service, they created this matrix. Luckily, the approach worked and they found the right vendor. Vendor evaluation matrix template - HealthIT.govIf capabilities are your most important consideration, this vendor selection of your RFP. Detailed vendor selection matrix template - LeanIXIf you're looking to gather more information from RFP scorers, this matrix is a good option. In addition to comparison from RFP scorers, this matrix template also enables you to account for several other factors and includes an automatic score calculation. A better way to create a vendor comparison matrixCreating a vendor comparison matrix may feel overwhelming. Admittedly, it's a lot of copying and pasting from spreadsheets. Fortunately, there's a better way to create error-free matrices using an RFP management system. No matter how many vendors you include in your RFP, the RFP automation creates a side-by-side view for easier vendor evaluation. In addition, you can choose between every variation of the vendor selection matrix discussed above. Ultimately, when you have a high-stakes, high-sta vendors is a key factor in the success of any business project, but with so many options, how do you pick a winner? That's where a vendor selection matrix makes it easier to compare suppliers by using criteria that matter most to your organization. In this article, we'll guide you through what a vendor selection matrix is, how it fits into the vendor evaluation process, and how you can use it to make more strategic decisions. A vendor selection matrix is a powerful decision-making tool that businesses use to systematically compare and evaluate potential vendors. By creating a structured framework, it becomes much easier to visualize how each vendor stacks up based on pre-defined, measurable criteria such as: Price Service quality Product reliability Delivery capabilities By allowing businesses to approach the selection process with objectivity and consistency, a vendor evaluation matrix confirms that the final decision is based on data rather than guesswork or instinct. Whether you're looking for long-term suppliers or vendors for a one-off project, the vendor selection matrix can help make the process efficient and reliable. The vendor selection matrix can help make the process efficient and reliable. your requirements and deliver on your goals. Used correctly, a well-executed vendor evaluation process helps mitigate risks and leads to better business outcomes. For a more in-depth look, check out our article on The Vendor Selection Process helps mitigate risks and leads to better business outcomes. vendors during the vendor selection process. Once you've collected all the necessary information from potential suppliers - often through a Request for Proposal (RFP) - the next step is to weigh and compare the different responses. The matrix helps at this stage by offering a clear visual that outlines how each supplier scores on specific criteria, so that your final decision is backed by data rather than gut feeling. This tool is typically used after initial vetting but before final negotiations. It can be particularly helpful when your team is evaluating multiple vendors, as it simplifies the comparison process and provides an objective basis for discussions. There isn't just one way to create a vendor selection matrix; various formats can be used depending on your needs. Some common matrix types include: Simple Numerical Scoring: This basic selection criterion. The scores are then totaled to determine the highest-ranking vendor. Weighted Scoring Matrix: In this type, each criterion is assigned a weight based on its importance. For instance, if cost is a top priority, it might have a higher weights and then summed to get a final result. Multi-Assessor Matrix: This type of matrix is useful when multiple team members are involved in decision-making. Each evaluator assigns scores to vendors, and the average score is taken to reduce bias. The criteria you choose for your supplier selection matrix depend on your company's specific needs, goals, and priorities. your budget? Quality: How well does the vendor meet your quality standards? Delivery: Can the vendor deliver products or services in a timely manner? Support: Does the vendor offer reliable customer services in a timely manner? Support: Does the vendor deliver products or services in a timely manner? Support: Does the vendor deliver products or services in a timely manner? Support: Does the vendor deliver products or services in a timely manner? Support: Does the vendor deliver products or services in a timely manner? Support: Does the vendor deliver products or services in a timely manner? Does the vendor comply with necessary regulations or standards (e.g., environmental, data protection)? Your criteria should reflect what matters most for your project, and is likely to reflect your overall risk management process. Once you've selected the criteria, you're ready to move on to building and using your matrix. Now that you have your vendor selection criteria in mind, it's time to learn how to effectively use a vendor selection matrix. Below are the best practices to follow at this stage. First, you'll need to clearly define the selection criteria that are important for your decision-making. They can vary by project or business unit but should align with your overall goals. Start by brainstorming with key stakeholders to identify the most critical factors. Keep in mind that limiting your list to around 5-10 criteria are established, choose the matrix type that best suits your needs. For most businesses, a weighted scoring matrix works well, as it allows for a balanced comparison based on the importance of each criterion. Alternatively, you could use a numerical scoring system if you're looking for something simpler, or a multi-assessor matrix if multiple team members will be involved in evaluating suppliers. While it may be tempting to include every vendor that submits a proposal, try to narrow down your list. Aim for a shortlist of around 3-5 vendors, as this makes the matrix more manageable and allows for a more thorough evaluation. Shortlisting vendors, it's important to set clear expectations using a scoring rubric. A rubric lays out what constitutes high, medium, and low scores for each criterion, ensuring consistency in how you assess vendors. This is especially useful if multiple team members are evaluating the vendors, as it helps avoid discrepancies and ensures everyone is on the same page. With your criteria, matrix type, and scoring rubric in hand, it's time to start your vendor evaluation process. If possible, involve subject matter experts in areas like data protection, quality control, or regulatory compliance to assess criteria related to their experts. Their input can ensure that you're making informed decisions in each specific area of the vendor's offering. Once the evaluations are complete, tally up the scores for each vendor. If you're using a weighted scoring matrix, multiply each vendor's score by the weight assigned to the criterion, then sum those numbers for the final score. This process will give you a clear picture of which vendor stands out in terms of meeting your company's needs. After calculating the scores, review the results with your team. While the matrix offers an objective assessment, it's also important to consider any additional factors, such as recent changes in the vendor's capabilities or upcoming projects that might impact their ability to deliver. Once you've reviewed all the data, make your final selection. The vendor selection matrix is an incredibly valuable tool, but when used in conjunction with vendor management software, it becomes even more powerful. Graphite Connect offers a solution that allows you to centralize all your vendor data, streamline your evaluations, and automate parts of the selection process. With tools like automated workflows, easy data management, and secure communication channels, Graphite Connect helps you manage the vendor selection process more efficiently. Managing vendor selection doesn't have to be complicated. With Graphite Connect, you can simplify every step of the process, from shortlisting vendors to evaluating them and making your final choice. Our platform allows you to keep all supplier data in one place, automate workflows, and collaborate easily with your team. Ready to simplify your vendor management? Learn more about how Graphite Connect can streamline your vendor selection process. Schedule a demo today!