

# Supplier Selection Checklist

By Duncan Haughey

## Introduction

It is useful when selecting a supplier to have a checklist with which to evaluate the supplier's suitability. How much of the checklist is used and how thoroughly will depend on your own needs. However, even a brief review using this checklist may help raise points that could otherwise be overlooked and become issues later.



“Let us ask our suppliers to come and help us to solve our problems.”

-W. Edwards Deming



This checklist has been designed primarily for suppliers that offer IT development services, for example:

- Consultancy.
- Application Design.
- Software Development and Implementation.

It also has relevance to:

- Services.
- Software Support.
- Application Hosting.
- IT Services (running infrastructure).
- IT Product Suppliers.

...but is not targeted for these suppliers.

This checklist is primarily for use as an aide-memoir and is not intended to be an exhaustive list of all possible issues to consider.

The format of this checklist has been designed to provide a simple list of issues for you to consider. A tabular and diagrammatic format for analysis is provided at the end of this document.

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# 1. Supplier Status

## 1.1. Employees

- How many are there?
- Where are they based?
- Are any of them critical to the business?

## 1.2. Geography

- How widespread are the offices? (head office, local, national, regional, global).
- What is the nature of the offices? (sales, development, implementation, support).

## 1.3. Credibility

This is a key area addressed by the sections below.

### 1.3.1. Reputation in the Market

Consider things like:

- White paper publication.
- Involvement in industry bodies.
- Public seminars.
- Main competitors.
- Identification of industry trends.

Use can be made of consultants like Gartner and Forrester to gauge reputation.

### **1.3.2. Reference Clients**

- Who have they worked with before on similar projects?
- Are there other clients they don't quote as references?
- Have they done any work for your competitors?

In particular, explore work with other parts of your business, and talk to their other clients.

### **1.3.3. Partners**

What is the quality and range of their formal partnerships? If this is weak do they have an informal network that can be called upon to provide additional or specialist resources?

### **1.3.4. Strategic Direction**

Is it appropriate or necessary to develop a long-term relationship with this supplier? If so, do they have the vision to innovate in the way you would like?

### **1.3.5. Existing Relationship**

- Is there an existing relationship with the supplier?
- Who are the account managers? (from both sides).
- What work has been done for your business? (treat this as a critical reference client).
- What are the terms and period for any co-operation?

## 2. Delivery Capability

### 2.1. Services

Can the supplier provide the complete range of services required for completing the project? Consider the following areas:

- Technical: software design, implementation and documentation?
- Typical implementation time for this scale of project?
- Project management?
- Support?
- Graphic design?
- Design creativity?
- User experience and interface architecture
- Application hosting?

### 2.2. Quality of Deliverables

- Can they produce evidence of good quality work?
- Does it comply with their standards?

### 2.3. Resources

- Are there enough people to execute the work?
- Is it clear what dependence there is on key people?
- Is there contingency in the resource planning?
- Would they be able to deal with the unexpected, for example, loss of a key person?
- Are specific, named, resources allocated?

### 2.4. Geography

Is there an appropriate geographical presence to execute the project?

## 2.5. Customer Interface

Is there a suitable customer interfaces for the project?

- Account Management.
- Business Consultant.
- Functional Consultant
- Technical Consultant.

## 3. Processes

Do they have robust, repeatable, measurable processes for creating their deliverables?

- Are they formally certified, for example, ISO9000?
- Are project tracking and reporting procedures in place?

Processes should cover:

- Documentation.
- Project team communications.

### 3.1. Project Management

- Do they recognise the proposed work as a project?
- How do they carry out project management? Do the following exist:
  - A formal methodology, for example, PRINCE2?
  - Resource management within projects?
  - Project tracking and progress reporting procedures?
  - Change management and control processes?
- Do they fit with your own project control procedures, or can they be modified to do so?



## 3.2. Account Management

How is the relationship managed outside the context of specific projects, for example, where a long-term partnership exists or is proposed.

- How are projects planned within a portfolio?
- How do you take advantage of economies of scale across projects?
- How do you ensure reuse of technology components? (Library Management)
- What complaints and problem escalation procedures exist?
- How willing are they to invest in a long-term relationship?
- Is there a user group? Is it independent?

## 3.3. Design and Build

- Are there formal processes?
- Do they have standards, for example, SSADM, CMMI, DSDM, ISO/IEC 15504 etc?
- Do we understand the methodology they will use?
- Do you have the capability to interpret and sign off the design documents they will create?

## 4. Technical Status

### 4.1. Infrastructure

- Do they have the necessary technical infrastructure to develop the application?
- Can they test in an environment compatible to yours?
- Is there portability across operating systems, hardware etc?
- Are the system management tools used support industry standard?

### 4.2. Development Environment

- Do they use appropriate standard or proprietary tools?
- Will the output be supportable at reasonable cost?
- Will it generate re-usable modules for them and for your developers?
- How productive are they? (proprietary tools may be of value here).
- Do they provide the ability to review progress on-line, securely.
- Is their documentation clear enough for hand-over to others?

Under some circumstances the supplier's use of your standard development tools may also be important. Consider the ability (capability and security) of the supplier to remotely access your networks to speed delivery.

### 4.3. Security

Is their environment secure to the level required by the application and its content?

## 5. Supplier Culture

### 5.1. Professionalism

What constitutes 'professionalism' depends on the business environment, and may need to be judged by other people in the same field (fellow professionals and domain experts).

### 5.2. Flexibility and Commitment

How well will they handle schedule upsets, changes to requirements etc? This may be best judged in informal discussion and by checks with reference clients.

### 5.3. Open and Friendly

- How honest are they about problems they have faced and had to overcome?
- Are they suitably discrete about their other clients?
- Do you feel comfortable with them?
- Do they appear to communicate openly and freely internally?

### 5.4. Integrity

- Do they stand by their offerings?
- Are they consistent in what they say:
  - During trade-off negotiations? (example: if budgets are limited).
  - About their capabilities?
- Are they happy to be technically and financially audited if necessary?

### 5.5. Understanding Your Business Goals

Does the supplier really understand why you want to do this project from a business perspective?

### 5.6. Proactive

Do they offer sensible and appropriate advice on potential solutions?

## 5.7. Understands Business Environment

- Are they willing to work with other third party development environments and yours?
- Where relevant, the supplier should understand multilingual requirements for content delivery and its impact on maintenance complexity.

## 5.8. Innovative

Look for an approach that is imaginative, flexible and driven by problem solving.

# 6. Financial and Commercial

## 6.1. Sustainability

Will they exist for the length of time we need them?

## 6.2. Ownership Structure and History

- How new are they?
- Who owns them?
- Services such as Dun & Bradstreet can help in this assessment.

## 6.3. Cash Flow

Will they go broke during the project/product lifecycle? This can be tested by checking whether they are willing to accept payment at the end of the project.

## 6.4. Intellectual Property

Is there a clear agreement about the ownership of any deliverables?

## 6.5. Non-Disclosure

Is an appropriate security agreement in place to protect yours and the supplier's interests?

## 6.6. Competitive Pricing

- Consider daily rates, and how these may vary.
- Headline rates are not the whole story - consider ability to execute.
- Trade off fixed price against time and materials.
- Consider balance between cost, time and quality.

## 6.7. Schedule Compliance

Do they have the ability to execute within the project time-scales.

## 7. Support

- Decide what support will be required from the supplier, if any.
- What will the user help desk role be?
- Will the solution be created in a way that permits others (example: internal support functions) to support it?
- Is there a standard SLA with various levels of service?

### 7.1. Costs

How will you pay for support?

- Fixed (annual contract).
- Variable (per call, per hour).

### 7.2. Availability

- Work hours (for international support – time zones).
- Holidays.
- Response times.
- Help desk functions - who, how, where.
- Do they have proper call management processes?
- Are the escalation procedures clear?

## 8. Other

List any other factors, in relation to suppliers that are important for the success your project.

### Table of Scores

#	DESCRIPTION	COMMENT	SCORE (1-10)	PASS Y/N
1	Supplier Status			
2	Delivery Capability			
3	Processes			
4	Technical Status			
5	Supplier Culture			
6	Financial/Commercial			
7	Support			
8	Other			
			<b>Total</b>	

**Radar Diagram of Scores**

