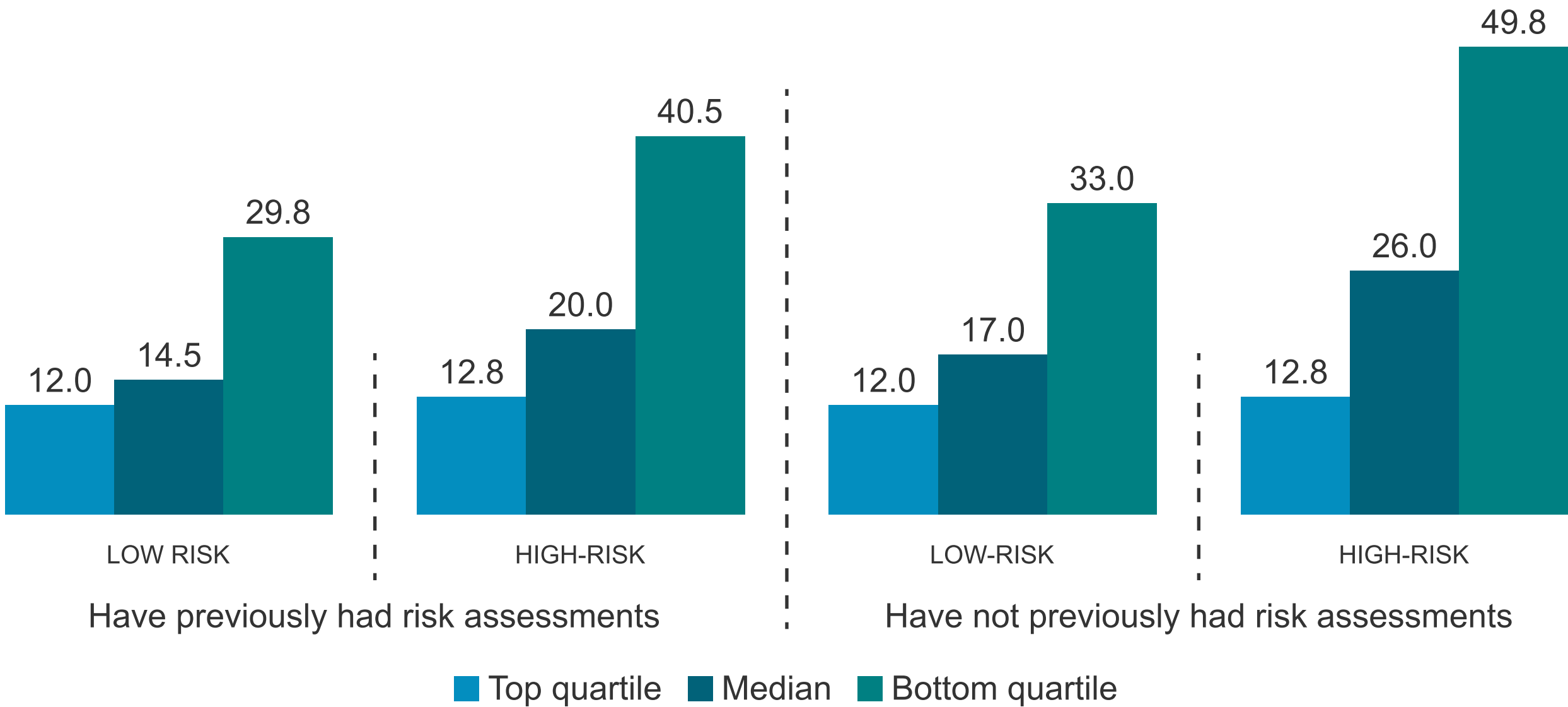The Hackett Group®   graphite® Connect

Improving Supplier Onboarding

A Hackett Group Research Report

Improving Supplier Onboarding: A Proactive Approach

Onboarding a new supplier is often an overly complex, manual and time consuming process for companies and their suppliers

Total Cycle Time (In Days) For Onboarding A Supplier

	Have previously had risk assessments		Have not previously had risk assessments	
	LOW RISK	HIGH-RISK	LOW-RISK	HIGH-RISK
Top quartile	12.0	12.8	12.0	12.8
Median	14.5	20.0	17.0	26.0
Bottom quartile	29.8	40.5	33.0	49.8

Source: The Hackett Group Supplier Onboarding Study

The most common pain points with supplier onboarding include…

Inefficient and inconsistent onboarding processes

Inadequate risk management and compliance features

Fragmented and poor-quality data

No central place for teams to collaborate & communicate

Difficult and time-consuming effort to verify information

43%

of companies indicate the current supplier onboarding / portal technology fell short of expectations in realizing business objectives
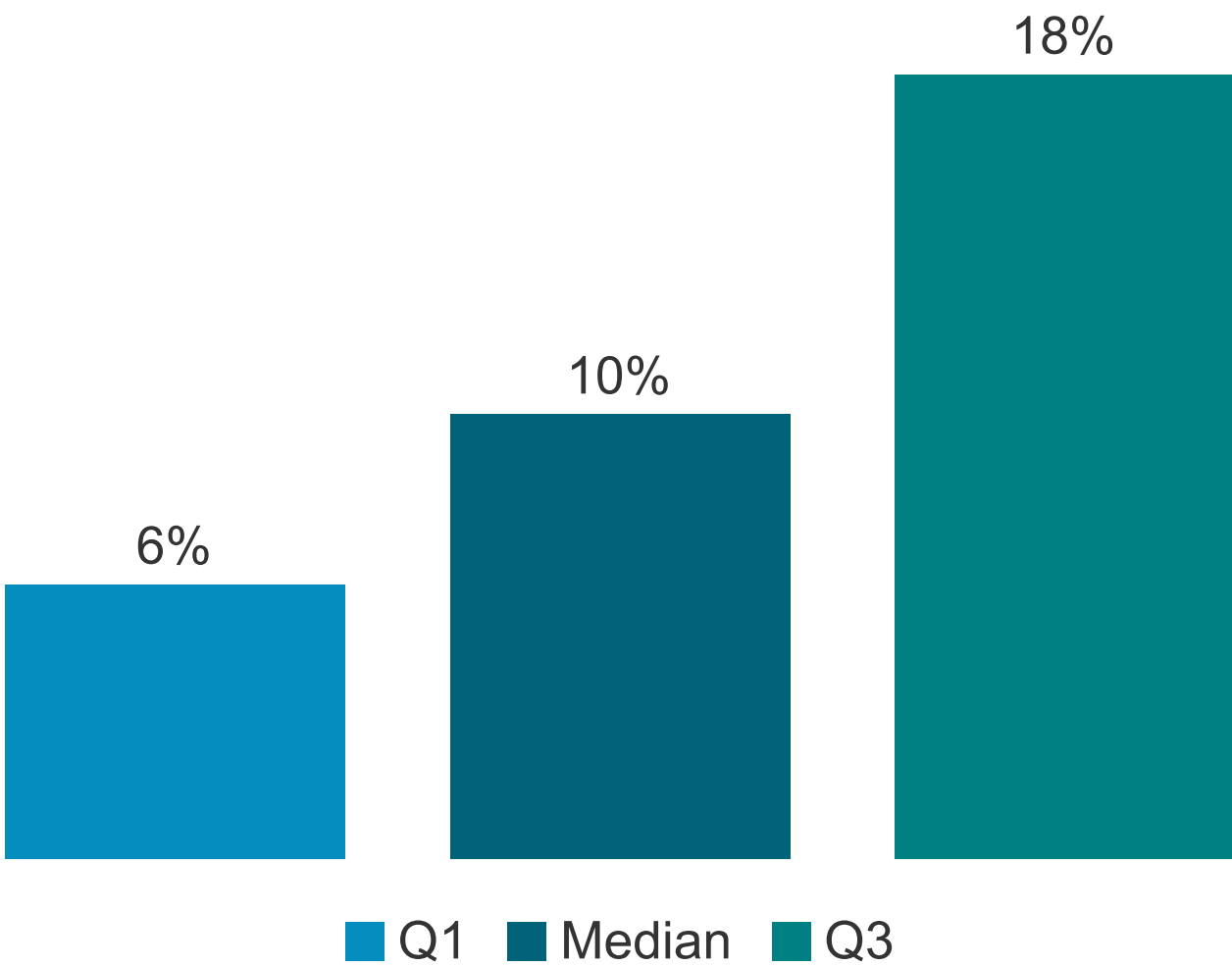
Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Successful organizations leverage the power of trusted network data as a starting point versus starting with blank supplier onboarding forms supplementing that with external data integrations and automated intelligence to identify and monitor risks.

Source: The Hackett Group 2024 Source-to-Pay Technology Study

Supplier onboarding is a high-volume process

New Suppliers Onboarded Annually as a % of Total Suppliers

18%

10%

6%

■ Q1 ■ Median ■ Q3

Organizations onboard an average of 10% of the supply base annually, making it imperative to optimize the supplier onboarding process and to proactively manage compliance and risks.

Source: The Hackett Group Supplier Onboarding Study

Supplier onboarding is a multi-step process with many inherent risks

Process Overview | Supplier Onboarding

1. Approving Supplier Add Request

Raising request to add supplier

Gaining internal approval to add supplier (e.g., check existing source of supply, no preferred supplier exists)

2. Collecting Supplier Information

Sending information request to supplier

Time it takes supplier to complete information request (including internal follow-up)

3. Validating Information and Vetting Supplier

Validating supplier financial information	Performing supplier risk assessment
Validating supplier banking information	Reviewing regulatory and compliance requirements
Validating supplier tax IDs	Completing category-specific testing/ validation (e.g., internal technical review, product quality tests)

4. Setting Up Supplier in System

Setting up supplier in internal systems so it is ready for use

Metrics Used to Measure Supplier Onboarding Performance

- Cycle times
- Quality and accuracy of data
- Internal customer satisfaction

- Supplier satisfaction (i.e., ease of doing business)
- Number of high / medium / low risk suppliers
- Risk assessments performed per supplier

Top performing organizations focus on optimizing process design with technology to achieve greater onboarding efficiency and effectiveness for internal customers and suppliers including actively monitoring key performance and risk metrics.

Graphite Connect | Key features

Graphite Connect's accelerated supplier onboarding process eliminates manual data entry, provides your team with trusted, accurate & actionable supplier data and delivers visibility into each step of the onboarding process.

Accelerated Onboarding:

Network suppliers don't have to start with blank forms. Start with validated data from The Graphite Network of 100k+ suppliers!

Security plus Efficiency:

Secure bank information collection & updates. Graphite addresses data and process risks so it's quicker, easier, and more secure for buyers and suppliers to connect.
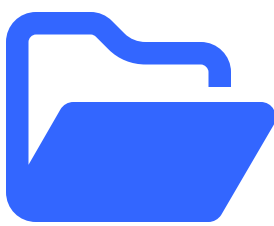
Simplified Workflow:

Ask your suppliers all necessary questions at the point of onboarding in one streamlined workflow.

Intelligent Risk Management:

Automated risk assessments and remediation plans help to keep your supply chain on track and moving smoothly.

External Data Integration:

Fully integrate with your preferred 3rd party data services and tools (D&B, Dow Jones, LexisNexis, DocuSign, etc.).

Visibility:

Provide end-to-end visibility for all stakeholders (Legal, IT, PR, and AP) with Graphite.
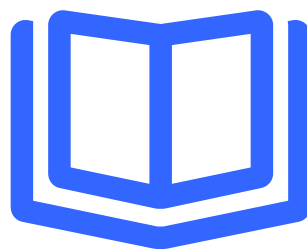
Simplified vendor onboarding

graphite® Connect

| Supplier Information Management | Trusted vendor profiles "The Golden Record" | Third-Party Risk Management | Guided Intake & Orchestration | Global Supplier Relationship Management |

Graphite's Vision:

Build the world's largest trusted supplier network to dramatically reduce the time & effort it takes to onboard new suppliers.

Put your supplier onboarding in the fast lane

🌐 graphiteconnect.com

Graphite Connect | Additional benefits

Risk Reduction and Data Accuracy:

Graphite's comprehensive validation process reduces risks associated with inaccurate or incomplete supplier information, ensuring a higher level of data accuracy and reliability.

Scalability for Large Enterprises:

Graphite's tool caters to organizations of all sizes and can be effectively utilized by large enterprises, supporting growth and expansion without compromising efficiency or security.

User-Friendly Experience for Individuals:

Graphite's intuitive design and features enable individual users to navigate the platform easily and efficiently, facilitating a smooth onboarding process and promoting widespread adoption.

3