12 Ways CPOs Can Improve Their Supplier Risk Strategy This Quarter

A quick checklist designed for busy procurement and risk leaders.

1

Prove ROI with speed, not slogans

- Track **supplier onboarding cycle time** (e.g., weeks → days).
- Translate time saved into capacity: fewer hours per onboarding, fewer people stuck in manual work.
- Don't rely on "consolidating data contracts" alone to justify the program—speed + diligence is where ROI shows up.

2

Start small, win fast, then expand

- Begin with a focused scope (strategic/critical suppliers or top spend tiers).
- Capture quick wins and use them to earn broader buy-in.
- Avoid boiling the ocean—iterative rollout beats a "big bang" program.

3

Don't run one giant questionnaire for everyone

- A "same assessment for all suppliers" wastes time and creates fatigue.
- Instead: one consistent program, but only evaluate what's relevant to that supplier (cyber, ESG, sanctions, financial, etc.).

4

Build one front door and route suppliers intelligently

Use a single intake process, then "route" suppliers down the right paths based on what matters:

- Type of supplier (services vs. raw materials)
- Access to systems/data (cyber relevance)
- Regulatory exposure (sanctions/ABC)
- Criticality (sole source, operational dependency)

5

Treat long-tail vendors differently (without ignoring compliance)

- Put all suppliers through lightweight automated checks for baseline compliance signals.
- Reserve deeper reviews for suppliers who meet risk/criticality thresholds.
- Long-tail shouldn't mean "no risk"—it should mean "right-sized effort."

6

Focus on mitigation—not just identification

Risk programs often stop at "we found a risk." The hard part is:

- What's the mitigation plan?
- What are the trade-offs (pay now vs. re-source later)?
- Who owns the decision?

7

Expect "black swans" — and design for flexibility

Tariffs, geopolitical shocks, unexpected upstream constraints... they happen fast.

- Build a program that can pivot overnight (inputs, thresholds, priorities).
- Don't over-index on perfect prediction; aim for resilience.

8

Break silos with cross-functional ownership

Supplier risk is not "just procurement." Bring these teams into one shared workflow:

- InfoSec / cyber
- Legal / compliance
- Finance
- Operations
- Category teams

The goal fewer disconnected tools, fewer duplicate processes, faster decisions.

9

Data governance matters more than tools

Tech won't fix messy data by itself. Prioritize:

- Deduplication (supplier name/address/domain/DUNS/UEI)
- Clean "core fields" that drive routing (criticality, system access, geographic exposure, etc.)
- Reduced manual data entry wherever possible

10 Use external signals to move from reactive to proactive

Early indicators that can justify action before the fire drill:

- Financial stress signals
- Executive turnover
- Hiring/posting trends
- Operational disruptions reported elsewhere

Key idea: patterns matter more than any single signal.

11 Tier-2 risk: be focused or you'll drown in noise

Mapping beyond tier-1 can explode fast (a handful of suppliers can fan out massively).

- Prioritize tier-2 visibility for regulated/critical areas (e.g., conflict minerals, batteries).
- Be realistic: tier-2 data goes stale quickly unless it's continuously maintained.

12 Supplier collaboration works best when you don't overburden suppliers

If you want better relationships and better data:

- Don't send irrelevant requests "because they're strategic."
- Prefer "Here's what we believe to be true—confirm/correct" over long forms.
- Only ask for what you'll actually use in QBRs and mitigation planning.

Craft is the leading provider of AI-powered supplier intelligence, helping global enterprises unify and analyze supplier data across financial, cyber, ESG, and regulatory domains. By combining public, private, and proprietary sources in a continuously updated data fabric, Craft enables procurement and supply chain teams to act faster, collaborate smarter, and build more resilient supplier networks.

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