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INSTITUTE OF FINANCIAL
OPERATIONS & LEADERSHIP

Solving Common Supplier Queries



Introduction

Effective supplier management involves establishing processes and practices that can deal with any queries that come up. This not only means defining the appropriate methods of contact, as well as who to contact, but also having standardised procedures for managing all aspects of the relationship.

There are a range of queries from suppliers that your team will need to deal with.

Here are some of the most common issues you could encounter, and some ideas on how you can solve them.



Lost invoices

Most common with paper invoices, this is a classic risk that comes with a manual invoice process.

With so many different touchpoints in play from postage, to accounts, through to approvers, the chance of invoices being lost is high.

How to solve it:

Switching to a digital process will remove the risk of paper invoices getting lost.

Invoices sent over email or via an automated accounts payable system will have a digital record and therefore cannot be lost.

Furthermore, having a dedicated email address for supplier invoices means they will go directly to the right people in the team who need to process them.

No Purchase Order

The Accounts Payable team should not be accepting invoices that do not have a legitimate Purchase Order number.

If invoices cannot be matched back to an agreed Purchase Order then the spend may not have been authorised and budgeted for, causing potential problems with company cash flow.

How to solve it:

Have a clear process for Purchase Orders so all budget holders know that they must get authorisation for any purchases.

Your process should also invoice ensuring the suppliers receive the Purchase Order for the agreed amount, to include on the invoice.

Inaccurate/mis-matched invoice information

When a supplier invoice is received, there should be no surprises with the information on it. This detail should have been agreed at the point of purchase order authorisation.

Examples of inaccurate information could be:



The invoice amount



Details of goods and services



Your company details (i.e. company address)



Supplier information



Differing payment terms

How to solve it:

Part of having an overall effective supplier management process, there are a number of steps in this process that remove the likelihood of receiving incorrect invoice information.

Such as:

- A standardised supplier onboarding process to ensure that you and the supplier have the correct information about each other.
- Defining and communicating clear expectations to suppliers around quality, delivery times, payment terms, and price.
- A purchase order process so both supplier and you agree on the invoice amount, for the agreed goods and services.

Change in supplier details

Your supplier may contact you if their details change. These details could be a change in address, trading name, key contacts, or bank details.

You must be certain that this information is legitimate by seeking proof as part of your own process, as fraudsters can try and impersonate suppliers with fake details.

How to solve it:

Having a central record – usually referred to as a Vendor/Supplier Masterfile – is the most secure way to hold the information for each supplier.

Your suppliers should provide the information and proof of these changes so you can keep your records accurate and up to date. Regularly reviewing this information with your suppliers as part of your ongoing processes should identify changes in real time.





Chasing payment / delays in payment

Your suppliers may chase overdue payments or query delays in payments as part of their own collections process, and in line with their company payment terms.

You will need to be aware of the stage of any invoices in question so you can provide an accurate update on the status and projected payment date.

How to solve it:

By having a process for tracking invoice status and payment date, you can easily see when the invoice will be paid. Any queries against the invoice should be clear – such as outstanding approval or dispute around goods or services received – and these can be communicated to the supplier.

Having a digital or automated invoice process means that it should be easier to store and access this information centrally.

Summary

Overall, maintaining open communication with suppliers helps to ensure that both parties are on the same page and can work together to resolve any issues that may arise.

By investing in a good long-term relationship with your suppliers, you will develop a trusting and collaborative relationship, leading to better quality products, services and prices.