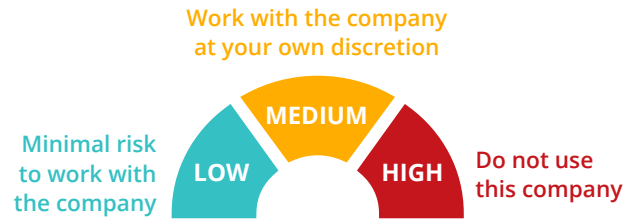








BEST PRACTICES: Vetting New and Non-Traditional Vendors

The steps below are some recommended best practices when vetting any new vendor. During a health crisis, they are critical components to support supply chain resiliency.

Once you've completed these steps, use the findings to help assign a risk level to the vendor.



 What to Review	 Red Flags	 Why it's Important	 Risk Level?
Locate business license on state-specific Secretary of State website	<ul style="list-style-type: none"> Newly formed company (<1 year old) Inactive, suspended, revoked or dissolved business license 	Helps verify the legitimacy of a business within the state it operates.	Low Medium High
Validate U.S. tax ID or Foreign tax ID	Invalid U.S. tax ID or foreign tax ID, or no tax ID located	Confirms the legitimacy of a business related to tax responsibilities within the country it operates.	Low Medium High
Review financial snapshot using a credit repository	An unfavorable snapshot (e.g., charge-offs, liens and/or recurring late payments)	Provides insight into the financial solvency of a company.	Low Medium High
Perform sanction search	Active or inactive sanctions and/or exclusions	Clarifies whether a business is eligible to do business with the U.S. Gov't. Using a sanctioned source, can lead to fines and legal action.	Low Medium High
Check company website	<ul style="list-style-type: none"> Nonexistent or incomplete website Broken links on website Incorrect grammar and/or typos on its website 	An online presence provides a window into the business. Not just the content but the look, feel, and usability can convey the organization's level of competency.	Low Medium High
Conduct online research	Unfavorable reviews from clients and employees	Review forums for businesses and products are readily available via online search engines and may expose potential issues.	Low Medium High
Look for social media presence	<ul style="list-style-type: none"> No social media presence Newly established social media accounts Number of followers/following is less than 50 	Multiple social channels should be included in any assessment. They can help define the company's longevity and following.	Low Medium High
Trust your gut	A general or strong sense that something feels strange or not right about the vendor	Sometimes your instincts are the best final check.	Low Medium High

Recommendations provided courtesy of [GHX Vendormate](#).
For additional assistance and guidance, please contact vendormatecompliance@ghx.com.