

Supplier Performance Risk Score

Mitigate risks associated with the operational and financial performance of your suppliers

When your supplier's financial health declines, their employee morale and problem-solving resources may also decline, which can materially limit the firm's ability to reinvest in their business and deliver on your quality, cost, and time requirements. Their financial risk can therefore translate into your operational problems.

The Supplier Performance Risk Score uses financial analysis to predict the near-term operational performance risk of a supplier. The score can help you prepare for potential supplier issues such as late deliveries, quality problems, or cost increases. The quantitative nature of the score enables you to prioritize these issues, based on your organization's risk tolerance and relative importance of a particular supplier. You can then take actions using a built-in menu of mitigation options tied to different supplier risk levels.

How the Supplier Performance Risk Score works:

- » Our score is calculated using financial data and other analytical metrics for each of the 450 million entities in our global database.
- » For public companies, the score is based on a full set of published financial statements and market cap changes.
- » For private companies with financial data, the score is based on location- and industry-specific models that use available financials.
- » For private companies with trade payment data*, the score is based on the supplier's payment history.
- » For private companies without financial or trade payment data, the score is calculated via a model that uses location, industry, and size as key inputs.

Benefits of the Supplier Performance Risk Score:



Helps you predict supplier financial issues before they occur



Enables prioritization based on your organization's tolerance for different supplier risks and provides trend analysis on a supplier's progression through various risk levels



Helps you assess supplier operational strength or weakness based on financial condition



Provides specific and resource-conscious risk mitigation options tied to different Score levels (including mitigating actions for high-risk suppliers)

Supplier Performance Risk Score is a forward-looking performance indicator for your suppliers. React to operational issues before they create significant disruption for your business.

*Only available for US and Canadian companies with \$500 million or below in net sales.

For more information, please visit [moody's.com](https://www.moody's.com) or alternatively call:

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