

From Gut Feeling to Data: How Companies Can Identify Their Best Suppliers

By Alva Hamner and Josefine Jacobson

What happens if a company's most important supplier suddenly starts delivering late or with inadequate quality? For many industrial companies, the consequences can be significant: delays, increased costs, and dissatisfied customers. Despite this, supplier evaluations are often based on individual employees' experiences rather than on shared and systematic data.

In our master's thesis, we investigated how a large Swedish industrial company can gain better control over its suppliers by developing a system for measuring and comparing their performance. The study was conducted as a case study at Sandvik Rock Processing in Svedala, where the purchasing department manages a large number of suppliers from around the world. The company identified a need for a more consistent and transparent method of monitoring supplier performance.

Many people assume that a good supplier is primarily defined by price, quality, and delivery performance. Our study showed that reality is more complex. Through interviews with purchasing professionals, we found that factors such as flexibility and communication also play a crucial role. A supplier that can quickly adapt to changes or communicate clearly when problems arise may be just as valuable as one that offers low prices.

To determine which factors were most important, we used a method in which purchasers compared different criteria

against one another. We then developed a digital evaluation system in Excel that collects data, weights different performance areas, and automatically classifies suppliers into various categories. This enables the company to quickly identify which suppliers perform best and which require improvement.

The result was more than just a monitoring tool. The system reduces dependence on individual employees' experience and makes it possible to make decisions based on facts rather than intuition. It can be used to develop supplier relationships, prioritize improvement initiatives, and create greater transparency in purchasing operations.

At a time when global supply chains are becoming increasingly complex, the ability to understand and monitor suppliers can be a decisive competitive advantage. Our study demonstrates that the right data not only helps companies identify problems at an early stage, but can also foster stronger collaborations and contribute to a more resilient and efficient industry.

This popular scientific article is derived from the master's thesis *Designing a Supplier Performance Measurement System for a Global Industrial Company: A Case Study at Sandvik Rock Processing AB*, written by Alva Hamner and Josefine Jacobson (2026).

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