New supplier onboarding

Process Definition Document (PDD): template and worked example

Example company (fictional): Alpenstahl Engineering AG, a plant engineering firm in Zurich, Switzerland (about 380 employees).

Document control

Field	Value
Process name	New supplier onboarding
Process owner	[Name, role]
Prepared by	[Name]
Reviewed by	[Names of the people who do the work]
Approved by	[Name, date]
Version	1.0 (as-is)
Status	Draft

How to use this template

This is a complete process definition document (PDD) for new supplier onboarding, also called vendor onboarding, supplier registration, vendor master creation or supplier due diligence. It describes the process as it runs today at a fictional Swiss engineering firm, with the roles, systems, checks, approvals and controls you would expect in a real procurement and compliance team.

Use it as a starting point. Replace the company details, keep the sections, and walk through each step with the coordinator who chases documents and the person who creates the vendor record. Most teams change the risk class thresholds, the list of required documents and the screening tool. The structure stays the same.

- Replace the company, the ERP and the screening tool with yours. If you have no screening portal, say where sanctions lists are checked and who keeps the evidence.
- Set your own risk class thresholds in step 3. Spend limits, the country list and the site access rule are the part that differs most between companies.
- Check the list of required documents. Some industries need a tax clearance, a data protection agreement or a code of conduct signature as well.
- Add a supplier portal if you have one. Self-service questionnaires and bank details entered by the supplier change steps 5, 15 and 16 a lot.
- Measure how long the supplier takes compared with how long you take. Most teams find the supplier wait is the larger share and that clearer document lists reduce it.

1. Purpose and scope

This procedure describes how Alpenstahl Engineering AG creates a new supplier in its vendor master and carries out due diligence on the supplier company. It gives buyers, procurement, compliance, quality and master data one shared description of who does what, so that only checked suppliers are activated and bank details cannot be changed by one person alone. The process starts when a Buyer submits a new supplier request. It ends when the supplier is active and the Buyer is told it can receive purchase orders. The process assesses the supplier company. Owner and representative names are checked only as part of the company screening.

In scope

- New supplier requests from Buyers

- Duplicate check, risk classification and document collection
- Commercial register verification and sanctions and adverse media screening
- Certificate review, approval, vendor creation and bank detail verification

Out of scope

- Supplier performance reviews
- Changes to existing vendors
- The purchase order itself

2. Process at a glance

Item	Description
Trigger	A Buyer submits a new supplier request in NetSuite.
Starts when	The Procurement Coordinator receives the request and checks for an existing record.
Ends when	The supplier is active in NetSuite and the Buyer is told it can receive purchase orders.
Inputs	Supplier request with name, country, annual spend, category and project, Supplier questionnaire, Commercial register extract, tax certificate, bank letter, insurance certificate, ISO 9001 and ISO 45001 certificates for medium and high risk
Outputs	Active vendor record in NetSuite, Risk class, Screening result stored with date, Call-back record for bank details, Updated onboarding tracker
Volume	About 260 new suppliers a year, roughly 5 per week
Working hours	Monday to Friday, 08:00 to 17:00. Typical elapsed time is 10 to 15 working days.

3. Roles and responsibilities

Role	Responsibilities
Buyer	Raises the new supplier request and gets documents and answers from the supplier through the coordinator.
Procurement Coordinator	Checks for duplicates, assigns the risk class, sends the questionnaire, checks completeness, runs the registry and sanctions checks and approves low and medium risk suppliers.
Compliance Officer	Reviews possible sanctions hits and, for high-risk suppliers, the anti-corruption declaration and ownership structure.
Quality and HSE Manager	Reviews ISO 9001 and ISO 45001 certificates and checks their validity dates.
Head of Procurement	Approves high-risk suppliers in the NetSuite workflow.
Master Data Specialist	Creates the vendor record in NetSuite and verifies the IBAN by phone. A second specialist reviews and activates the record.
Supplier (external)	Fills in the questionnaire and sends the required documents.

4. Systems

- Oracle NetSuite: vendor master and approval workflow
- Microsoft Forms questionnaire plus email
- Dow Jones screening portal: sanctions and adverse media
- Swiss commercial register (Zefix) and foreign registers
- SharePoint: supplier document folder
- Excel: onboarding tracker

5. Process map

Process diagram goes here

Draw one lane per role from section 3, the steps from section 6 in order, and a diamond for each decision in section 7.

6. Procedure, step by step

#	Step	Who	What happens	System	Output
1	Submit the supplier request	Buyer	Submits a new supplier request with company name, country, expected annual spend, category and project reference. Takes about 10 minutes.	NetSuite	Supplier request
2	Check for an existing record	Procurement Coordinator	Searches the vendor master for a record under a different spelling or a group company. If one exists (about 8% of requests), the request is closed and the Buyer is pointed to it. Takes 5 to 10 minutes.	NetSuite	Request closed, or confirmed as new
3	Assign the risk class	Procurement Coordinator	Assigns low (spend below 20,000 CHF, Swiss or EU, no site access), medium, or high (spend above 100,000 CHF, non-EU country, site work or safety-critical goods). About 60% are low, 30% medium and 10% high. Takes 5 minutes.	NetSuite	Risk class
4	Send the questionnaire	Procurement Coordinator	Emails the supplier the questionnaire link and the list of required documents: commercial register extract, VAT or tax certificate, bank confirmation letter, insurance certificate and the certificates required for the risk class. Takes 10 minutes.	Outlook, Microsoft Forms	Questionnaire and document list sent
5	Complete and return documents	Supplier	Completes the questionnaire and returns the documents by email, usually within 3 to 7 working days. The coordinator sends a reminder after 5 days. About 35% of suppliers need a reminder.	Microsoft Forms, Outlook	Completed questionnaire and documents
6	Check completeness	Procurement Coordinator	Checks the documents against the list and saves them to the supplier folder on SharePoint. Takes 15 to 25 minutes.	SharePoint	Complete or incomplete file
7	Chase missing documents	Procurement Coordinator	If documents are missing or unreadable (about 40% of cases), emails the supplier with the exact list and waits. When the new documents arrive, step 6 is repeated. This is the main rework loop and runs once on average.	Outlook	Complete document set
8	Verify in the register	Procurement Coordinator	Verifies the legal name, address, legal form, active status and registered representatives in the commercial register. If the register differs from the questionnaire (about 10% of cases), asks the supplier to correct it. Takes 10 to 15	Zefix, foreign registers	Register-verified company data

#	Step	Who	What happens	System	Output
			minutes.		
9	Screen for sanctions	Procurement Coordinator	Runs the company and its disclosed beneficial owners through the screening portal for sanctions and adverse media. Takes 10 to 15 minutes.	Dow Jones portal	Screening result
10	Review possible hits	Compliance Officer	If the screening shows a possible hit (about 7% of cases), reviews the match, decides whether it is a false positive and documents the reason in the portal. Takes 20 to 45 minutes. A confirmed sanctions match ends the process and the Buyer is told the supplier cannot be used.	Dow Jones portal	Hit cleared, or supplier rejected
11	Review certificates	Quality and HSE Manager	For medium and high risk suppliers, reviews the ISO and safety certificates and checks their validity dates. Takes 15 to 20 minutes plus 1 to 3 days of waiting. If a certificate is expired (about 12% of those reviewed), the supplier is asked for a renewed one and the step is repeated.	SharePoint	Certificates accepted
12	Review ownership and anti-corruption	Compliance Officer	For high-risk suppliers, reviews the anti-corruption declaration and the ownership structure. Takes about 30 minutes.	SharePoint	Compliance opinion
13	Approve the supplier	Head of Procurement	Approves high-risk suppliers in the workflow. Takes 5 to 10 minutes of work and 1 to 4 days of waiting. For low and medium risk, the Procurement Coordinator approves.	NetSuite workflow	Approved supplier file
14	Hand over to master data	Procurement Coordinator	Forwards the approved file to the Master Data Specialist. Takes about 5 minutes.	NetSuite, Outlook	File with Master Data
15	Create the vendor record	Master Data Specialist	Creates the vendor record in NetSuite, typing details from the documents. Takes 15 to 20 minutes.	NetSuite	Inactive vendor record
16	Verify the IBAN by call-back	Master Data Specialist	Calls the supplier on the number from the commercial register, not the number in the email, and records the call in NetSuite. Takes 10 minutes. If the details do not match, the record stays blocked and step 4 is partly repeated for a new bank letter (about 5% of cases).	NetSuite, phone	Verified bank details
17	Review and activate	Master Data Specialist	A second Master Data Specialist, or the Procurement Coordinator, reviews the new record against the documents and activates it. This is never the person who created it. Takes 10 minutes.	NetSuite	Active vendor
18	Update tracker and inform the Buyer	Procurement Coordinator	Updates the Excel tracker and emails the Buyer that the supplier is active. Takes 5 minutes.	Excel, Outlook	Buyer informed, tracker updated

7. Decision points and business rules

- If a record already exists under another spelling or a group company (about 8% of requests), the request is closed and the Buyer is pointed to it; otherwise the Procurement Coordinator continues (step 2).
- Which risk class applies? Low, medium or high, depending on spend, country, site access and safety-critical goods. The class decides which reviews and approvals follow (step 3).
- If documents are missing or unreadable (about 40% of cases), the Procurement Coordinator emails the supplier with the exact list and waits, and step 6 is repeated when the new documents arrive (step 7).
- Does the register data match the questionnaire? No (about 10% of cases): the supplier is asked to correct it (step 8).

- Is there a possible screening hit (about 7% of cases)? Yes: the Compliance Officer reviews it. A confirmed sanctions match ends the process (step 10).
- Is the risk class medium or high? Yes: the Quality and HSE Manager reviews the certificates, and an expired one is renewed (step 11).
- Is the risk class high? Yes: the Head of Procurement approves. Otherwise the Procurement Coordinator approves (step 13).
- Do the bank details match on the call-back? No (about 5% of cases): the record stays blocked and a new bank letter is requested (step 16).

8. Exceptions

- Urgent project need (about 6%): the Head of Procurement allows a one-time vendor with prepayment, reviewed within 30 days.
- Supplier refuses to give ownership information (about 3%): the Compliance Officer usually closes the case.
- Foreign register in an unreadable language (about 5%): an external translation adds 2 to 3 days.
- Compliance Officer on leave: possible screening hits wait in the queue until a deputy or the Compliance Officer returns.

9. Controls

- The person who creates the vendor cannot activate it or release payments to it.
- Sanctions and adverse media screening before activation, with results stored with the date.
- Bank details verified by call-back to an independent number.
- High-risk suppliers approved by the Head of Procurement.
- Duplicate check before any new record is created.
- Documents kept for the length of the relationship plus 10 years (Swiss Code of Obligations).

10. Known issues today

- Suppliers send incomplete or outdated documents, so about 4 in 10 cases need a second document round.
- Data from PDFs is retyped into NetSuite.
- There is only one Compliance Officer, so the review queue grows during holidays.
- Buyers cannot see the status of their request and email the coordinator.

11. RACI matrix

R = responsible (does the work), A = accountable (owns the outcome), C = consulted, I = informed.

Activity	Buyer	Proc. Coordinator	Compliance	Quality and HSE	Head of Procurement	Master Data
Raise the supplier request	A/R	I				
Duplicate check and risk class	I	A/R			C	
Collect and check documents	C	A/R				
Register and sanctions screening		R	A			
Certificate review		I		A/R		
Approve the supplier	I	R	C	C	A	
Create the vendor record		I				A/R
Verify bank details		I				A/R

Activity	Buyer	Proc. Coordinator	Compliance	Quality and HSE	Head of Procurement	Master Data
Activate and notify the Buyer	I	A/R				R

12. KPIs

KPI	Definition	Target
Working days from request to active vendor	Working days from the Buyer submitting the request to the vendor being activated in NetSuite.	[set]
Requests needing a second document round	Share of requests where documents were missing or unreadable at the first completeness check. Today about 40%.	[set]
Supplier wait versus internal wait	Split of the elapsed time between waiting for the supplier and waiting for internal reviewers and approvers.	[set]
Screening hits and share confirmed	Number of possible hits per month and the share that the Compliance Officer confirms as a true match.	[set]

13. Revision history

Version	Date	Author	Change
1.0	[date]	[name]	First as-is version

Free template from processfix.ai. You may copy and adapt it. The company in the example is fictional.