RESOURCE GUIDE · HERMIT BUSINESS SOLUTIONS

Supply Chain Rules for Small Business

Ethical suppliers, reliable delivery routes ***and making sure that the invoice matches what you actually agreed to pay.***

Why this matters

Your supply chain is every step between placing an order and paying for it; who you buy from, how goods reach you and how you check what you're billed. Getting each link right protects your reputation, keeps costs predictable and stops small errors turning into real losses. None of it needs to be complicated, just consistent.

Mapping the flow, from supplier to payment

- Sourcing: who you choose to buy from and why
- Ordering: a clear purchase order stating what, how much and at what price
- Delivery: goods or services arriving as agreed on the route and timescale you expect
- Receiving: checking what actually arrived against what was ordered
- Invoicing: the supplier's bill, checked before it is approved for payment
- Payment: money leaving your account only once everything above lines up

Choosing and vetting ethical suppliers

Before you commit to a supplier, do a bit of homework. Check their company status and accounts, ask how they treat their own workforce and look for evidence of fair pay and safe working conditions rather than taking a website's word for it. For anyone supplying materials or manufactured goods, ask where those goods actually come from and whether the supplier can name their own sources.

It is fair to ask a supplier direct questions about labour standards, environmental practice and where their raw materials originate, and a supplier confident in their own chain will usually answer without hesitation. Keep a short note of what you checked and when so that you have something to point to if a customer or partner ever asks how you chose who you work with.

Getting delivery routes right

- Ask suppliers how goods reach you and whether there is a more direct or lower-impact route available
- Favour couriers and hauliers with a track record of reliable timing since a late delivery becomes your problem the moment a customer is waiting
- Consider consolidating orders to cut down on part-empty vehicle trips, which is often cheaper as well as lower-impact
- Check packaging is appropriate for the journey, protecting the goods without being wasteful
- For anything crossing borders, confirm who is responsible for customs paperwork and import duty before the goods are moved, not after

Matching the invoice to the payment

A simple three-document check, often called a three-way match, before any invoice gets paid.

Document	What it confirms
Purchase order	What you agreed to buy and at what price
Delivery note or goods received note	What actually arrived and when
Supplier invoice	What you are being asked to pay, checked against both of the above

IMPORTANT AND OFTEN OVERLOOKED POINT

If the invoice does not match the purchase order or what was delivered, query it before you pay, not after. It takes five minutes and saves the awkward conversation about getting an overpayment refunded. Also, ensure that the account where the funds are going agrees with the name on the supplier invoice. This is a requirement under anti-money laundering rules.

What to do next

- Write down your sourcing checks for each regular supplier, even briefly. It is good practice to keep a record of checks made should a customer ever ask for evidence of source supply
- Ask your main suppliers about their own supply chain and delivery routes
- Set a rule that no invoice is paid without checking it against the order and delivery note
- Set a rule that no invoice is paid without checking that the name on the invoice and the name on the supplier account match
- Review your top few suppliers once a year rather than assuming nothing has changed
- Talk to us if you want help setting up a simple purchase order and invoice checking process