

ELEVARE SUPPLY PRESENTS

The Sourcing Audit Checklist

A 20-point self-assessment for brands
ready to engineer stronger margins

ELEVARE SUPPLY

How to Use This Checklist

This checklist is designed for founders, operators, and procurement leads at growing brands who suspect their supply chain is costing them more than it should. It covers the five areas where margin erosion is most common -- and most fixable.

The goal: Identify where your sourcing, packaging, and supplier relationships are underperforming, then prioritise the actions that will have the biggest impact on your bottom line.

INSTRUCTIONS

1. Work through each of the 5 categories in order
2. For each question, score yourself honestly: 1 (Never), 2 (Sometimes), 3 (Often), or 4 (Always)
3. Tally your score for each category and your total
4. Refer to the scoring guide at the end to interpret your results
5. Focus on the categories with the lowest scores first

1 = Never

2 = Sometimes

3 = Often

4 = Always

Be honest. This checklist only works if you answer based on reality, not aspiration. If you are unsure about a question, the answer is probably a 1 or 2.

1. Product Perception & Pricing Power

Your product quality and presentation directly determine what customers will pay. These questions assess whether your products command the prices you need -- or leave money on the table.

1 I can confidently charge 30%+ more for my products than commodity alternatives without losing demand.

If you are unsure, test: would customers still buy at +30%? If the answer is "probably not," your product perception is working against you.

1 Never	2 Sometimes	3 Often	4 Always
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2 My packaging is clearly differentiated from competitors and reinforces my brand positioning.

Generic packaging = generic pricing. If your packaging could belong to any brand, you are competing on price alone.

1 Never	2 Sometimes	3 Often	4 Always
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3 Customers frequently compliment the quality, weight, or feel of my products unprompted.

Unprompted compliments are the best signal that perceived value exceeds actual cost. No compliments = room for improvement.

1 Never	2 Sometimes	3 Often	4 Always
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4 I have upgraded my core product materials or finishes within the last 12 months.

Stagnant products get stale. If you have not iterated on materials, your competitors probably have.

1 Never	2 Sometimes	3 Often	4 Always
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CATEGORY SCORE (OUT OF 16)

____ / 16

2. Supplier Structure & Relationships

How you source is as important as what you source. Fragmented supplier relationships, reactive procurement, and opaque pricing all erode margin over time.

5 I have direct relationships with my manufacturers, not just trading companies or middlemen.

Every intermediary takes a cut. Direct factory relationships typically reduce unit costs by 15-40%.

1 Never	2 Sometimes	3 Often	4 Always
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6 I negotiate pricing and terms proactively at least twice per year with each key supplier.

Annual pricing reviews are the minimum. Best-practice brands negotiate quarterly or use volume commitments to lock in better terms.

1 Never	2 Sometimes	3 Often	4 Always
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7 I have backup suppliers identified and qualified for my core product lines.

Single-source dependency is a margin risk. If your primary factory raises prices or misses a deadline, what is your plan B?

1 Never	2 Sometimes	3 Often	4 Always
---------	-------------	---------	----------

8 My supplier agreements include clear quality standards, delivery timelines, and penalty clauses.

Verbal agreements and email threads are not supplier management. Written agreements protect margin and reduce firefighting.

1 Never	2 Sometimes	3 Often	4 Always
---------	-------------	---------	----------

CATEGORY SCORE (OUT OF 16)

_____ / 16

3. Packaging & Presentation

Packaging is not a cost centre -- it is a profit multiplier. The unboxing experience, label quality, and structural design all influence what customers will pay and whether they reorder.

9 My packaging is designed to feel premium when held -- weight, texture, and opening experience are intentional.

Premium packaging triggers a "this must be valuable" response before the product is even seen. This is psychological pricing in action.

1 Never	2 Sometimes	3 Often	4 Always
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10 I have reviewed and updated my packaging design within the last 18 months.

Packaging trends evolve. Outdated design signals an outdated brand, even if the product inside is excellent.

1 Never	2 Sometimes	3 Often	4 Always
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11 My packaging costs are under 15% of my retail price (for most product categories).

If packaging exceeds 15% of retail, there is likely a sourcing or design inefficiency. Under 10% is the target for premium brands.

1 Never	2 Sometimes	3 Often	4 Always
---------	-------------	---------	----------

12 My packaging includes clear brand storytelling -- origin, craftsmanship, or brand mission.

Storytelling justifies premium pricing. A simple "Handcrafted in..." or "Founded with purpose..." line can increase perceived value significantly.

1 Never	2 Sometimes	3 Often	4 Always
---------	-------------	---------	----------

CATEGORY SCORE (OUT OF 16)

_____ / 16

4. Cost Architecture & Margins

You cannot improve what you do not measure. This section tests whether you have visibility into your true cost structure -- and whether you are actively optimising it.

13 I know my exact gross margin (COGS vs. retail price) for every product line I sell.

If you only know your margins at a business level, you are flying blind on individual products. Some products may be subsidising others.

1 Never	2 Sometimes	3 Often	4 Always
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14 I have reduced my cost-per-unit on any core product within the last 12 months without reducing quality.

If costs are static or rising while quality stays the same, you are not actively engineering margin. There is almost always room to optimise.

1 Never	2 Sometimes	3 Often	4 Always
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15 I understand the complete landed cost of my products -- not just the unit price from the supplier.

Landed cost = product + packaging + shipping + duties + warehousing + QC. Most brands underestimate their true cost by 20-35%.

1 Never	2 Sometimes	3 Often	4 Always
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16 I have a clear target margin for each product category and track performance against it monthly.

Without targets, there is no accountability. Monthly tracking creates a rhythm of continuous margin improvement.

1 Never	2 Sometimes	3 Often	4 Always
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CATEGORY SCORE (OUT OF 16)

_____ / 16

5. Scalability & Repeatability

Growth breaks supply chains. What works at 500 units often falls apart at 5,000. This section tests whether your sourcing is built to scale -- or whether it will become a bottleneck.

17 My suppliers can comfortably handle a 3x increase in order volume without significant price increases.

If scaling requires switching suppliers or accepting worse terms, your supply chain is a growth ceiling, not a growth engine.

1 Never	2 Sometimes	3 Often	4 Always
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18 I have a repeatable process for launching new products with predictable timelines and costs.

Every new product launch should not feel like starting from scratch. A repeatable process reduces time-to-market by 40-60%.

1 Never	2 Sometimes	3 Often	4 Always
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19 My order fulfilment and inventory management are systematised, not ad-hoc or reactive.

Ad-hoc ordering leads to stockouts, over-ordering, and emergency shipping costs. Systems save both cash and stress.

1 Never	2 Sometimes	3 Often	4 Always
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20 I regularly review my product portfolio and retire underperforming SKUs to focus on high-margin lines.

SKU proliferation is a silent margin killer. Each SKU carries hidden costs in inventory, management, and complexity. Less is often more.

1 Never	2 Sometimes	3 Often	4 Always
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CATEGORY SCORE (OUT OF 16)

____ / 16

TOTAL SCORE (OUT OF 80)

____ / 80

Interpreting Your Results

Add your scores across all 5 categories for your total, then identify your weakest category. That is where the biggest quick wins live.

● Critical Priority

Score: 20-40 / 80

Your supply chain is actively eroding margin. You are likely overpaying for products, undercharging for quality, and carrying hidden costs you have not identified. The good news: every change you make will have an outsized impact. Start with the Cost Architecture section.

● Improvement Needed

Score: 41-56 / 80

You have some solid foundations but there are clear gaps holding back your margins. Focus on your two lowest-scoring categories first. A targeted intervention in packaging or supplier negotiation typically yields 15-25% margin improvement at this stage.

● Strong Position

Score: 57-72 / 80

You are doing most things right. The remaining opportunities are likely in fine-tuning: upgrading specific product lines, consolidating suppliers for volume leverage, or refreshing packaging for a new market segment. Small changes, meaningful gains.

● Industry Leading

Score: 73-80 / 80

Exceptional. Your sourcing operation is a competitive advantage. Focus now on scaling what works, protecting supplier relationships, and using your margin advantage to out-invest competitors in marketing and product development.

YOUR NEXT STEPS

- Identify your lowest-scoring category -- this is your biggest leverage point
- Pick the 2-3 questions you scored lowest on within that category
- Set specific 90-day targets for each (e.g., "Reduce packaging cost to under 12% of retail")
- If your total score is under 56, consider getting external expertise -- the ROI is typically immediate

Ready to Turn Insights Into Margin?

This checklist gives you the diagnosis. A Strategic Review gives you the treatment plan -- tailored to your products, your suppliers, and your margin goals.

REQUEST YOUR STRATEGIC REVIEW

ELEVARE.SUPPLIES

Founder-led execution. Strategic partner, not transactional agent. We only work with brands ready to move from good to exceptional.

contact@elevare.supplies

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