

Quarterly Business Review (QBR): The Strategic Quarterly Review with Suppliers

The Quarterly Business Review (QBR) is a structured, quarterly meeting between the procurement organisation and strategically important suppliers. It serves to review performance, quality, costs and joint development goals regularly and measurably. In industrial practice, the QBR has established itself as a central tool of supplier management, particularly for A-rated and B-rated suppliers.

Key facts

- The QBR is a scheduled, quarterly review held with strategically relevant suppliers.
- Typical topics are delivery reliability, quality, cost trends, risks and joint improvement actions.
- It is based on standardised KPIs such as supplier evaluation, complaint rate and on-time delivery.
- A good QBR combines a look back (performance) with a look ahead (roadmap, capacities, innovations).
- In practice, a QBR usually lasts 60 to 120 minutes and follows a fixed agenda.
- Results are minuted, assigned owners and deadlines, and followed up in the next review.

Definition: Quarterly Business Review (QBR)

The Quarterly Business Review is a regular, usually quarterly, strategy and performance review between a company and its most important suppliers. It goes far beyond operational order discussions and addresses the entire business relationship on the basis of agreed KPIs and target pictures.

Distinction from operational supplier meetings

While day-to-day scheduling and order-related contact focuses on short-term topics such as emergency orders, delivery conflicts or price deviations from the order, the QBR looks at the collaboration from a multi-month perspective. Operational topics only come up there if they have structural root causes. The QBR is thus the strategic counterpart to ongoing day-to-day business and part of a mature supplier portfolio management approach.

Positioning within supplier management

The QBR is typically reserved for suppliers in the highest priority tiers, for example as determined by an ABC analysis or a supplier benchmark. For C-rated suppliers and commodity items in indirect procurement, dedicated QBRs are rarely economical; annual reviews or standardised evaluations are sufficient here. The choice of review cadence therefore follows the strategic importance of the supplier.

Methods and approach of a QBR

An effective QBR follows a fixed process with clear role allocation and standardised documentation. Preparation, execution and follow-up are all equally important.

Preparation and data basis

The basis is robust, up-to-date data: supplier evaluations, quality KPIs, open items lists and a data quality report on master data such as material numbers, units of measure and contact persons. Sound master data governance ensures that both parties work from the same figures. Several days before the meeting, the supplier receives the agenda and the presentation of their own performance so that the meeting does not begin with disputes over the numbers.

Process and agenda

In practice, a proven agenda has established itself, usually lasting 60 to 120 minutes:

- Welcome and status of open actions from the last review
- Performance review: delivery reliability, quality, costs, complaints
- Operational topics: capacities, shortages, pipeline and inventory overview
- Strategic topics: roadmap, innovations, cost optimisation, contracts
- Agreement of new actions with owners and deadlines

Follow-up and action tracking

Every QBR ends with a minuted action plan. Items are given deadlines and owners and tracked regularly, for example via a shared dashboard or a simple tracker tool. Only when open items are consistently picked up in the next review does the QBR evolve from a reporting meeting into a genuine management tool.

Key KPIs and topic blocks in the QBR

The selection of KPIs should remain consistent per supplier in order to make trends visible across several quarters. Typically there are several topic blocks, each with a few meaningful KPIs.

Delivery and logistics performance

Core metrics are delivery reliability (OTD/OTIF), schedule adherence, quantity adherence and lead time. In addition, inventory and scheduling topics are discussed, such as results from cycle counting at the supplier, inventory levels of critical parts or the use of an inventory health dashboard to make the inventory situation and ageing visible. Logistics agreements such as the Incoterms rule (e.g. Incoterms FOB or Incoterms FAS) are reviewed when freight costs or customs handling change.

Quality and complaints

This includes complaint rates, scrap shares, 8D report closure times and audit results. For series parts, ongoing product changes are also frequently discussed, controlled via a functional specification and a binding design freeze to avoid uncontrolled deviations.

Costs, prices and contract topics

Regular items are price and cost trends, raw material indexation and surcharges such as the alloy surcharge for metal parts. Also discussed are open price deviations, the status of the price deviation workflow, payment terms (e.g. 2/10 net cash discount) as well as framework agreements and price bindings. Packaging management and regulatory topics such as the Packaging Regulation (PPWR) may also form part of the cost and compliance discussion.

Strategy, capacity and innovation

The strategic block covers medium-term demand, capacity expansions, technology roadmaps and early-warning indicators for supply chain risks. For development projects in an OEM/ODM model, project status, requirements management and change requests are included. This is where it becomes apparent whether the collaboration is growing beyond a pure buyer-supplier relationship.

Risks, controls and typical mistakes

QBRs quickly lose their impact if they degenerate into pure reporting or if data gaps dominate the discussion. Proven control mechanisms prevent this.

Typical weaknesses

Common mistakes are a missing agenda, an inconsistent data basis, attendance by sales staff only instead of subject matter owners, and actions without deadlines. An excessive number of suppliers in the QBR calendar also overburdens both sides; in practice, it has proven worthwhile to focus on a few strategic partners per buyer.

Controls and effectiveness

The QBR becomes effective through standardised evaluation sheets, documented actions and links to consequences: sustained underperformance, for example, can lead to a re-evaluation within the supplier portfolio or to dual sourcing. Conversely, good results can translate into framework agreements, volume commitments or early involvement in new projects.

Compliance and data basis

Regulatory and compliance topics also belong on the agenda, for example certifications, supply chain due diligence or regular checks of supplier banking data to mitigate financial risks. Legal questions such as contract amendments or liability should be reviewed legally on a case-by-case basis; the QBR serves here for early detection, not legal advice.

Current developments: digitalisation and more dynamic reviews

QBRs are changing as a result of digitalisation and leaner supply chains. Many companies supplement or replace the classic presentation with shared dashboards and automated performance reports.

Dashboards and shared data platforms

Supplier portals with dashboards for delivery reliability, inventories and open items allow the status to be monitored continuously rather than only quarterly. This shortens the QBR itself, because operational questions are clarified in advance and the meeting can focus on deviations and strategy.

Shorter cycles and agile elements

In dynamic industries, QBR elements are held more frequently and more briefly, sometimes monthly as a 'business review' and quarterly as a strategic QBR. Agile procurement is also conceivable, in which short, regular reviews are combined with iterative improvement actions. In addition, online marketplaces and B2B platforms offer ways to identify capacities and alternative suppliers at short notice, which makes the risk discussions in the QBR more concrete.

Typical metrics

Delivery reliability (OTD/OTIF): typically > 95%

Core KPI; target value depends on industry and part criticality

Complaint/rejection rate: often < 1,000 ppm

Guideline value for series parts; industries such as automotive demand significantly stricter values

8D report closure time: typically < 14 days

Measures the supplier's responsiveness to quality issues

Action closure rate: > 90% per quarter

Shows whether the QBR acts as a management tool or merely reports

Practical example

A mid-sized mechanical engineering company holds a quarterly QBR with its most important supplier of machined components. The session is based on a standardised evaluation sheet, a data quality report on master data and a 12-month trend of delivery reliability and complaints.

- Agreeing on a maximum of three actions per review, each with an owner and deadline
- Mandatory discussion of raw material surcharges (alloy surcharge) and index clauses
- Preparation of a capacity expansion for a new series project with ODM characteristics
- Quarterly reconciliation of the open items list, including open price deviations

Conclusion

The Quarterly Business Review is a proven tool for managing strategic supplier relationships measurably and continuously improving them. Its value arises not in the meeting itself, but through robust data, clear actions and consistent follow-up. Those who focus the QBR on a few, truly relevant suppliers and link it to KPIs such as delivery reliability, quality and cost trends create a solid foundation for long-term partnerships. Supplemented by dashboards and agile review cycles, the QBR remains effective even under changed supply chain conditions.

Frequently asked questions

What is a Quarterly Business Review (QBR)?

A QBR is a quarterly, structured review held between a company and its strategic suppliers. It covers performance KPIs, quality, costs, risks and joint objectives. The aim is continuous, measurable improvement of the collaboration.

Which topics belong in a supplier QBR?

Typical topics include delivery reliability, complaint/rejection rates, cost and price trends, capacities, compliance and strategic projects. In addition, open actions from the last review and any changes to contracts or processes are covered. Individual operational cases should only be discussed if they have structural root causes.

How long does a QBR last and who attends?

In practice, a QBR usually lasts 60 to 120 minutes. On the customer side, attendees typically include procurement, quality managers and, where needed, engineering or logistics. On the supplier side,

representatives from sales, quality and operations who are empowered to make decisions should attend.

Which suppliers is a QBR worthwhile for?

QBRs are worthwhile above all for A-rated and important B-rated suppliers, for example as identified by an ABC analysis or a supplier benchmark. For simple C parts or purely indirect procurement, they are usually uneconomical; annual reviews or standardised supplier evaluations are sufficient here.

How does a QBR differ from a supplier meeting?

A supplier meeting is often ad hoc and operational, for example about complaints or delivery problems. The QBR is scheduled, data-based and strategic in nature, with a fixed agenda and documented actions. The two formats complement each other but do not replace one another.

How do you prepare for a QBR?

Key requirements are a robust data basis, an agenda sent out in advance and a presentation of supplier performance across several quarters. The supplier should receive the figures in advance so that the meeting does not begin with disputes over the data. After the meeting, minutes with actions, owners and deadlines are mandatory.