



Supplier Reliability Index Fall 2026

Three years of gains. One quarter of giveback.

Powered by SourceDay Data · Q1 2023 – Q3 2026

[INDUSTRY REPORT]



Overview

The Supplier Reliability Index measures supplier performance across the purchase order lifecycle – delivery, responsiveness, and the stability of committed orders – using SourceDay's network PO data.

SourceDay Supplier Reliability Index

Composite of delivery, responsiveness and supplier-change stability · 2023Q1 = 100

Index (2023Q1 = 100)



SourceDay network, Q1 2023 – Q3 2026.

111.0

Reliability Index, Q3 2026
down from a 114.0 peak

66.5%

On-time delivery,
down 1.9pp from Q2

25.4%

of PO lines carry a price increase – a series
high

10.9%

supplier-initiated order changes – a series
high

Key observations

The three-year improvement in supplier execution is real and substantial. It stopped in the third quarter – in the same quarter that cost pressure reached its highest level on record.

Measured from Q1 2023, the index is up 11.0%. On-time delivery rose from 55.0% to a peak of 68.4%. Suppliers answer faster than they did three years ago, and buyers answer twice as many messages as they used to. Those gains are not in question.

Q3 2026 interrupted all of it. Delivery fell 1.9 points, supplier responsiveness fell, order churn rebounded, and supplier-initiated changes reached their highest level on record. Over the same quarter the share of PO lines carrying a price increase also reached a series high, at 25.4%.

KEY TAKEAWAY

One quarter is not a trend. But it is the first quarter in which cost pressure and execution moved against manufacturers at the same time – and that is a combination the last three years have not produced.

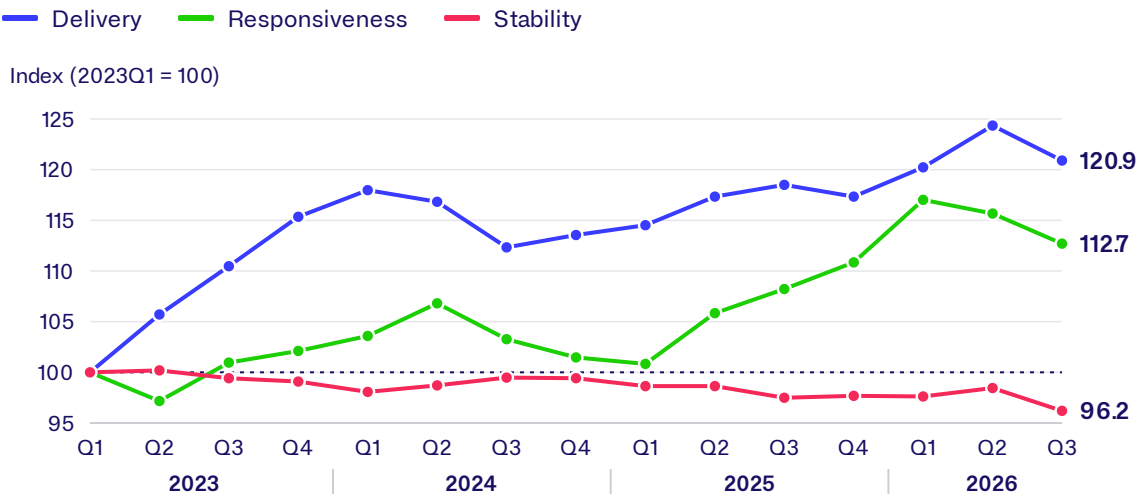
Findings & Patterns

OVERALL INDEX PERFORMANCE

- The index rose from 100.0 (Q1 2023) to a peak of **114.0 in Q2 2026**, then fell to **111.0 in Q3** – a 2.9-point single-quarter decline, the largest in the series.
- Net movement across the full period remains **+11.0%**.
- The Q3 fall is broad rather than concentrated: all three components declined together, which has happened only once before, in Q3 2024.

Three years of gains, then a Q3 giveback

Every component fell in Q3 2026 · 2023Q1 = 100



Component indices, each rebased to Q1 2023 = 100.

COMPONENT DETAIL

Delivery remains the largest three-year gain. On-time delivery climbed from 55.0% to 68.4% by Q2 2026, then fell to **66.5%** in Q3. Even after the setback it is 11.5 points above where it started. On-time-in-full followed the same path, ending Q3 at 63.6%.

Responsiveness gave back a year of progress in one quarter. Supplier messages answered within 48 hours fell from 47.4% to **45.2%**, and average supplier response time rose from 48.1 hours to **52.2** – the slowest reading since Q3 2024.

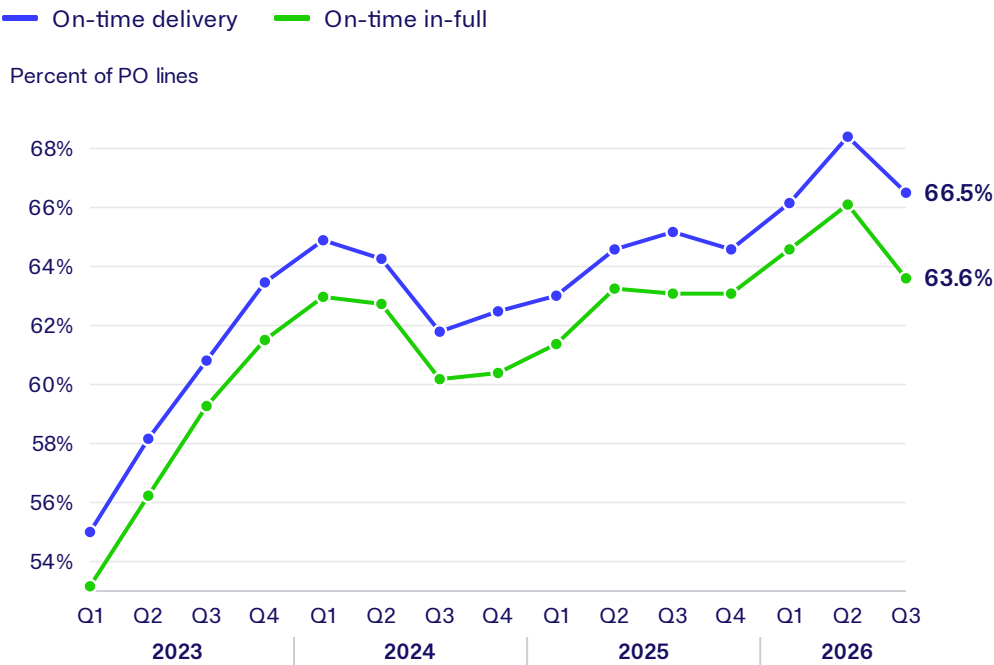
Stability reached a series low. Supplier-initiated changes rose to **10.9%** of PO lines, the highest level recorded, pushing the stability component to 96.2 – below its Q1 2023 baseline and the weakest point in the series.

Delivery Performance

A large three-year gain, interrupted.

Delivery peaked in Q2 2026 and gave back ground in Q3

Network-wide on-time and on-time-in-full rates by quarter



Network-wide on-time and on-time-in-full rates by quarter.

- On-time delivery rose from **55.0%** in Q1 2023 to **68.4%** in Q2 2026, then fell to **66.5%** in Q3 – a 1.9-point drop in a single quarter.
- On-time-in-full fell further, from 66.1% to **63.6%**, so the gap between the two widened. More orders are arriving on time but short.
- This is the second time the series has given back ground: delivery also fell through 2024 before recovering. That earlier setback took six quarters to reverse.
- Roughly a third of PO lines still arrive late. The three-year gain is large; the absolute level is not yet good.

KEY TAKEAWAY

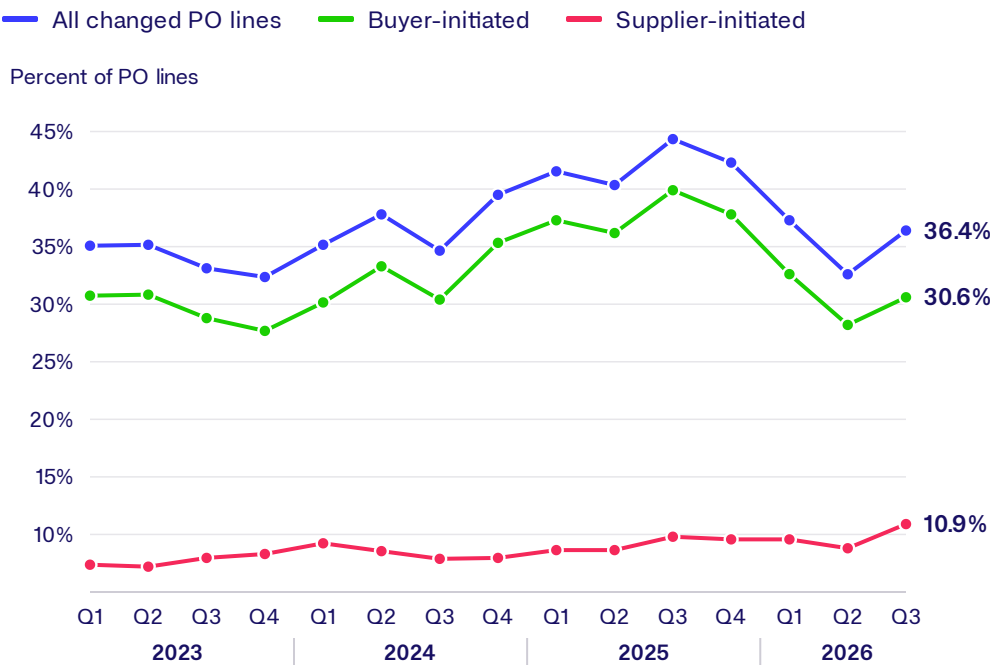
The widening gap between on-time and on-time-in-full is the detail to watch. Timing held up better than quantity, which is what short-shipping under cost pressure looks like in the data.

Order Churn

Change activity fell to its lowest level since 2023 in Q2, then rebounded sharply – and this time suppliers drove a larger share of it.

Order churn rebounded sharply in Q3

Share of closed PO lines with at least one change



Share of closed PO lines with at least one change, by originator.

This is a different pattern from 2025. The 2025 churn spike was buyer-led – manufacturers re-cutting their own orders against shifting demand. The Q3 2026 rebound has a far larger supplier-initiated component, and it coincides with record price risk. Suppliers changing orders while repricing them is a materially different signal from buyers rescheduling.

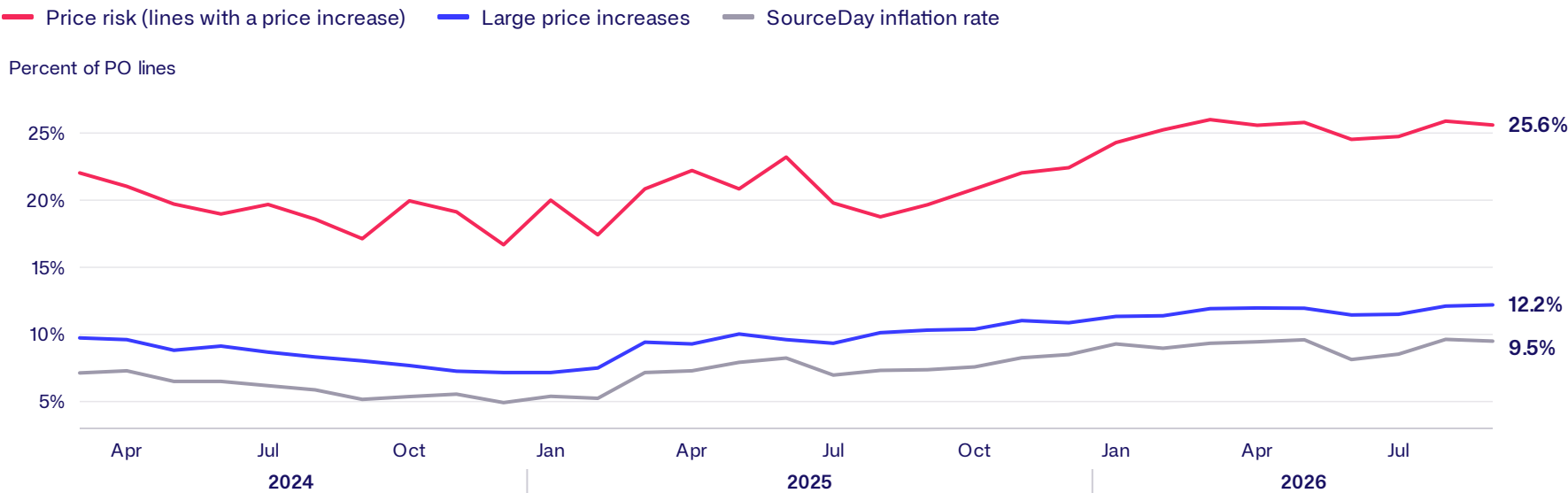
- All changed PO lines rose from **32.6%** in Q2 2026 – the lowest reading since Q4 2023 – to **36.4%** in Q3.
- **Supplier-initiated changes reached 10.9%, the highest in the series**, up from 8.8% in Q2 and above the previous peak of 9.8% in Q3 2025.
- Buyer-initiated changes also rose, from 28.2% to 30.6%, but remain well below their Q3 2025 peak of 39.9%.

Price Pressure & Cost Risk

Cost risk did not pause in Q3. It set records.

Price risk reached a series high in Q3 2026

Share of closed PO lines carrying a price increase, monthly



Monthly, based on closed PO lines with a comparable prior price.

25.4%

Price risk in Q3 2026 –
the highest quarter on record

11.9%

Large price increases,
also a series high

+62%

Growth in large price increases since Q4
2024 (7.4% → 11.9%)

Price Pressure & Cost Risk (Continued)

- A quarter of all repriced PO lines now carry an increase, up from **18.4%** two years ago – a 38% relative rise.
- Large increases have grown faster still: from **7.4%** of lines in Q4 2024 to **11.9%** today. The distribution is not just shifting, it is fattening at the top.
- Price risk has now held above 24% for **twelve consecutive months**. This is a sustained plateau at a record level, not a spike.
- The SourceDay inflation rate ended Q3 at **9.2%**, close to its series high of 9.6% set in May 2026.

KEY TAKEAWAY

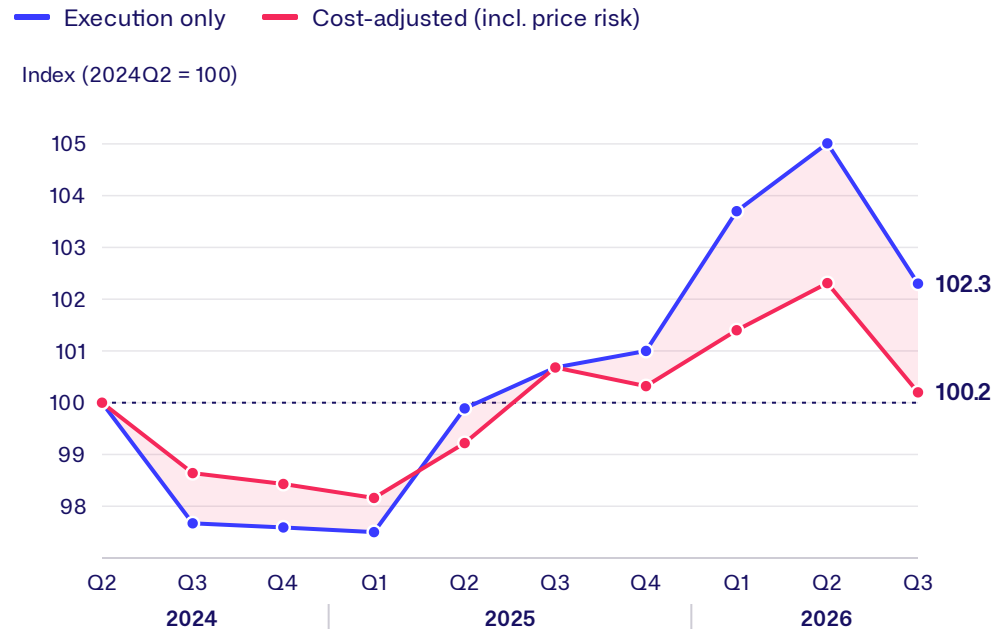
This continues the shift identified in the Spring 2026 Supply Volatility Index. Suppliers stopped absorbing cost increases and began passing them through – and a year later they have not stopped.

What Reliability Misses

Measured on execution, the network is still ahead of where it was in mid-2024. Add cost and the gain is gone entirely.

Including cost, two years of gains net out to nothing

The same network, measured with and without price risk · 2024Q2 = 100



Execution-only index versus the same index with price stability added as a fourth component.
Rebased to Q2 2024 = 100.

On execution alone the index sits at **102.3**, still 2.3 points above its Q2 2024 level despite the Q3 setback. Including what buyers are actually paying, it sits at **100.2** – effectively back at its starting point. Two years of operational progress nets out to roughly nothing once price is counted.

KEY TAKEAWAY

An organisation reviewing only its operational dashboard would record two years of improvement. Measured on what it actually pays, it stood still. Both views come from the same purchase orders.

The network behind the index

Measure	Q1 2023	Q2 2026	Change
Buyer companies	240	207	-14%
Supplier companies	10,498	46K	+338%
ERP vendors with PO activity	101,375	128,459	+27%
Closed spend per quarter	\$3.46B	\$4.95B	+43%

Network counts are shown through Q2 2026. Index movements are rates, not totals.

External & Economic Drivers

TRADE & TARIFF POLICY

Tariff exposure continues to surface as price change rather than delivery failure. Goods arrive; they arrive at a different price.

SUPPLIER MARGIN PROTECTION

Suppliers are now both repricing and rescheduling. Supplier-initiated changes hit a record in the same quarter price risk did.

INPUT & ENERGY COSTS

Categories exposed to global inputs show the fattest tail of large increases, consistent with upstream commodity and energy movement.

CAPACITY STRAIN

Delivery and responsiveness fell together while volumes stayed high, a pattern more consistent with supplier capacity limits than with demand softness.

A note on buyer-side responsiveness

Buyer behaviour improved sharply over the three years. The share of supplier messages buyers answer rose from **43.9% to 88.3%**, and the share answered within 48 hours from 29.5% to 73.7%. Average buyer response time fell from 86.1 hours to **47.4**.

Buyers were not the source of the Q3 deterioration – their response time improved slightly while suppliers' rose by four hours. The slowdown this quarter came from the supply side.

Forward Outlook

WHAT Q3 CHANGES

For three years the story in this data was clean: operational execution improving, cost risk rising independently. Organisations could treat them as separate problems. Q3 2026 is the first quarter in which they moved together.

Delivery fell, supplier responsiveness fell, supplier-initiated changes hit a record, and price risk hit a record – all in the same three months. That pattern is consistent with suppliers under margin and capacity pressure managing it through both price and schedule. If it persists into Q4, the 2027 planning question is no longer how to protect margin while execution holds. It is how to do both at once.

One quarter is not a trend, and the three-year gains remain intact. But the thing worth watching has changed.

Strategic considerations

1. Treat Q3 as a signal, not noise. Four measures moved the wrong way together, which is rare in this series. Confirm whether the pattern holds in Q4 before concluding either way, but instrument for it now.

2. Put price on the reliability scorecard. Suppliers that reprice and reschedule in the same quarter are showing a combined risk that neither metric catches alone. Track price change at the PO line level with the same rigour applied to on-time delivery.

3. Watch the on-time-in-full gap. OTIF fell further than OTD this quarter. Short-shipping is an early symptom of supplier capacity or input constraints, and it shows up in fill before it shows up in dates.

4. Protect the three-year delivery gain. The 2024 setback took six quarters to reverse. The controls that produced the recovery – acknowledgement discipline, lead-time management, supplier-level accountability – are what shorten that cycle.

RECOMMENDED ACTIONS

Instrument supplier-initiated change and price change as one combined risk signal · Track OTIF and OTD separately, and watch the gap · Re-confirm lead times with suppliers showing both repricing and rescheduling · Report reliability and cost together, in one view, to one owner.

Methodology

The Supplier Reliability Index is built from SourceDay's proprietary purchase order dataset, covering activity between January 2023 and 30 September 2026 across the full SourceDay network, including companies no longer active. All quarters in this edition are final and drawn from a single population.

Index construction

The index is a weighted composite of three components, each rebased so that Q1 2023 = 100:

Component	Weight	Underlying measure
Delivery	40%	On-time delivery rate
Responsiveness	30%	Mean of supplier response rate and supplier <48-hour response rate
Stability	30%	1 – supplier-initiated changed PO line share

The **cost-adjusted index** adds a fourth component, price stability (1 – price risk), at 25% weight, with the other three rescaled to 30/25/20. Because price data begins in March 2024, that series is rebased to Q2 2024 = 100.

Price risk is the share of closed PO lines carrying a price increase, among lines with a comparable prior price. Quarterly figures are weighted by PO line volume, not simple averages of months.

Methodology (Continued)

The 2023 baseline uses an earlier dataset. The 2023 quarters and the quarters from 2024 onward come from two datasets covering the same full SourceDay network. They agree closely where they overlap: on-time delivery differs by at most 0.26 points across ten quarters, and supplier-initiated change by at most 0.005 points. Response-rate measures can differ by up to 1.2 points, so index *levels* carry a residual uncertainty of roughly half a point. Quarter-to-quarter movements from 2024 onward are unaffected.

The price series is on a different basis. Price and inflation figures come from a separate monthly dataset, so the cost-adjusted index combines two samples. Read it for direction; treat its precise level as indicative.

Adoption effects are inside the trend. Over this period the share of closed PO lines managed in SourceDay rose from 34.2% to 55.9%. Part of the measured improvement reflects deepening use of the platform rather than an independent change in supplier behaviour. This report does not attempt to separate the two.

Levels are not directly comparable to the Q1 2025 Supplier Reliability Index, whose components, weights and scale differed. This edition does not include the industry-by-industry breakdown published in Q1 2025; sector-level detail was not available for this edition.



Take control of supply chain risk **before it reaches your margin.**

SourceDay is an autonomous purchase-order management system that helps manufacturers and distributors eliminate risk and inefficiency from the PO lifecycle. The platform connects to any ERP, centralising purchase order data and automating manual work to deliver real-time visibility, predictive risk detection, and measurable improvement in on-time delivery and supplier reliability.

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