



## Seven Ways to Gauge How Well You're Managing Your Vendors

Caveat #1: This discussion is not relevant from Paradigm's standpoint unless approached from a position of stewardship. You must extend as much courtesy and commitment to your vendor as you expect from them. And we submit this is a redefinition of the word vendor.

Caveat #2: How one gauges successful vendor management often is largely defined by their perspective, their role in the organization. CFO measurements might include cost per widget, timeliness of billing. COO looking at flexibility in meeting varying materials demand on short notice, defective product support, etc. Compliance officer on their ability to easily pass federally mandated criteria such as certifications.

1. Do they understand your business and adapt their offerings accordingly? The framework via which this is often enabled by recurring annual meetings, minimally annually. And attended by principles across at least two silos of each organization. This provides for a level of stewardship and mutual business development, uncovered by sharing of information and objectives.
2. Do they proactively provide performance reporting statistics on themselves? This not only keeps emotion of decision making from getting out of hand but also aids in where to focus in the relationship i.e. if all the key performance criteria by the client is being met, energies can then wisely be spent on advancing the relationship.
3. Have you gone through a vendor scanning and consolidation process? If so, have you garnered reduced costs simultaneous with improved service levels?
4. If the vendor's product/service is central to what you bring to market, do they have skin in the game, do they lose if you lose, win if you win? Contractually?
5. Are there measurable SLAs in place? And are they being proactively documented and delivered regularly?
6. Are you getting regular updates on their staffing and other changes that might impact your current and future relationship?
7. Are they in the "Leader's Quadrant", are they a thought leader in their respective space? If not, are they a late adaptor by choice thereby enabling a benefit such as low-cost provider? And is it sustainable?

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