



Is Your Business Using Big Boy Sourcing Practices?

Somewhat tongue in cheek but as with most humor, some truth lies within. If you're in the B2B space, are you proactively managing your vendors to drive your competitiveness, to minimize your risk? Answers to some of the questions below may reveal money being left on the table.

1. Are there more than fifteen vendors serving your business today on a recurring basis?
2. Do you have multiple vendors providing similar services?
3. Do you have SLAs (Service Level Agreements) in any of the existing agreements?
4. Are you dictating to your new and existing vendors your preferred cost model such as OPEX and CAPEX or are you letting them decide how to sell the service/product?
5. Are there upcoming mission critical installations or upgrades being done by parties outside your organization which if not executed on time and with precision would have
6. negative impact to the business? Is your business making any significant capital expense in the next three years in areas such as technology where the state of the offering is currently or will be under rapid development?
7. Is your firm struggling to reduce recurring costs while maintaining high service levels?
8. Do you have competition that appears to have advantage due to their size, providing them
9. leverage in purchasing & services which impacts your competitiveness?
10. Do key vendor agreements have language giving you control of contract assignment in case of a buyout, bankruptcy, etc?
11. Do you have or need business downturn clauses in your key vendor agreements?
12. Do your technology-based contracts have "current market competitiveness" clauses in them, protecting your ability to upgrade without financial penalty?
13. How many of your vendors has said "No" to a request for service? This should be happening on occasion.
14. How many of your vendors are part of your annual planning?
15. How effectively are you leveraging your spends in complimentary disciplines?

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