



**Introducing  
O&A's  
groundbreaking  
two-day  
workshop:  
*Managing  
Vendor  
Partnerships***

**Increased competition and tightening cost structures have caused organizations to more effectively utilize their key personnel resources and expertise, while leveraging outside services to provide added value through: increased quality, lower costs, improved customer service, and/or implementation of best practices. Leaders' and employees' roles are changing, as are their relationships with vendors and their own internal clients.**

**Vendor  
Management:  
Overcoming a Major  
Obstacle to  
Outsourcing  
Success**

It's hard to find a company today that doesn't rely on an external service provider for one or more critical services or functions. It's equally difficult, however, to find a company that manages this relationship well. While many businesses have sophisticated contract management practices in place, they are far less likely to exhibit the skills and disciplines to ensure the vendor relationship is a true partnership.

Ideally, we all want a responsive service provider we can rely on in times of need and who suggests innovative ideas for improving processes. The reality, too often, is dissatisfied internal clients, a resentful internal staff and upper management disappointment over performance levels.

Ouellette & Associates is helping clients meet these new challenges head on with our newest offering, *Managing Vendor Partnerships*. This workshop enables organizations to more effectively work with their service providers and their own staff to create long term value and increased ROI from each of their vendor relationships.

At this workshop, participants will create strategies and action plans that they can apply immediately with their specific vendors and suppliers. They will also learn how to:

- Move from contract management to relationship management with vendors
- Transition from managing employees to managing the relationship

The missing piece is vendor relationship management skills. The fact is, the knowledge required to manage vendor relationships is different from what's required to manage employees. It's also different from contract management. Managing service providers who work side-by-side with your own staff -- and provide direct service to clients and customers -- presents complexities beyond those encountered when purchasing a product.

Without these skills and knowledge, it will be difficult to realize the true benefits available from a service provider. Indeed, the ability to effectively manage the providers of services can be a competitive advantage.

Here are a few tips for starting - and staying - on the right foot with your service providers.

#### **Start from the real beginning.**

A good vendor relationship doesn't start with the contract; it begins even before you've selected the outsourcing vendor. There are actually seven different phases that determine relationship quality: process evaluation, deciding what should be insourced vs. outsourced, vendor selection, contract development/ negotiations,

- Understand and differentiate between the goals and objectives of the organization and those of the vendor
- Leverage process management techniques to provide a foundation for managing vendor partnerships
- Utilize change management to transition employees to new roles
- Recognize potential range of cultural differences between the organization and the vendor
- Gain additional value from other corporate dept's.
- Be proactive in shaping a positive relationship and in recognizing when the partnership is in trouble
- Establish appropriate governance structures

implementation of the working relationship, management of the relationship and evaluation of the results.

### **Know what you're outsourcing.**

When evaluating which processes to outsource, it's crucial to understand the end-to-end costs and to have metrics in place that are balanced and prevent dysfunctional behavior. Without a good handle on the numbers, it's easy to be fooled by vendor promises to lower costs.

### **Look for cultural alignment.**

Vendor selection needs to be based on more than cost-reduction. Often overlooked is the vendor's internal culture and how well it meshes with your own. For instance, is the vendor's culture entrepreneurial or process-driven? Hierarchical or collaborative? These differences need to be recognized and dealt with, or they will cause intractable problems with the working relationship down the road.

### **Don't develop contracts in isolation.**

Too often, contracts are signed by purchasing and legal executives and then "thrown over the wall" to the managers who will be involved with the vendor

- Prepare for the end of the contract
- Improve vendor selection, contract development, and negotiation processes
- Create value for long-term competitive advantage

### **Managing Vendor Partnerships Workshop Details:**

**Format:** 2-days, tailored on-site

**Audience:** All managers and staff who are responsible for managing vendor relationships will find this workshop timely and valuable. It is very effective when a team that is working with the same set of vendors attends together.

**Methods:** Highly engaging workshop setting, lively discussion, assessment and action plans, strong focus on action planning and tangible take-aways, comprehensive participant materials, facilitated by industry expert and former CIO.

day-to-day. The fact is, operational staff and process owners should be involved early on, not after the contract is signed. This level of employee can provide valuable input to creating true ways of measuring performance that are conducive to a partnership, not a legalistic arrangement.

### **Think "collaborator," not "provider."**

Like IT itself, service providers should be incented to support the strategy of the business. But to create that type of relationship, the vendor needs to be educated on business drivers and long- and short-term strategies. Face-to-face meetings with IT staff, the vendor and even internal clients in attendance can go a long way toward getting everyone on the same page and communicating.

### **Prepare the way**

Too often, clients and internal IT are unclear on why work has been outsourced, why this particular vendor has been chosen, what the expectations are and what their role is. It's important to spend time educating the staff on the changes taking place.

To learn more about this workshop and how O&A can help you build better vendor partnerships, please contact us at [info@ouellette-online.com](mailto:info@ouellette-online.com) or call us at 800-878-4551.

[Click here to learn more...](#)

**Think "relationship," not "contract," management.**

Managing employees is very different from managing vendors. With the former, you're focused on coaching a team of people who have the same objectives as you do. With the latter, you need to concentrate on monitoring processes, tracking metrics, capturing results, measuring performance and providing feedback to a team answering to a different agenda than your own. You have less direct control over these workers, so you also need to increase your negotiation and influencing skills, not to mention interpersonal and communication capabilities.

Let's face it, when we sign on the dotted line, we want a partner that operates like a long-term solution provider - not just a vendor of products and services at a particular price. With the right skill set, we can develop the kinds of partnerships we want with service providers and realize the full set of benefits we expect.

*Ken Emery, a former CIO and executive of Shared Services, is a senior O&A consultant and the developer of O&A's newest workshop offering titled "Managing Vendor Partnerships."*

He can be reached at [kemery@ouellette-online.com](mailto:kemery@ouellette-online.com) if you have any thoughts, feedback, or questions.

**Here's what folks are saying about our new workshop:**

*"This course gave me a lot of valuable information that I can start applying right away!"*

*"Good course for developing and improving good supplier relations regardless of phase (supplier selection to wind down)."*

*"Provided good atmosphere to think through how you can improve your current situation in managing existing vendor partnerships."*

*"Good for any colleagues who have responsibilities in dealing with vendor contracts. Informative from discussions and experiences of others shared in class."*

*"Well worth the time to attend."*

