![Beeline logo]

The ABCs of VMS:
What to Look For in a Vendor Management System

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Today's Speakers

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Co-founder &
Executive Vice President
Brightfield Strategies, LLC

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Director, Consulting
Beeline

About Brightfield Strategies

- Management consultancy and data service firm specializing in workforce strategies and analytics

- Assist Fortune 500 companies build, expand and mature contingent workforce programs

- Owners and stewards of the Talent Data Exchange, a analytics platform and data service where companies can benchmark rates and performance metrics across all forms of talent – employees and non-employees

brightfield
strategies for a new working world

About Beeline

History

Founded in 1999; an independent subsidiary of Adecco Group since January 2010

Locations

Headquartered in Jacksonville, FL with key office locations in Chicago, London, Manila, Singapore and Zurich

Mission

To be the market leader in extended workforce solutions – managing active contractors, outsourced workers and contingent and SOW-based labor spend. Through our ever-expanding global network employing global scale and local knowledge, we partner with Fortune 500 and Global 1000 organizations, giving them award-winning tools to optimize workforce costs, ensure organizational compliance, and improve operational efficiency.

Experience

- 140+ Enterprise clients with $23.4B+ spend under management
- 99% Client retention
- >20 Transitions from legacy VMS systems

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Today's Agenda

- **Vendor Management Systems:**
  - What are they?
  - What do they do?

- **Comparing VMS solutions:**
  - What features and capabilities are available?
  - Which of these may be most important for you?

- **Checklist of questions to ask VMS providers**

- **Q&A**

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Polling Question

How familiar are you with Vendor Management Systems (VMS)?

A. Have used or managed one or more VMS for more than 5 years

B. Have used or managed a VMS for 1-4 years

C. Am implementing a VMS, but it is not yet operational

D. Am researching VMS solutions for possible implementation

E. Am not at all familiar with VMS solutions
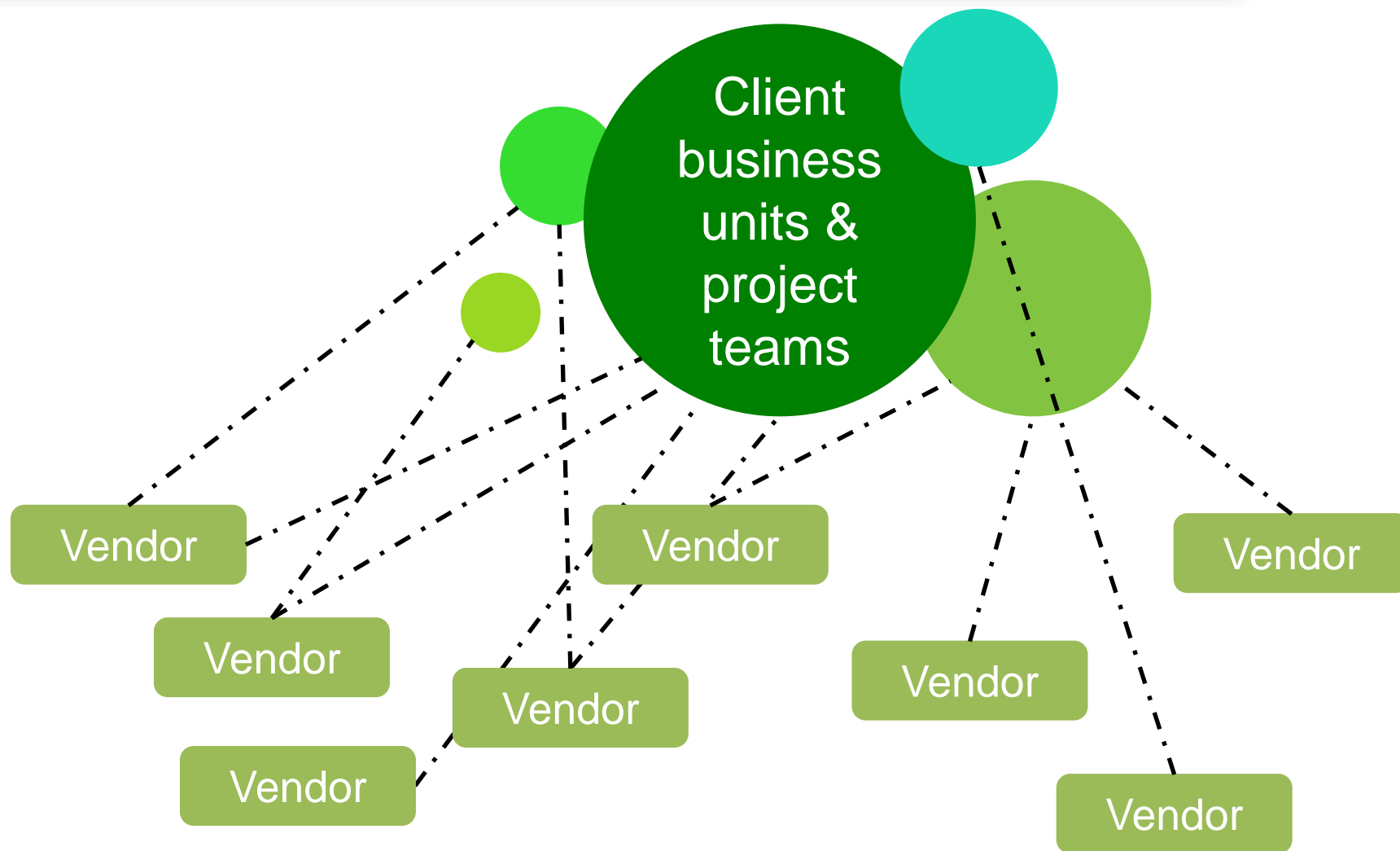
VMS – what is it?

WIKIPEDIA
The Free Encyclopedia

A vendor management system (VMS) is an Internet-enabled, often Web-based application that acts as a mechanism for business to manage and procure staffing services – temporary, and, in some cases, permanent placement services – as well as outside contract or contingent labor. Typical features of a VMS application include order distribution, consolidated billing and significant enhancements in reporting capability that outperforms manual systems and processes.[1]

[1]Staffing Industry Analysts, Inc.: "VMS Marketplace Profile", page 1, *Staffing Industry Analysts Insight,* 2007

VMS – what is it?

The VMS is the technology. This technology is operated by a service unit – an MSP, VOP, or VMO.
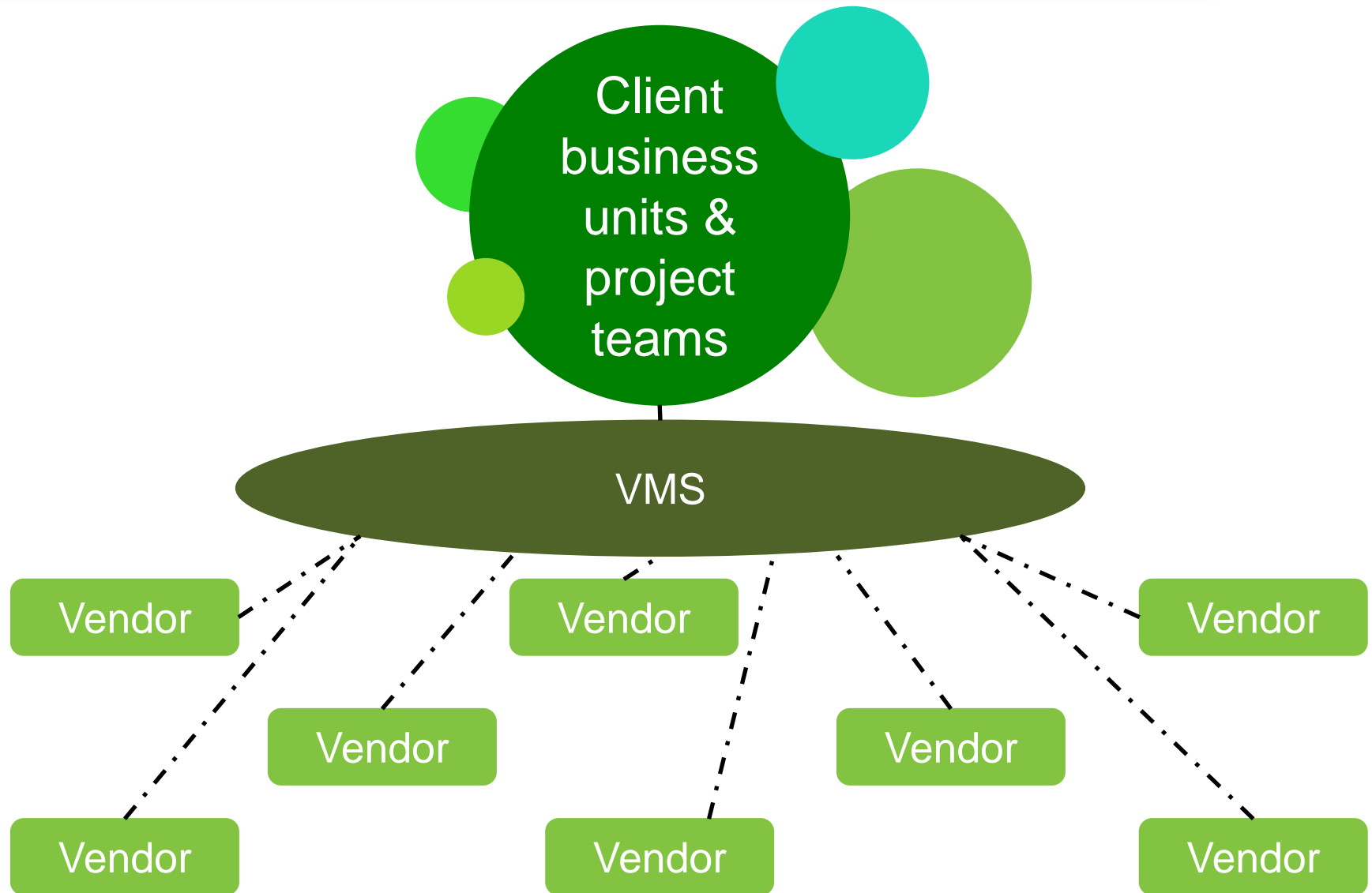

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Managed state

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VMS Core Benefits
for Procurement & HR

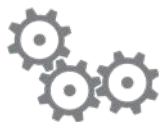|		Procurement	HR
	Cost Savings	Competitive bidding, Managing to rate cards, Early pay discounts, Tenure discount, Volume discounts	Right talent at the right price
	Visibility	Cost management, Supplier performance, Project quality, Time to fill	Labor geographical breakdown, strategic workforce planning
	Compliance	Transparent analysis of all stages of the procurement lifecycle provides greater control and ability to enforce procurement strategy and policies.	Understanding the different classifications of talent, compliance with credentials, certifications, and background checks
	Quality	Measure and monitor the performance of suppliers, contractors, and SOW deliverables	Quality and performance of contract talent is visible across the enterprise
	Operational Efficiency	Process automation of the timesheets, consolidated invoice & expense management	Process automation of all HR process and policies including recruiting, onboarding, and offboarding

VMS users report…

80%
HIGHER RATE
YEAR-OVER-YEAR
COST SAVINGS

&

20%
HIGHER
QUALITY
INDEX SCORE

…among other benefits, including reduced risk and increased visibility into their extended workforce programs

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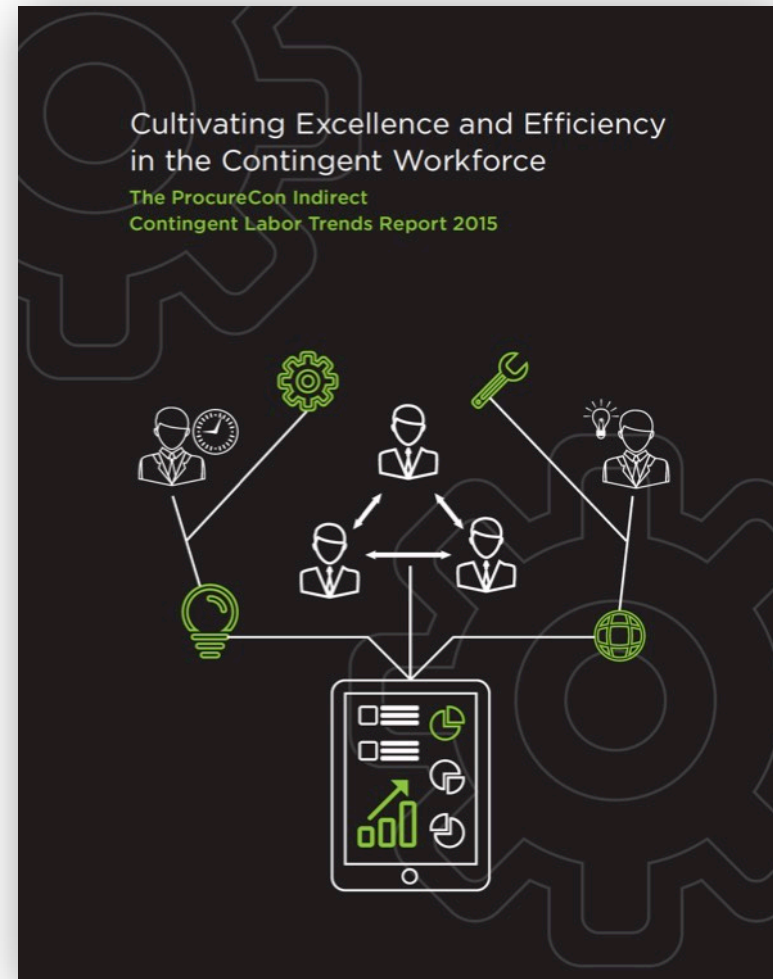
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Can you answer these questions?

- Are your labor rates at true market price or better?

- How many contractors do you use? How many suppliers?

- What measures are in place to mitigate co-employment/compliance risk?

- How much time does AP spend on invoices?

- Who are your best suppliers? Do you have the data to be sure?

- Can you see which consultants are assigned to which projects and have experience working on which systems?

- Is your time-to-fill the best it can be?

- What percentage of your contract spend goes through preferred suppliers?

- How much of your contract spend goes through traditional staffing versus SOW?

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More than 70% of U.S. companies use VMS

"Vendor management systems are improving visibility and compliance for organizations and their contingent workforces; not only in terms of creating savings and in terms of monitoring spend, but also around the identification of top performers and strategic opportunities for onboarding or maintaining relationships with key talent."

- *ProcureCon Indirect Contingent Labor Trends Report 2015*

Cultivating Excellence and Efficiency in the Contingent Workforce
The ProcureCon Indirect
Contingent Labor Trends Report 2015

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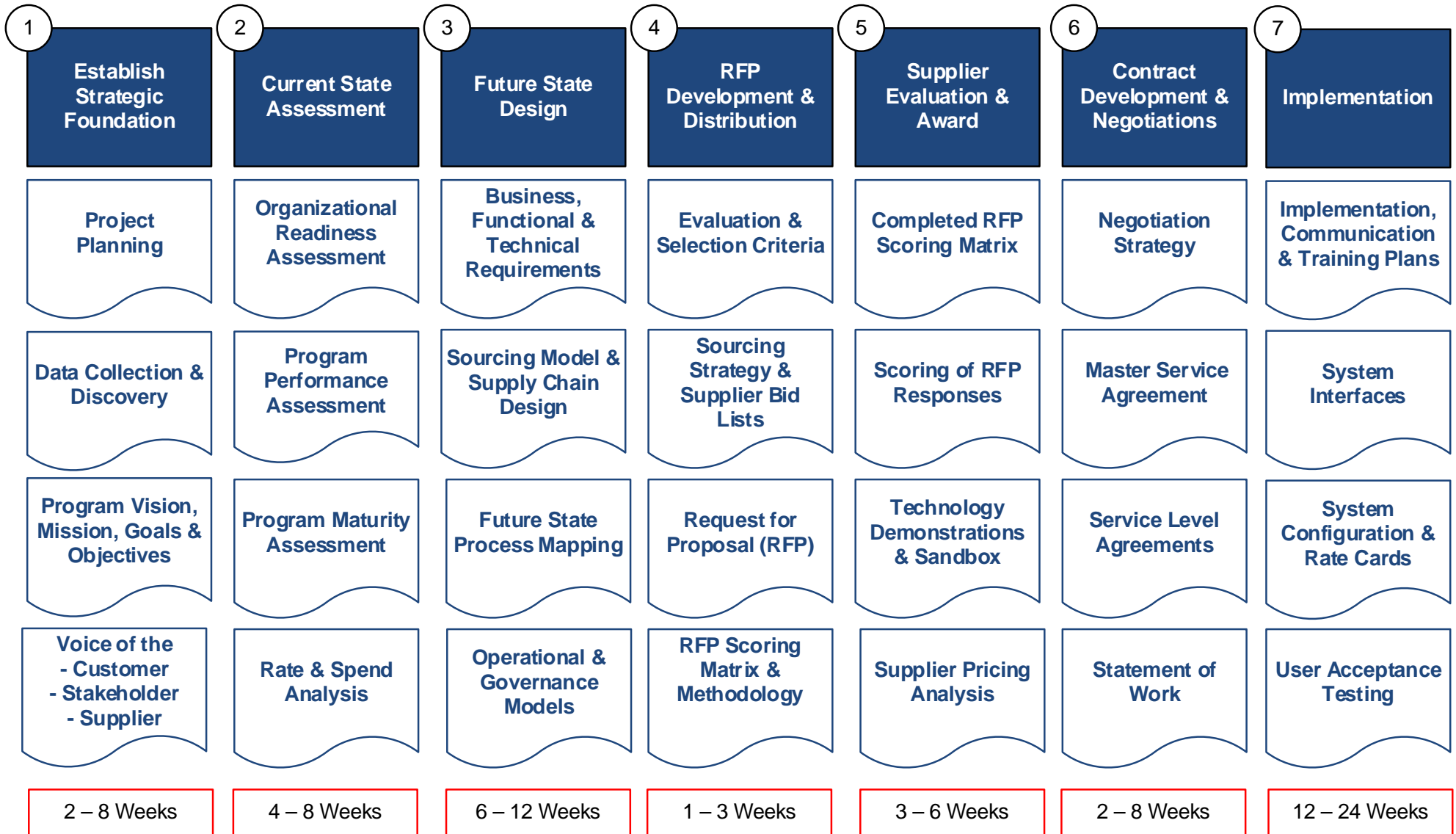Powerful technology. Trusted solutions.

How best to evaluate VMS solutions?

1. It is all about fit

2. Understand your company's needs in order to evaluate a vendor's *capabilities* and *experience* meeting similar needs for other companies

FIT

Understand your needs and plan your work, work your plan.

1 Establish Strategic Foundation	2 Current State Assessment	3 Future State Design	4 RFP Development & Distribution	5 Supplier Evaluation & Award	6 Contract Development & Negotiations	7 Implementation
Project Planning	Organizational Readiness Assessment	Business, Functional & Technical Requirements	Evaluation & Selection Criteria	Completed RFP Scoring Matrix	Negotiation Strategy	Implementation, Communication & Training Plans
Data Collection & Discovery	Program Performance Assessment	Sourcing Model & Supply Chain Design	Sourcing Strategy & Supplier Bid Lists	Scoring of RFP Responses	Master Service Agreement	System Interfaces
Program Vision, Mission, Goals & Objectives	Program Maturity Assessment	Future State Process Mapping	Request for Proposal (RFP)	Technology Demonstrations & Sandbox	Service Level Agreements	System Configuration & Rate Cards
Voice of the - Customer - Stakeholder - Supplier	Rate & Spend Analysis	Operational & Governance Models	RFP Scoring Matrix & Methodology	Supplier Pricing Analysis	Statement of Work	User Acceptance Testing
2 – 8 Weeks	4 – 8 Weeks	6 – 12 Weeks	1 – 3 Weeks	3 – 6 Weeks	2 – 8 Weeks	12 – 24 Weeks

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Features and functionality evaluated

General capabilities: 35 specific features in 8 categories

- Reporting and data export capability and flexibility

- Invoicing automation

- Integration with ERP and other enterprise systems

- Supplier identification and classification

- User functionality and configurability

- Ability to operate in standalone capacity (for VMO support)

- Fee management capability

- Certifications

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Scenario-based analysis

136 additional features evaluated in 4 scenarios

- Manufacturing and light industrial
- SOW and professional services
- Global programs
- Small programs

Figure 2. Distribution of Existing VMS Program Implementations by Scenario (percent of programs reported by VMS Providers)
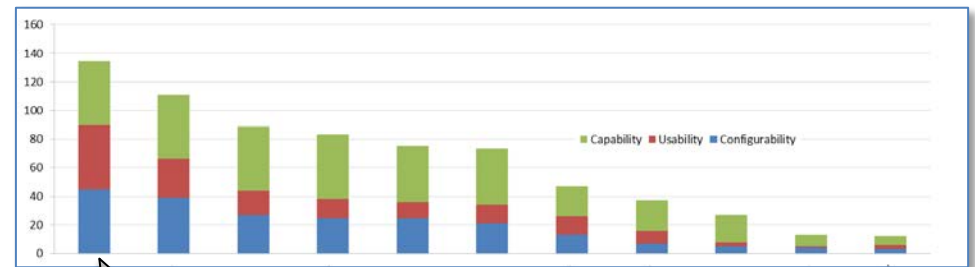
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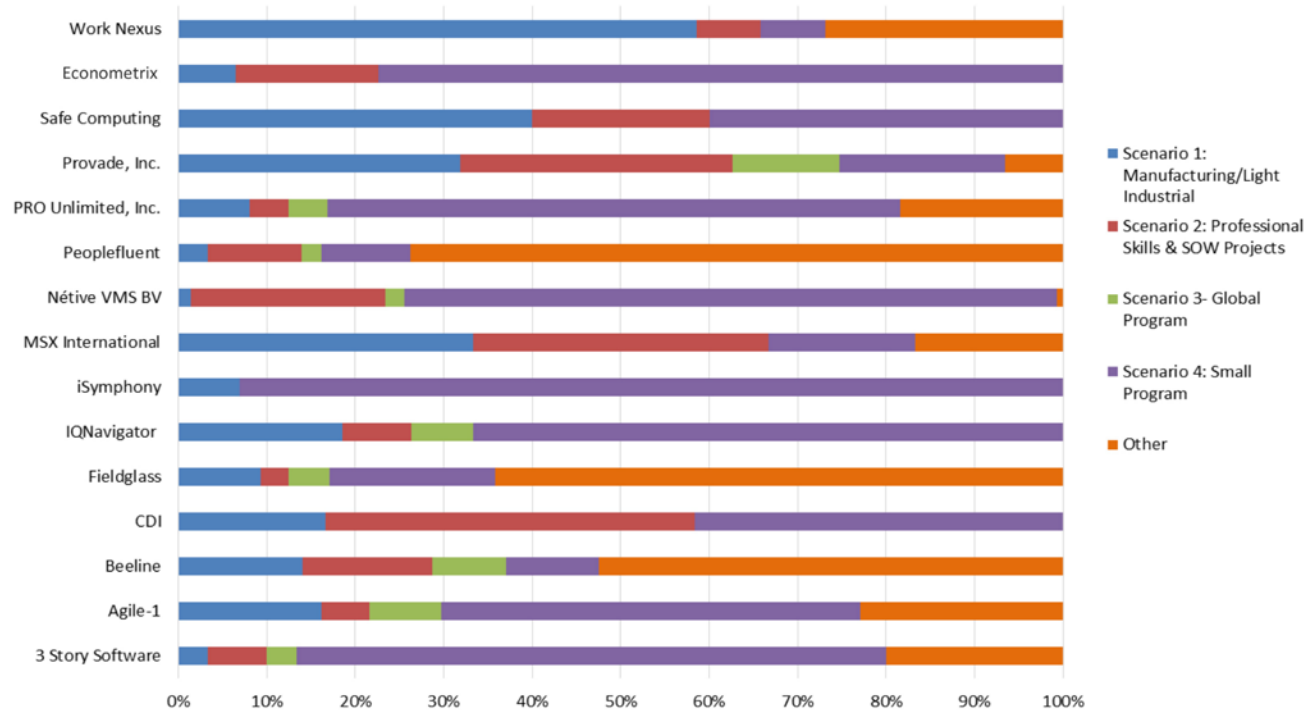
Results reported

Scenario 1. Manufacturing and Light Industrial Validation Scoring
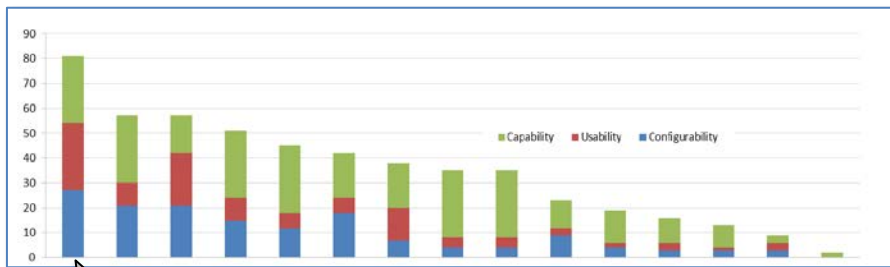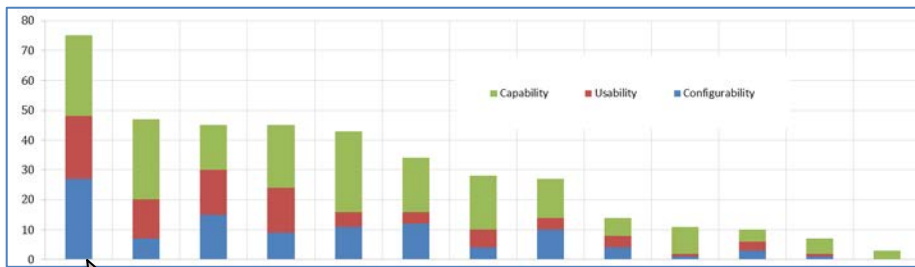
Scenario 2: SOW/Professional Services Validation Scoring

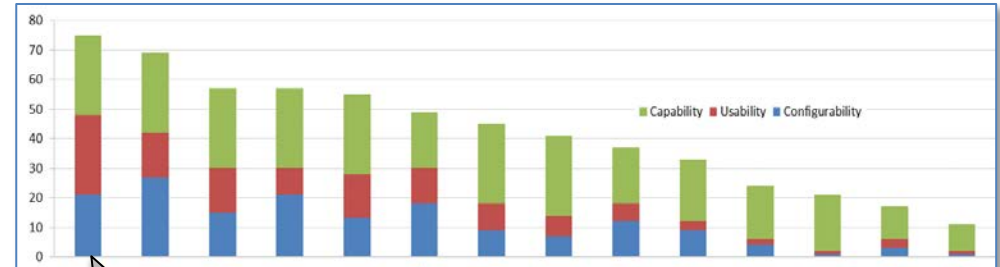Scenario 3: Global Program Validation Scoring

Scenario 4: Small Program Validation Scoring

VMS innovation

- VMS providers were also evaluated for the functional innovation of their products.

- The criteria were:
  - **Degree of Innovation** – how unique is the solution?
  - **Impact on the client and buyer/supplier community** – would the innovation have the potential to truly revolutionize the industry?

- This chart shows the results:
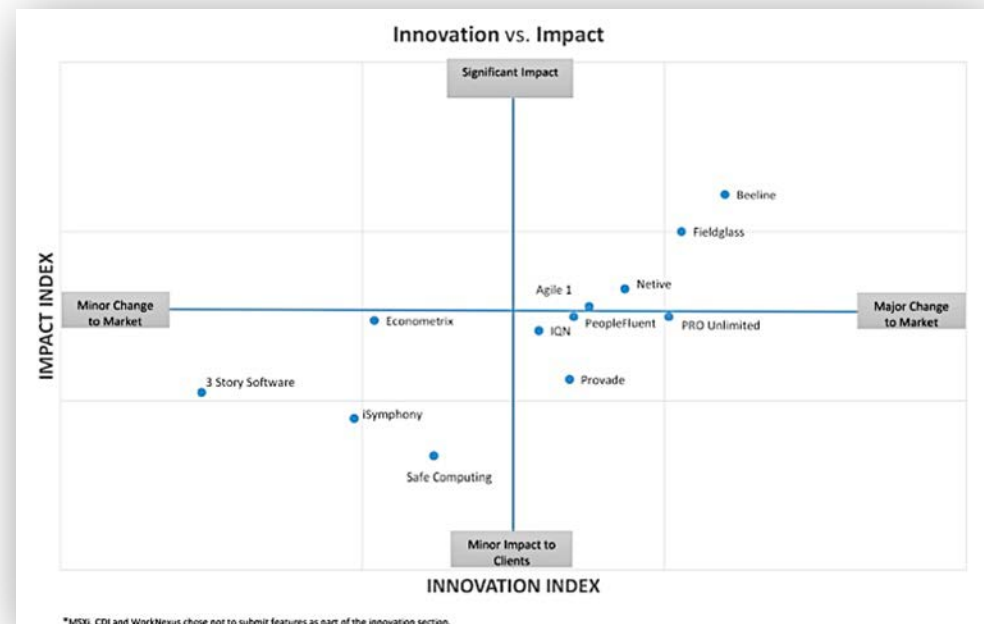
What to look for in a VMS

Not every organization has the same needs…

…but a few things belong on every VMS checklist

What to look for in a VMS

- ☑ Demonstrated performance – capability, usability, and configurability

- ☑ Analytics and reporting – how do you turn data into insight?

- ☑ Lifecycle service – more than a help desk, must be collaborative and strategic

- ☑ Real-time visibility – see your entire extended workforce anytime, in real time

- ☑ Robust services procurement solution – for SOW sourcing and management

- ☑ Data security – you can't risk a data breach or loss of personal information

- ☑ Source talent directly from VMS – reach talent not available from vendors

- ☑ Global capabilities and experience – full localization for global programs

- ☑ Commitment to innovation – to keep you abreast of market changes

- ☑ Customer-centric culture – honesty, openness, creativity, and accountability
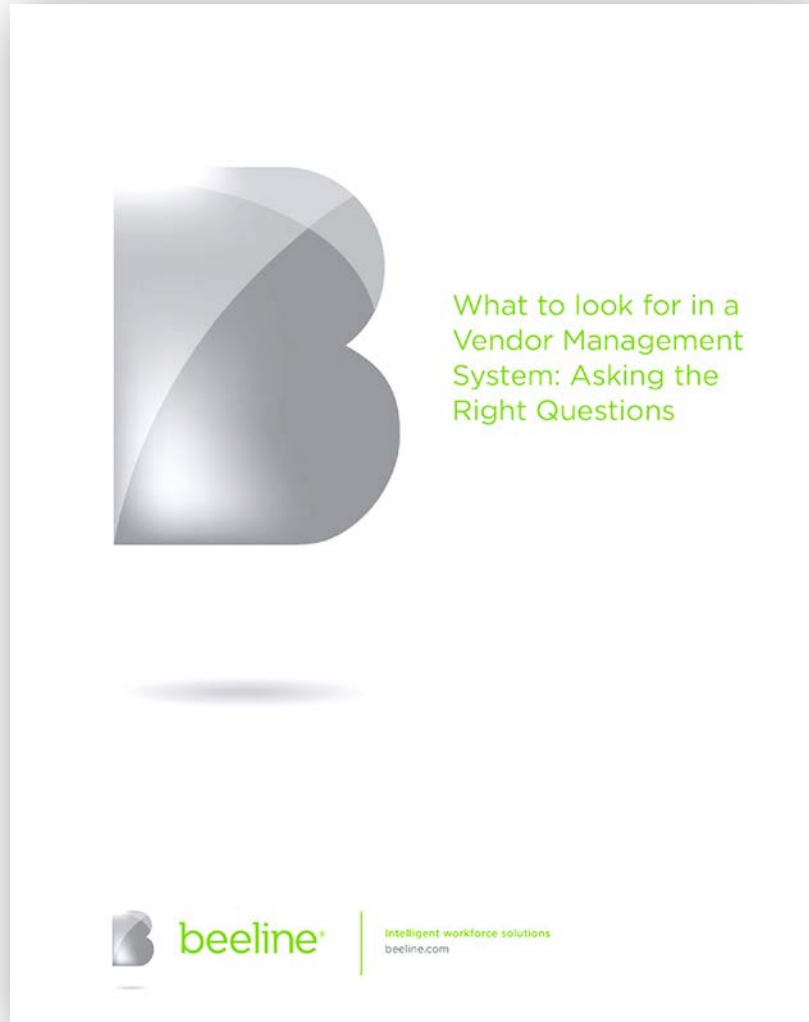
Questions to ask potential VMS providers

- ❑ Where do you rank on SIA's 'VMS Service Differentiators Report 2015'?

- ❑ What analytics platform does your VMS use?

- ❑ How extensive are the report building capabilities you offer users?

- ❑ Who provides strategic and operational lifecycle service for your VMS – you or your MSP partners?

- ❑ Can I see my entire global extended workforce in a single instance of your VMS?

- ❑ Does your SOW solution provide for customization of expense types and fixed amounts per supplier?

- ❑ Does your VMS use multi-tenant architecture where multiple clients share the same databases and application pools?

- ❑ Can I source talent directly from your VMS, using my own preferred talent pool?

- ❑ What are your global resources and capabilities? How extensive are your technical and service resources in Europe? In Asia? Elsewhere?

- ❑ What innovations have you introduced into your products and the industry over the last three years?

- ❑ Do you have customers I can speak with about the performance and reliability of your products and your service?

Questions?

For more information

What to look for in a Vendor Management System: Asking the Right Questions

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- Download our new whitepaper at http://bit.ly/1H5422X

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Thank you!