

Course Outline | Vendor Management Essentials

1 day(s)

More than 90 per cent of companies buy from vendors and some have a lot of vendors! Dealing with many different vendors requires a systematic way to manage them. And, how well a vendor does their job also affects the performance of your business. In order to ensure maximum value to your business it is important to understand the benefits and challenges of vendor management so that you can define an effective vendor management process. This one-day course will outline a vendor management process, including a vendor policy document, developing key performance indicators, assessing potential vendor risk, describing components of a vendor contract, and monitoring the performance and relationship of vendors using questionnaires, forms and auditing.

This one-day workshop will help you teach participants how to:

- Define what a vendor is and what vendor management entails
- Discuss the benefits and challenges of vendor management
- Differentiate between different types of vendors and outline the effects on potential relationships
- Outline the types of information that needs to be in a vendor management policy
- Set SMART business goals and vendor KPIs
- Define and illustrate a vendor life cycle
- Understand the components of a risk management framework
- Explain various software options for vendor risk management assessment
- Assess and select vendors using questionnaires and checklists
- Scale vendor assessments based on the vendors' risk level
- Utilize a significance of risk rating to determine a potential vendor
- List the components of a vendor contract
- Monitor the performance and relationship of vendors using questionnaires, forms and auditing.

Course Outline

Vendor Management

- Definitions
- Vendor Interaction Phases
- What is Vendor Management?

Benefits and Challenges of Vendor Management

- Benefits of Vendor Management
- Challenges of Vendor Management

Types of Vendors

- Vendor Type
- Vendor Relationship Management
- Vendor Relationships

Vendor Management – First Steps

- Vendor Management Policy Document
- Business Goal Setting
- SMART Goals
- Business Goals Related to Vendors
- Vendor Management – Key Performance Indicators

Vendor Life Cycle Management

- Vendor Life Cycle Management
- Vendor Life Cycles

Assessment and Selection of Vendors

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- Vendor Risk Management Framework
- Assessment and Selection of Vendors
- Risk Assessment
- Scaling Your Vendor Assessments
- What to Do With All This Information

Developing Contracts and Finalizing Vendors

- Contract Negotiation
- The Contract

Monitoring Performance and Vendor Relationships

- Monitoring the Vendor
- Vendor Evaluation Audits
- Basics of an Audit
- Questioning Exercise
- Developing an Audit Checklist
- Audit Checklist Exercise
- Conducting the Audit
- Audit Role Play
- Noncompliance and Corrective Action
- Recording Noncompliances Exercise
- Taking Corrective Action
- Personal Action Plan