

Managing Your Vendor

Who is your advocate?

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Part Two in a Three Part Series

The biggest problem with dealing with technology vendors has nothing at all to do with technology. The real problem is managing your vendor. If you allow your technology support provider to make decisions on your behalf, they may make decisions that are in their best interest – not yours! The next thing you know you are changing or upgrading hardware and software, redesigning your network, or implementing technologies that you don't even need.

Ask ten IT guys how to configure a router and you will get ten different answers. Do you know what a router is? Do you care? Let's take a look at some case scenarios and evaluate how these situations could have been prevented.

Case Study #1:

NewCo used a well known email solution called Microsoft Exchange. Obviously, there are many commercial off-the-shelf (COTS) software solutions that can provide a company with adequate features and functions to meet the business need. The company hired a new technology service provider to support them. This particular vendor "didn't like" Exchange. They promptly uninstalled the software and moved all of the users to a software solution that they liked better. It just so happened that the vendor was a reseller of the software that they implemented. Did the business needs change? No. Did the business benefit in any way from this change? No. Did this cost the company money? You bet!

Case Study #2:

ABCCo had an established relationship with a local technology support provider. They were paying what they thought was a reasonable rate for desktop support technician to provide a monthly support. The company (a non-profit nursing home!) was setup on a retainer for 80 hours per month. Unfortunately, their contract dictated that the service hours were available on a use it or lose it basis. They often didn't use all of these hours for maintenance and support, and often lost hours. Hours = Money. Did they need 80 hours? Was the rate even reasonable? Since they didn't do their homework, they had no idea.

Case Study #3:

XYZCorp had a long and trusting relationship with their IT provider. They included the vendor staff in their staff meetings, management team meetings, and other important business activities. It was one big happy family, for a little while. The next thing you know the vendor got a little too comfortable. They were dictating management decisions, identifying how the budget should be spent, and telling the organization what they would and wouldn't do. They were acting like an internal IT department, and forgot who the customer was!

Red flags

Not all technology service providers are unethical or self-motivated, but they are many out there. Here are some things to look out for when working with a technology support provider.

The vendor tells you they are a certified partner or reseller of a major software or hardware provider.

Most of these so called partnerships are bought. That is right. For the right price, you can buy the title from even reputable organizations like Microsoft. Some providers will try to sell you on the notion that this is a good thing. As a "partner" or even a reseller your vendor may get some price discounts or they may get free/cheap software licenses for their own use.

In some cases, the vendor may be a partner because someone on their staff has passed a test. That may mean that they know that particular product well, but is that the best software to meet your defined business needs? Maybe, but you shouldn't count on that. A vendor should always evaluate your business needs and provide an unbiased solution recommendation that will ensure that you meet your business goals. The recommendation should not be centered just around the technology that they know!

The vendor proposes a major restructuring initiative requiring significant expense.
The vendor may propose a great, new technology which requires you to purchase new equipment or software. They tell you that the previous vendor's work wasn't up to snuff and now you have to make a big investment to undo everything that was previously done. Not only that, you will likely need to train your staff on the new processes or applications. Unless you have put out an RFP, and most companies don't do that, how does the vendor know what you want or need? Does the proposed solution take into account your business needs? Have you taken the time to establish your business goals for the year?

The vendor wants to know your budget.

To put it bluntly, this is none of their business. When you go to buy a car do you tell the car salesman how much money you have in your bank account? Of course not. If you tell them how much you have in your budget they will spend right up to that amount, whether that is what you need or not.

The vendor suggests that you need to be on a retainer.

Retainers are great for vendors. It helps them manage their resource load and certainly provides much needed cash flow. Every organization may not need a retainer. You should consider how many different devices you have on your network, your business plans for the year, the talent you have within your own organization, and how often you have needed support in the past. You do need to have a relationship with a vendor who you can call when you need them. This may or may not require a retainer.

What Can You Do?

Define Requirements

Hopefully you did this before you hired the provider. If not, it is never too late. You cannot define technology requirements if you haven't defined your business requirements. Technology should not drive the business; the business should drive the technology! BEFORE you contact any technology service provider you should have an established business plan and marketing plan in place. AFTER you have done that, you should create an IT Strategy for your business. This should be done in conjunction with a reputable technology consultant. This does not have to be the same person that will perform the work. In fact, it is often best to use a third party consultant that has no skin in the game. They will guide you and advise you in a way that is in the best interest of your organization, not in the best interest of theirs.

Requirements definition can be done strategically relative to your plan, and also more tactically as it relates to specific initiatives or projects. The requirements process sets the expectations for everyone on your team, including external vendors.

Define Roles

Role definition is often overlooked. Do not assume that your vendor or your staff has a clear understanding of their role. Document it and communicate it to all in writing. Update the roles as required and review at least bi-annually to ensure that the definitions are still accurate.

Your IT provider is NOT part of your management team. Do not include them in your financial meetings or business planning sessions, unless you are talking about technology. In that case, invite them in for the part of the meeting that pertains to them and then kindly excuse them from the meeting. Be very thoughtful about what they do and do not participate in and what you will and will not say to them.

In terms of budget, you should obviously have this identified, but it is not something that you need to communicate to your vendor. If budget is a concern, you can indicate that you are looking for a cost effective solution. Another approach is to ask for the vendor if there is a logical phased approach that could be taken to defer the financial investment of technology investments.

Be Accountable

Do not use the excuse that you don't understand the technology. You **must** make it your responsibility to clearly articulate your business needs and understand what the vendors are proposing to you. Then, you must make decisions that are in the best interest of your organization. You need to appoint one person in your organization to be responsible to manage the IT vendor(s). If you do not have anyone on your staff that can do this, you should consider contracting with a

consultant to perform this duty for you. The position will pay for itself in cost savings!

If you are on a retainer or have signed a contract with your provider, you must fully understand what it does and does not include. For example, if you have a retainer that provides 20 hours of support per month and if you don't use it you lose it, you need to make sure that you use it. If you get to week three and haven't used the hours, create something for the vendor to do for you. This could be creating ad-hoc reports, reorganizing the wiring of each workstation or servers, verifying back-up tapes, testing file restoration processes, creation of a disaster recovery plans, documenting processes or network architecture, etc. Keep a list of all things that you think would be nice to have and refer to it to use up the hours.

If your contract defines the maintenance items that the vendor will provide each month, ask them to confirm this with a monthly report of their findings. If you are not getting the information that you think is valuable provide them with a template. Make your expectations clear to the vendor. If the expectations change, always communicate the change in writing to your provider. Use the attached IT Management Checklist as a starting point for your organization. You should customize the checklist to include activities that are specific to the vendor that you are working with and any contractual obligations that they have to you.

Real Results

Successful relationships require commitment, frequent communication, and a common goal. This means that both parties must work together for the good of the relationship. If the vendor is not committed to helping you achieve your business goals, chances are your relationship will fail. Similarly, if you do not clearly and frequently communicate with your vendor, they cannot possibly meet your expectations. Typically a failed client/vendor relationship has nothing to do with the technology skills, but everything to do with relationship management. While this may seem to be common sense, it is a very prevalent issue.

By taking the time up front to define requirements, define roles, and then manage the expectations, you will see positive results. This must be an ongoing priority within both organizations. If, after approaching the relationship in this way, you continue to struggle or not see the results that you expect, it will be time to consider other options. This may result in severing the relationship with the current provider and exploring other solutions. If that happens, look at it as an opportunity to make positive change in your environment. Step back, re-evaluate the requirements, and identify a new partner that will be committed to helping the organization reach their goals.

Primary IT Management Monthly Checklist

Desktop Maintenance

- Anti-virus definitions updates
- Windows Updates/Patches installed
- System back-ups confirmed
- Spyware/Adware Check conducted
- Defrag/Disk Clean-up

Network Maintenance

- Server(s) anti-virus definitions updated
- Server(s) Windows Updates/Patches installed
- Server(s) back-ups confirmed
- Intrusion Detection Review
- SPAM/Virus capture Review
- Capacity and Performance Evaluation
- Network Monitoring/Uptime

Support/Service Levels

- Support Requests Reviewed
 - Total Calls
 - Time to Respond/Resolve
 - Type of Issue(s)
- Participate in Monthly Technology Meeting
- Status Reports Submitted

Projects/New Requests

- Project #1: Timeline On Target Budget On Target

Comments:

- Project #2: Timeline On Target Budget On Target

Comments: