

Bang for your buck

Maximize the efficiency of your technology with vendor management

INTERVIEWED BY JAYNE GEST

As organizations grow, different departments will invest in technology and business applications to support that growth. Human resources might buy HR software to manage an influx of hiring, while sales could see a need for a new customer relationship management system.

However, these departments often are siloed. They have their own budgets and may be independently sourcing technology without communicating with other departments, seeing the overall technology picture or reviewing the current vendor relationships.

This challenge is exacerbated by the fact that many organizations today have fewer internal IT resources.

“What happens is a lot of data gets dumped into systems and there’s not a lot of communication between the systems. At the same time, the more vendors you have managing your IT infrastructure, the harder it is to perform quality vendor management,” says Ryan Coleman, director of sales at Blue Technologies.

Smart Business spoke with Coleman about choosing the right technology partnership(s) to maximize the efficiency of your technology portfolio.

Why is vendor management important?

Many organizations fall into a reactive state, where they go out and try to find somebody to fix a technology problem, rather than leveraging their current vendors. In fact, within the technology space, many vendors often overlap, and it can be confusing, such as not knowing who is managing what licenses. This causes inefficiencies.

At the same time, the C-level executives — who rely on directors or vice presidents to source new technology — often only see the needs of business from an operational

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standpoint. They don’t consider the need for proactive vendor management. They don’t know if their software vendors are hitting the key performance indicators, or if their managed service partner is maintaining all of the service-level agreements it committed to in the contract three years ago.

There’s a soft cost associated with procurement and vendor management. That’s why very large organizations have a strategic sourcing division or procurement department. If you’re not looking at your full technology portfolio and associated vendors, you could be missing out on potential savings and efficiencies.

How do business leaders know for sure this is a problem and what can they do to fix it?

You’ll want to look for key indicators that you may have a vendor issue. Perhaps you’ve had the same vendor(s) in the same space doing the same thing for years, and you haven’t re-evaluated or conducted periodic business reviews. Or you may find you have many disparate and overlapping systems across your organization. Another concern is if your business is still doing things the way they’ve always been done, since your technology partner(s) should be proactively updating you on new technologies and industry trends.

If any of these red flags resonate with your organization, ask your technology

partner(s) for a business review. It will help you begin to gather analytical data and create a roadmap for the future. Evaluate this review by asking:

- Does the review accurately detail where you’re at and where you want to go? Or is it stagnant and outdated?
- Are they customizing solutions to your unique business needs, or taking a turnkey, one-size-fits-all approach?
- Are they incorporating the latest technology updates and industry trends?

You also might consider hiring someone for a comprehensive check from a vendor-agnostic standpoint. It’s like a health checkup, where that partner helps determine whether the business is getting the most out of its current vendors, what can be improved and where vendor consolidation may make sense.

How do the most successful organizations stay lean in the technology vendor space?

A lot of organizations try to ‘cut the tail’ off the soft costs associated with procurement. You can do that with thorough due diligence to select the right technology partner — a preferred vendor that can offer a range of solutions.

With the right partner, you’ll have periodic account reviews, etc., to ensure your infrastructure is proactively and effectively managed at the vendor level. ●