![NetApp logo]

Go further, faster™

Vendor Management

Strategies for Managing Your Outsource Relationships

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Agenda

Vendor Selection

4 Steps to Vendor Selection

Vendor Selection

- 4-Step, "gating" process
- Each stage builds on previous

Vendor List

- Vendor Management maintains a vendor list
  - Stable of potential partners
  - Constant evaluation
  - Competitive environment
  - Group by capability (IT Infrastructure, HelpDesk, BPO, etc.)
- Keep contacts up to date

Starting Vendor List

Vendor 1	Vendor 2	Vendor 3	Vendor 4	Vendor 5	Vendor 6	Vendor 7	Vendor 8

Pre-Assessment

- Do not disqualify, unless obvious
  - Location
  - Language
  - Vertical alignment
  - Financial stability
  - Other capability
- Look for fit potential

Pre-Assessment

| Vendor 1 | | Vendor 3 | Vendor 4 | | Vendor 6 | Vendor 7 | Vendor 8 |

RFP

- Discern through the fluff
- What's meaningful?
  - Capacity and Ability to Implement
  - Infrastructure
  - Manageability
  - Financial Position
  - Overall Quality of Proposal
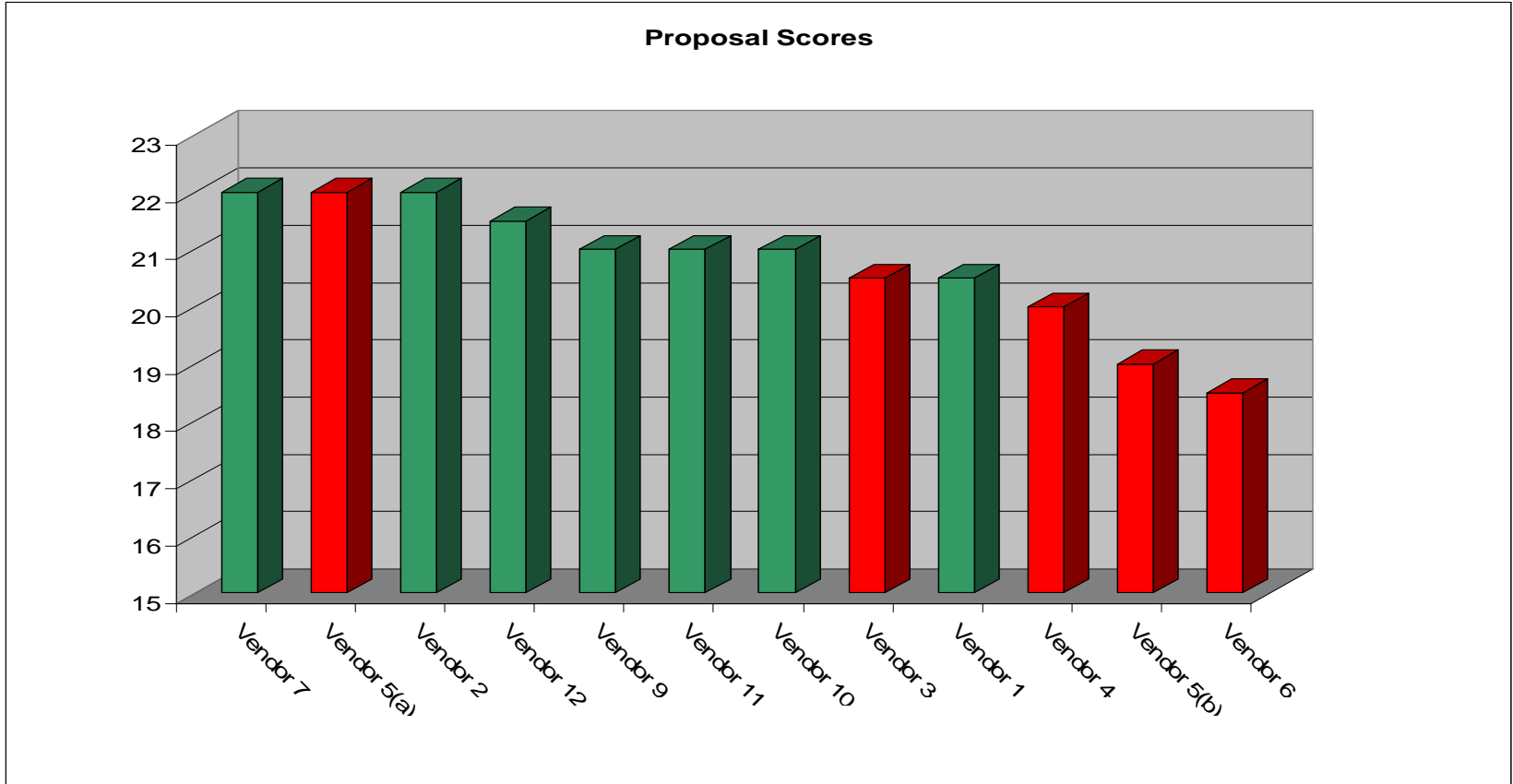   - differentiators
    - understanding
    - additional capabilities

Microsoft Excel Worksheet

RFP | Vendor 1 | Vendor 3 Vendor 4 | Vendor 6 Vendor 7

RFP

Proposal Scores

Site Visits

- The RFP comes alive
  - Hiring and Retention Practices
  - Site and Operations Management
  - Quality Initiatives
  - Company Overview
  - Training Processes and Capability
  - Site/Facility Capability and Tour
  - Agent Roundtable
- Look for discrepancies with the RFP

Site Visits

Vendor 1   Vendor 6   Vendor 7
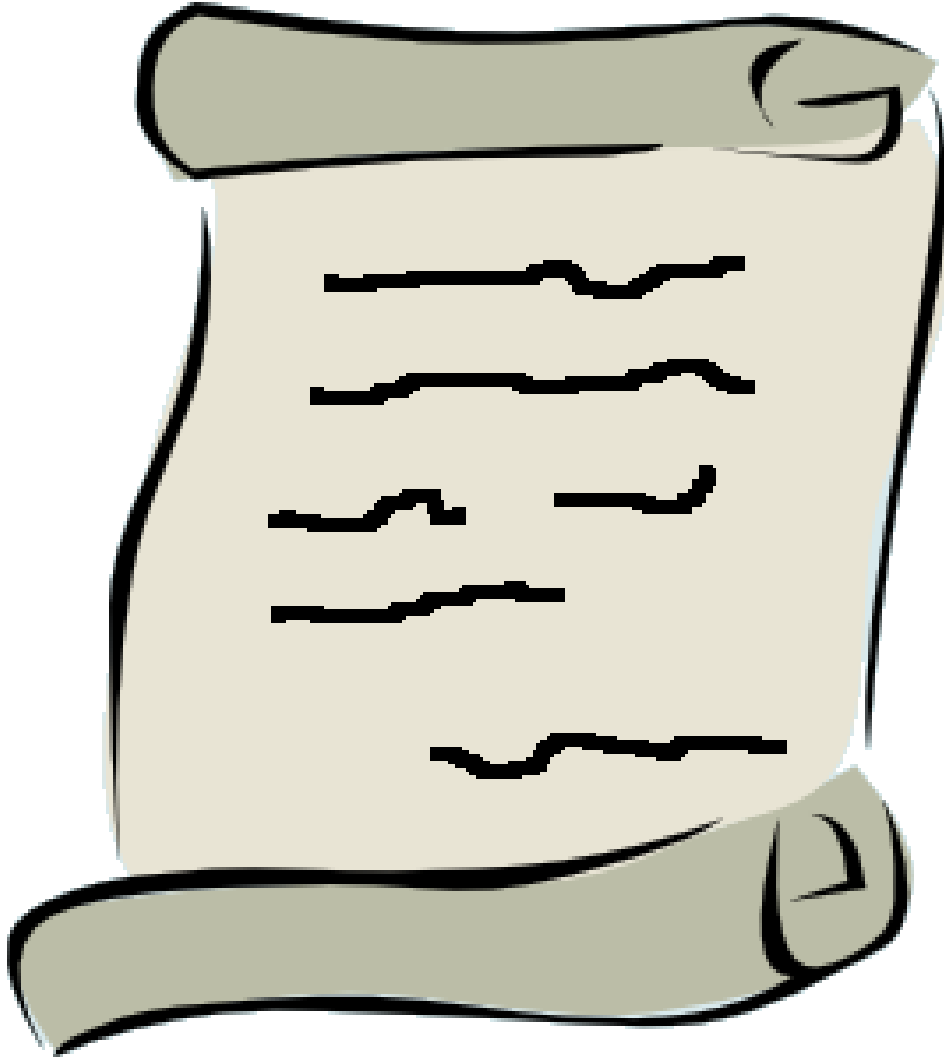
Final Presentation

- Involve the stakeholders
  - Decision-makers
  - Influencers
- Provides opportunity for vendor to focus on what's important to them
- Opportunity to obtain consensus from selection team

Final Presentations

Vendor 1   Vendor 6

The Ink Is Dry, Now What?

The 3

Wants/Needs

Keys

3 Keys

- **You must know your success criteria**

    – You vendor WANTS to achieve success

    – You NEED this to happen

        ■ Work with vendor to define

        ■ Do NOT allow a vendor to alter

    – Update with Vendor as requirements change

    – Reward success

3 Keys

- **Use your vendor's strengths**

  - You vendor WANTS to sell more services
  - You might NEED what they are pitching

- You provide a competitive environment without another competitor
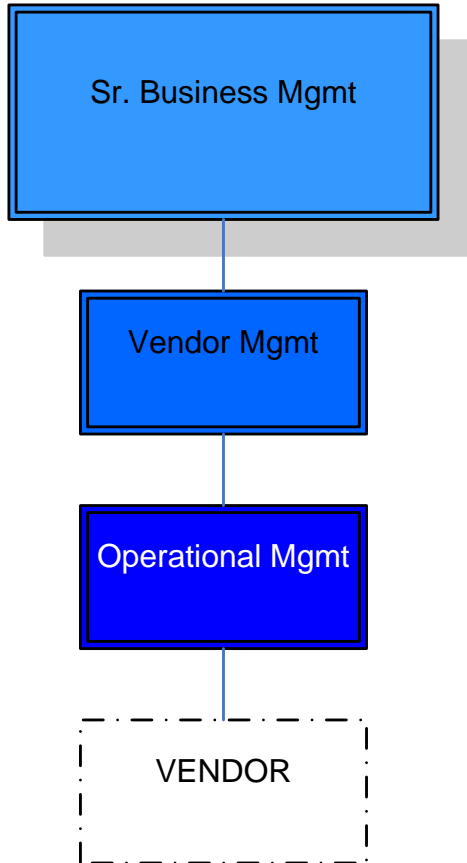- A motivated vendor is a good vendor
- You may actually benefit

3 Keys

- **You cannot fire and forget**

  - Your vendor WANTS to be managed
  - Your vendor NEEDS to be managed

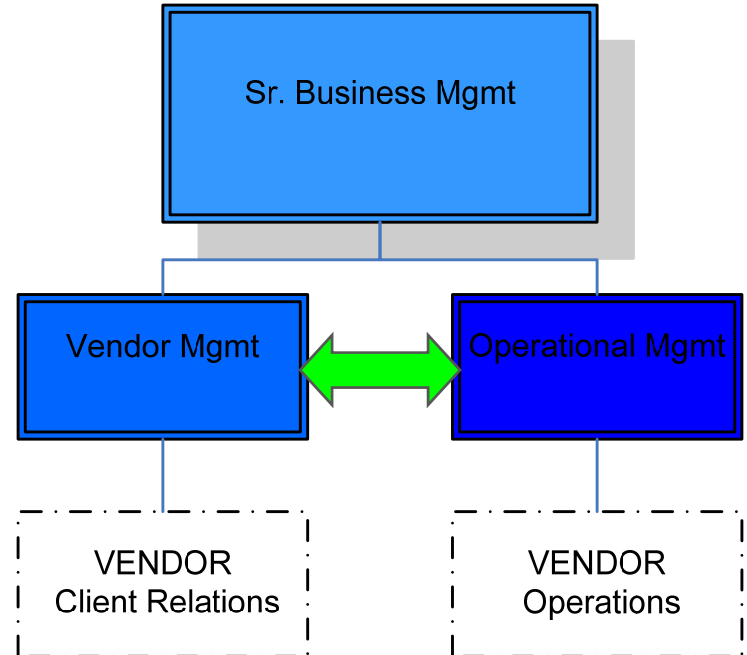 - Plan on allocating management resources to your vendor
    - Internal mgmt resource(s) who is/are accountable
    - Treat external mgmt as extended staff

3 Keys

Traditional

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        ┌─────────────────────┐
        │   Sr. Business Mgmt │
        └─────────────────────┘
                  │
        ┌─────────────────────┐
        │     Vendor Mgmt     │
        └─────────────────────┘
                  │
        ┌─────────────────────┐
        │   Operational Mgmt  │
        └─────────────────────┘
                  │
        ┌ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┐
              VENDOR
        └ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ┘
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Suggested

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        ┌───────────────────────────────────┐
        │          Sr. Business Mgmt        │
        └───────────────────────────────────┘
              │                          │
    ┌──────────────┐  ⬅➡  ┌──────────────────┐
    │  Vendor Mgmt │      │  Operational Mgmt │
    └──────────────┘      └──────────────────┘
          │                       │
    ┌ ─ ─ ─ ─ ─ ─ ┐      ┌ ─ ─ ─ ─ ─ ─ ─ ┐
        VENDOR                VENDOR
     Client Relations        Operations
    └ ─ ─ ─ ─ ─ ─ ┘      └ ─ ─ ─ ─ ─ ─ ─ ┘
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Vendor Management?!?!

The 2
Goals of Vendor
Management

Why Vendor Management at NetApp?

- Vendor spend makes up 1/3 of Global Support budget
- Vendors managed by capable Ops Managers
  - May not have specific vendor mgmt. skill sets
  - Bandwidth constrained
- No consolidated vendor strategy
  - Are vendors meeting our stated goals and objectives?
  - Are we getting the most for our money

Meeting Objectives

- Use Vendor Management to help decide…

- Once decision is made, allow VM to complete four steps…

- Once vendor is selected, let VM provide three keys…

- Hold VM accountable for goals and objectives

Greatest Value

- A vendor management org. is uniquely suited:

  - To ensure value across vendor engagements
    - Leverage existing
    - Introduce new
    - Create combinations, where possible
  - Manage multivendor relationships
  - Standardize across vendors
    - Process
    - Compliance
  - Ensure maximization of vendor relationships

Ultimate Maxim

Don't be a vendor basher!

Summary

- 4 Steps to vendor selection

- 3 Wants/Needs keys to success

- 2 Goals of Vendor Management

- 1 Ultimate Maxim

Thank you for your attention!

Questions?