



OTTC₁₄

OnBase Training &
Technology Conference

Case Management Solutions in Accounting & Finance

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Business Consultant*

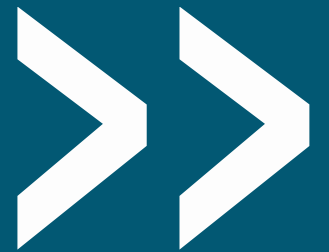


Agenda

1. The Problem Space
2. How does OnBase fit?
3. Key Takeaways

The Problem Space

Vendor/Supplier Relationship Management



First Supplier/Vendor Relationship Mgmt. Initiative?*

- **Company:**
 - Toyota's Purchasing Rules
- **Year:**
 - 1939



- **Purchasing and Supply Chain Management**, by Robert Menczka, Robert Handfield, Larry Giunipero, and James Patterson; Cengage Learning, March 28, 2011.

S/V RM Timeline, By Industry and Company



- **Automotive Industry:**
 - Toyota, Ford, GM – 1940's through 1960's
- **Medical/Hospitals:**
 - John's Hopkins, Mass. General Hospital – 1970's through 1990's
- **Armed Services:**
 - Navy, Army, Air Force – Late 1990's through 2012
- **Retail:**
 - Walmart – Ongoing (Part of Corporate Strategy)



Definition of “Large Scale”?



“Large scale” Supplier/Vendor Relationship Management all depends upon the scale of your own organization.

For some organizations, managing 20 to 30 suppliers is considered large scale. For others, it can easily range into the thousands.

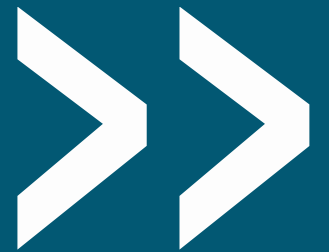
How well is your organization managing your relationships?

Supplier/Vendor Relationship Management Statistics

- 47% of organizations surveyed have no formal supplier onboarding process (not using of RFI, RFQ, RFB, or RFP).
- Roughly 15% have not even identified which materials/services are critical to the organization, and who provides these.
- 70% have no preferred supplier/vendor program. 40% of this group have no idea of their supplier's pricing structure for volume discount ordering. Pricing only factor in ordering.
- Roughly 15% have no issue tracking/resolution solution, no quality standards/tracking, no "Do Not Use" status.

How does OnBase fit?

Supplier/Vendor Relationship Management



Vendor Sourcing— refers to the organizations practices, aimed at finding, evaluating and working with suppliers of goods and services

Relationship Strengthening— building a relationship with vendors that will help strengthen both businesses.

Vendor Governance— the ongoing monitoring and management of vendor risk, and ensuring this information is reviewed on a regular basis





Business Pains



- **Lack a formal request process**
 - Via words of mouth, paper forms, or email
- **The rules can change based on vendor type and product or service being supplied**
 - Compliance documents
 - Re-assessment intervals
 - The people involved
- **Organizations want to include the vendor in the process**
 - However, it's proven to be a technology nightmare

Business Initiator

[Vendor Request Form \(Part A\) for
COMPUTERS R US - Application #: 138](#)

Vendor Request Form (Part A) for OFFICE
SUPPLY WAREHOUSES - Application #:

Vendor Management

Click to view and search the official vendor list.

Vendor Request Form (Part A)

Instructions

Request Detail

Vendor Details

Vendor Name 

Hyland Software

Select the type which best describes the service/good*

SUPPLIER OF SERVICE

Goods/Service Supplied*

IT SOFTWARE

Provide a detailed description of good or service*

Hyland software is the developer of an ECM/CM platform called OnBase. Our IT and Legal departments would like to use this software for contract management.

Vendor Contact Name

Steve Tillman

Vendor Contact Email stillman@hyland.com

Contact Phone 1 *

(440)788-5000

Required Risk Documents

Vendors will be required to provide the following risk documentation.

☒ **Public Liability**

 **Workers Compensation**

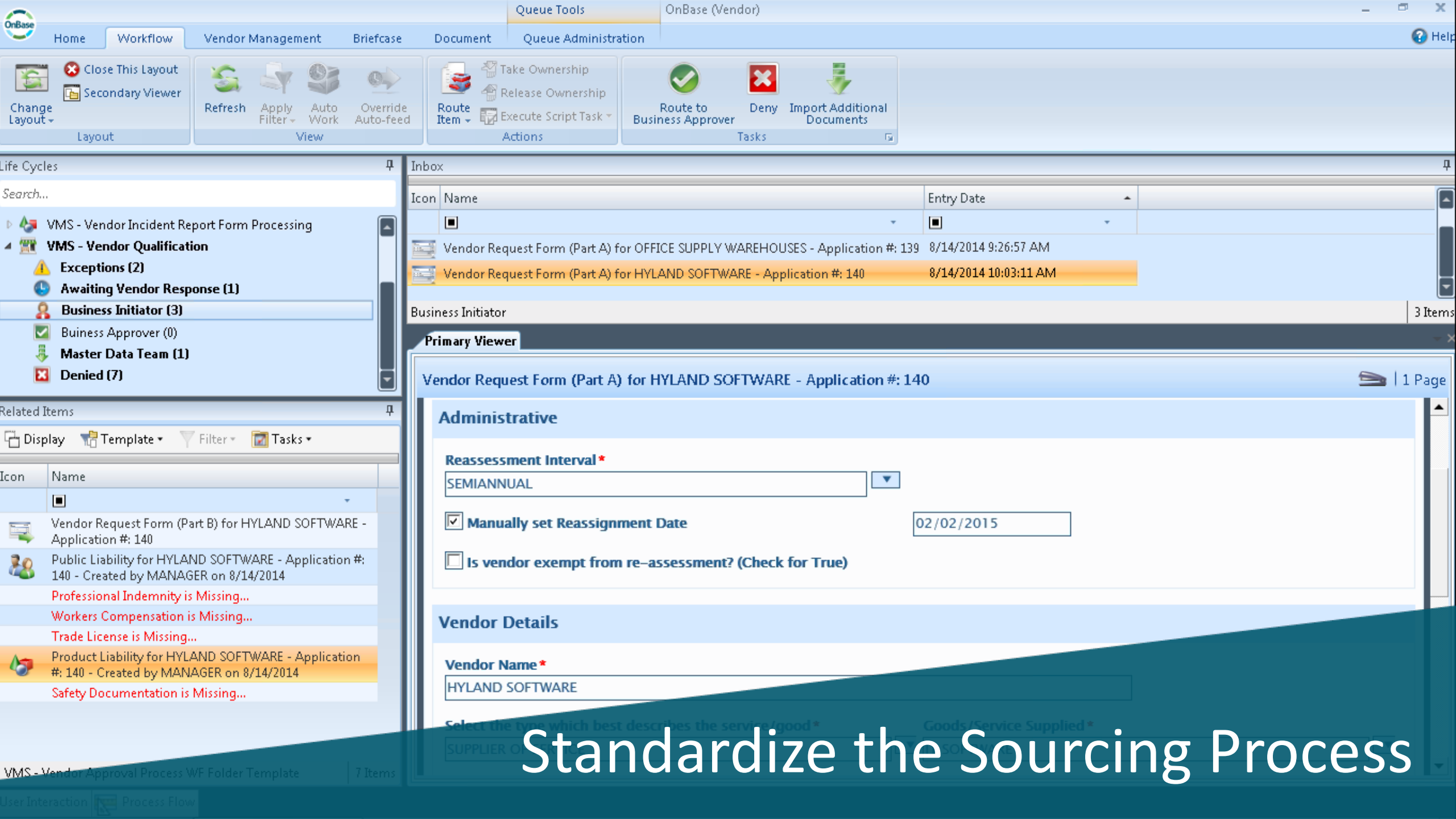
☒ **Product Liability**☒ Professional Indemnity

 **Trade Licences**

 **Safety Documentation**

 Approved for Subcontractor

Submit



Standardize the Sourcing Process

Business Benefits

- Self-service access speeds up the request process
- Formalizes the request and sourcing process
- Ensures the right information and documents are captured at the start of the relationship
- Background checks, key contacts, insurance, financials, etc.
- Solution can even be extended to provide for external vendor access




Business Pains




- **Studies have proven that a focus on buying only at the lowest price leads to quality issues.**
- **Lack of knowledge of supplier pricing structures leads to inefficient per unit pricing and more frequent buying intervals.**
- **Inefficient spreadsheets used to manage expirations and renewals**
 - Limited visibility into contracts expiring in near future, auto-renewals, etc.

 Open


 Create


 Delete

 Add to Favorites

 Save Filter Settings


 Reset Filter Settings


 Display Column Chooser


 Open in New Window


 Collapse All

 Print


 Print Preview

 Export to Excel

 Compose Document

 Refresh

 Retrieve all records

 Display as Dashboard

General

Favorites

Settings

Subfilter

Print

Export

Refresh

Dashboard

Vendor Management

Filters

Vendors

Vendor (Search)

All Vendors (24)

Product Search

Contract Management

Risk Management

Incidents

My Custom Filters

Product Search

Constraints

Product Name = *Keyboard*

Category = Electronics

Unit Cost > 30

And

Unit Cost < 100

Unit of Measure = /Unit

Vendor Name =

Search

Search Vendor

Product Name	Category	Unit Cost	Unit of Measure	Vendor Name	Vendor Status
Microsoft Natural Ergo Keyboard 4000	Electronics	51.00	/Unit	OFFICE TECHNOLOGY	APPROVED
Microsoft Natural Ergo Keyboard 4000	Electronics	50.00	/Unit	OFFICE SUPPLY WAREHOUSE	PREFERRED
Operator	Quantity	Unit of Measure	Discount Price		
>	10	/Unit	45.00		
>	20	/Unit	40.00		



Folder

Document

Signatures



Find

Filter

Template

Find



Keywords

Information



History



Send To

Actions



Notes



New Note



Delete Note



Go To Bookmark

Notes and Bookmarks

Folder Tree

- Vendor #: 74 - OFFICE SUPPLIES INC.
 - Vendor Documents
 - Vendor Contracts
 - Vendor Evaluations
 - Vendor Incident Reports

Document

Vendor AMENDMENT for OFFICE SUPPLY WAREHOUSE - Expires On: 8/13/2015

1 Page

AMENDMENT TO COMPUTERS ARE US MASTER AGREEMENT

Whereas, 9 Second Foods Inc. ("Partner") and Computers Are Us entered into a Master Agreement on September 05, 2011;

Whereas, Partner and Computers Are Us wish to provide for additional one-year terms to that Master Agreement;

Therefore, Partner and Computers Are Us agree to amend Section 5. Of the Master agreement to read as follows:

5. Term. The term of this Agreement ("Term") is twelve (12) months from the date of last signature. Unless Computer Are Us notifies in writing 30 days prior to expiry of the Term, the Term shall automatically renew for another twelve (12) month Term. In the event of an early termination as

Vendor Documents

Vendor Contracts


Vendor Evaluations

Vendor Incident Reports




Create


Create



Month



Week



Day



Refresh


Refresh




Calendar Filters




Contracts by Expiration




Vendor Management




Calendars




Vendor Calendar




Month view



Week view




Day view




Contracts by Expiration


Product Search




All Vendors



Contracts Expiring in the next 6 Months



Vendor Calendar



◀

December, 2014

▶

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Nov 30 - D	30	1	2	3	4	5	6
Dec 7 - De	7	8	9	10	11 Vendor # : 77 - TOTAL...	12	13
Dec 14 - D	14	15	16	17	18	19 Vendor # : 83 - EISNER...	20
Dec 21 - D	21	22	23 Vendor # : 81 - PLAIN...	24	25	26	27
Dec 28 - Ji	28 Vendor # : 69 - GLASS...	29	30 Vendor # : 81 - PLAIN ORANGE PLASTICS Vendor # : 74 - OFFICE...	1	2 Vendor # : 80 - YELLO...	3	
Jan 4 - Jan	4	5	6	7	8	9	10

Notifications (0)

Business Benefits

- Preferred supplier/vendor programs not only lead to improved relationships but better Contract Management. “Lock in better prices” with preferred suppliers.
- Improved clarity/transparency into supplier pricing structures leads to better price per unit buying at less frequent intervals.
- Provides visibility into contract expirations and auto-renewals through ad-hoc reporting
 - Clearly see contracts expiring in 90, 60, 30 days
 - Proactive notifications as due dates approach



Business Pains



- **Lack of visibility into vendor incidents**
 - People will provide repeat business to problem vendors/suppliers
- **No formal mechanisms or processes in place to capture feedback or issues**
- **Organizations often resort to using office productivity tools such as Excel Spreadsheets to manage re-assessment schedules**

Vendor Request Form (Part A) for HY
SOFTWARE - Application #: 140

Click to view and search the official vendor list.

Create a New Form

Vendor Evaluation Form

Quality Rating

2

Price Rating

1

Performance Comments *

Poor marks because this vendor keeps increasing their prices almost everytime we order.
We are also now starting to miss shipments from this vendor.

☒ Was this an unfavorable experience? (Check for True)

Specify what your unfavorable experience relates to

SHIPPING

Date of Issue

8/4/2014

PO # (if known)

660

☒ Is this contract unfair to our organization? (Check for True)

☒ Did this mistake cost us money? (Check for True)

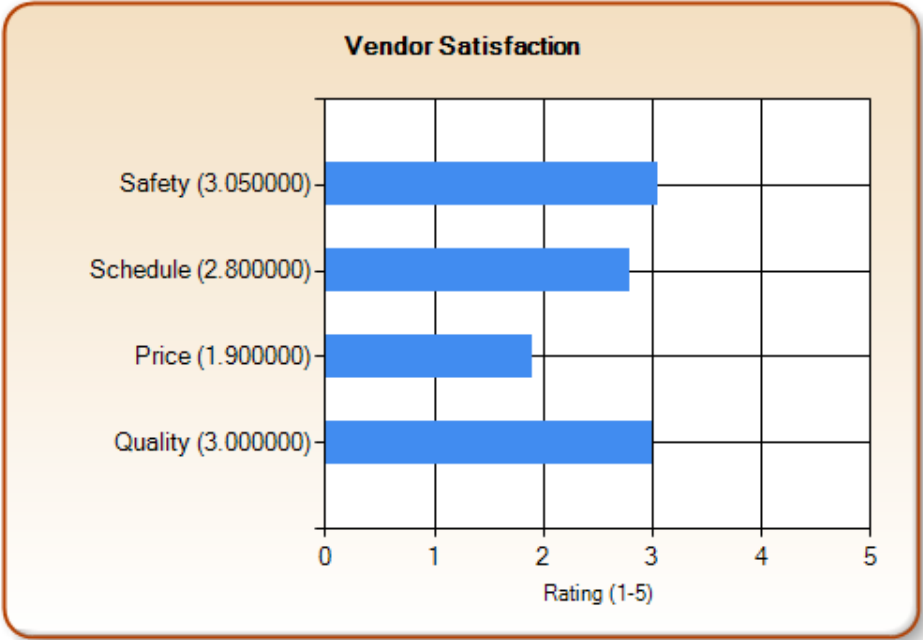
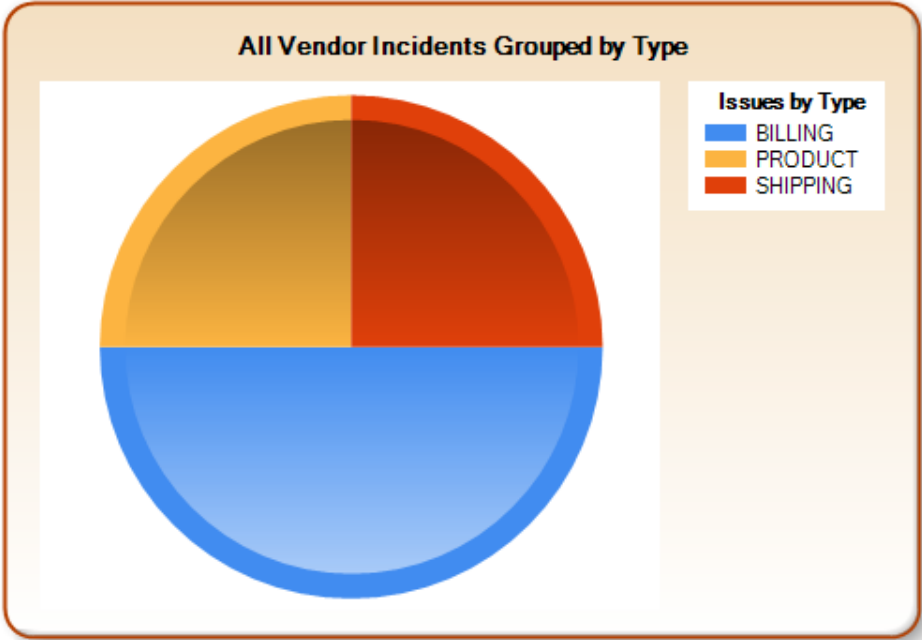
Please describe your issue in detail

Got an invoice for goods that we did not get...

Administrative Use Only

Submit

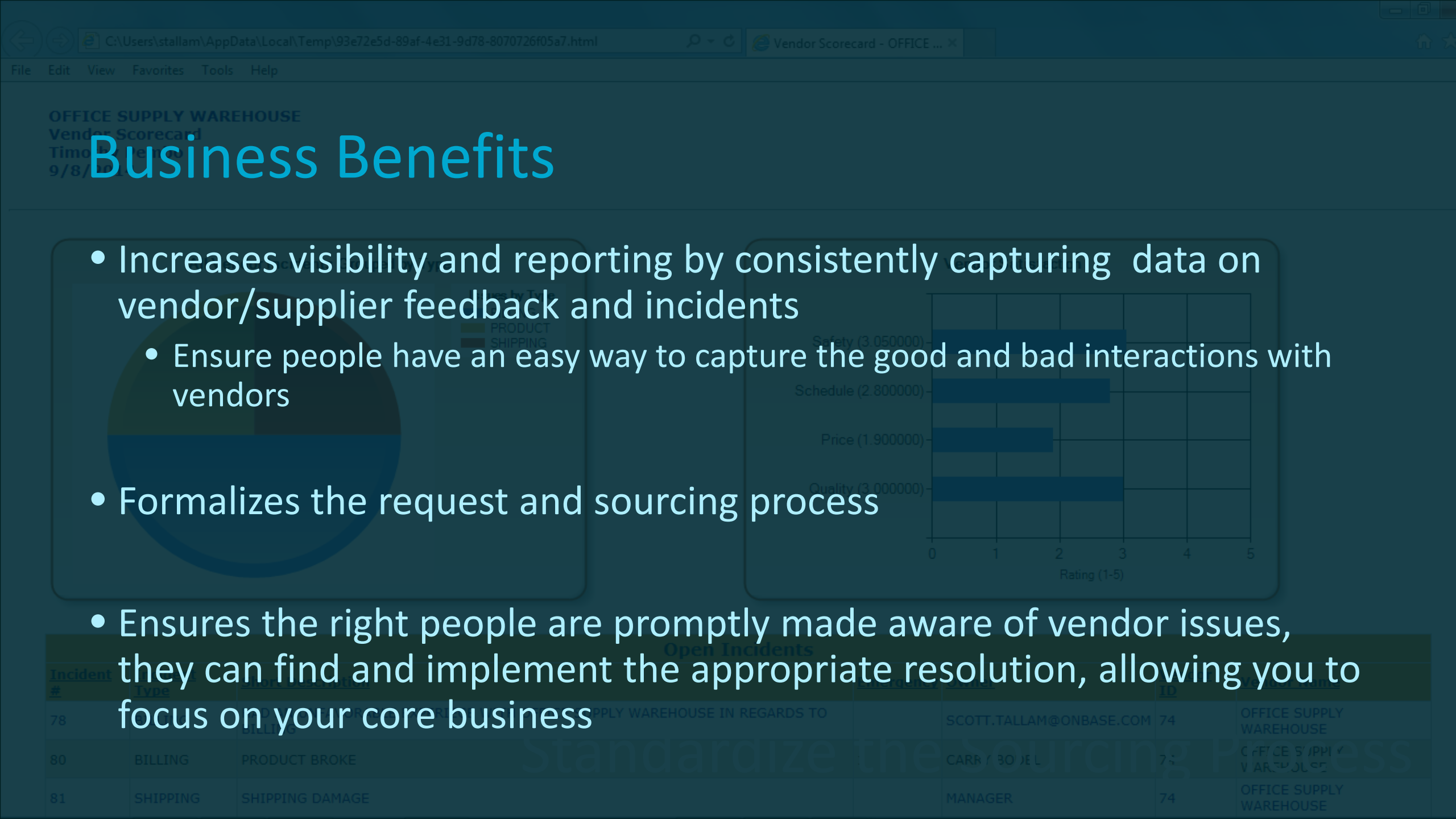
OFFICE SUPPLY WAREHOUSE
Vendor Scorecard
Timothy Pembo
9/8/2014



Open Incidents

Incident #	Incident Type	Short Description	Emergency	Owner	Vendor ID	Vendor Name
78	BILLING	HAD AN UNFAVORABLE EXPERIECE WITH OFFICE SUPPLY WAREHOUSE IN REGARDS TO BILLING		SCOTT.TALLAM@ONBASE.COM	74	OFFICE SUPPLY WAREHOUSE
80	BILLING	PRODUCT BROKE		EARLY B...		OFFICE SUPPLY WAREHOUSE
81	SHIPPING	SIPPING DAMAGE		MANAGER	74	OFFICE SUPPLY WAREHOUSE

Report on Performance



- Increases visibility and reporting by consistently capturing data on vendor/supplier feedback and incidents
 - Ensure people have an easy way to capture the good and bad interactions with vendors
- Formalizes the request and sourcing process
- Ensures the right people are promptly made aware of vendor issues, they can find and implement the appropriate resolution, allowing you to focus on your core business



Open Incidents						
Incident #	Type	Short Description	Emergency	Owner	ID	Vendor Name
78	BILLING	OFFICE SUPPLY WAREHOUSE IN REGARDS TO		SCOTT.TALLAM@ONBASE.COM	74	OFFICE SUPPLY WAREHOUSE
80	BILLING	PRODUCT BROKE		CARR / 30 JEL	75	OFFICE SUPPLY WAREHOUSE
81	SHIPPING	SHIPPING DAMAGE		MANAGER	74	OFFICE SUPPLY WAREHOUSE

Summary

1. Identify your mission critical materials and services;
2. Contact Hyland Software or your reseller for a custom Vendor Relationship Management solution
3. Cut costs, increase efficiency, and become your industry's standard for best practices in Vendor Relationship Management.