

VENDOR MANAGEMENT & GOVERNANCE

Today's health care technology, security and service delivery landscape is complex and ever-changing. For health care IT organizations, this environment presents specific challenges. To successfully enable and support business goals and initiatives, there is a need to rely on dozens or hundreds of external suppliers and service providers, broadly categorized as vendors. In many cases, vendor management is simply when the health care organization has a particular need in selecting a vendor, negotiating the lowest possible price and signing a contract, which is where most organizations end managing their vendors. While this may meet an immediate need, in essence, this has only created a transactional, short-term relationship with all vendors that fails to maximize the vendor's value or strengthen the relationship with the vendors for long-term success. In addition, failure to comply with contractual obligations or not holding the vendor accountable for their obligations could lead to contractual breaches or weaken the organization's legal position should it be necessary to end the agreement.

Vendor management is the discipline and organizational commitment for effectively managing vendors through the entire relationship: selecting the best vendors to meet business goals, contracting with the right terms, establishing appropriately sized ongoing management and governance with the vendors, monitoring their performance and building long-term relationships that are mutually beneficial to both parties. These activities require skilled resources and time, and when done correctly, help achieve the business goals and provide the high-quality service to your customers at an effective cost over the long term.

Our advisors understand each health care organization has its own unique IT structure, business goals and vendor portfolios and will provide tailored, practical advice on how to implement a vendor management and governance structure that is flexible and meets the strategic objectives of your organization. Hall Render IT Advisory Services can support health systems in becoming IT services organizations in the following areas:

- Based on vendor portfolio and business goals, review existing or propose new vendor management structure, roles, responsibilities and processes to provide effective management of vendor contracts, transactions and relationships. This sets the foundation for all other work;
- Organize suppliers and service providers to allow for comparison of vendors offering similar offerings/services and creation of common scorecards for monitoring and rating vendor performance, costs and overall value;
- Assess current state partner continuum classification and determine desired future state continuum classification and recommendations for aligning;
- Provide best practices for enhancing and growing existing vendor relationships, or developing new ones as needed, that include effective communications, value alignment and strategic partnerships;
- Review vendor contracts and provide recommendations for changes to enhance vendor management, reporting and formal governance for ensuing contract compliance; and
- Review vendor performance monitoring, service level adherence, regular business reviews and reporting and identify opportunities for improving and enhancing.