

## The eg vendor management program

Consider how much money is spent with your suppliers. . . .

Now consider, realistically, how much time and effort your company ACTUALLY spends managing and measuring suppliers after the negotiations. . . .

If your company is like most, once the contract is inked, the proactive management of the vendor slows down at the very time when it should heat up. In keeping with admirable Lean principles, which eg supports, management is becoming, rightly so, increasingly dependent upon outside suppliers to meet the technology and operational needs of their companies. But the efficiencies to be gained by reliance on vendors can significantly decrease unless the on-going performance of those suppliers is actively and expertly managed.

The three most common pitfalls of vendor management are

1. Confusing vendor selection with vendor management
2. Selecting vendors purely based on the lowest price
3. Not measuring the value of the vendor based upon business metrics

The eg vendor management program is a complete life-cycle system proven to decrease costs and improve quality. Our program includes processes, tools, and techniques that significantly improve

1. Procurement, using our highly structured methodology
2. Day-to-day operational quality, using our quick-hit performance process
3. Performance and costs, using our Balanced Scorecard approach
4. Strategic alignment, using our vendor ranking and strategic analysis tools

eg has implemented its vendor management program for companies with vendor spending ranging from \$200,000 up to \$450 million. Cost savings for companies using our program have averaged nearly 20 percent, and eg clients have seen quality improvements in the 30-to-40 percent range.

We believe that the complexity of the vendor management program should be tuned to the needs and complexity of the client. Our program does not use a “one size fits all” approach but rather is a highly customized capability that fits our clients individual needs and requirements. In other words, at eg you won’t find a solution looking for a problem that matches it. Instead, we develop the right solution for your particular vendor management needs.



Help your vendors learn how to support you rather than being heavy loads for you to carry.

