Essential Questions To Include in a Vendor Management System RFP
Understanding each phase of the process

Evaluating a vendor management system (VMS) can be an overwhelming process if you don’t know the right questions to ask in a request for proposal (RFP). You will want to conduct a thorough review of the vendor’s business model, core functionality and differentiating offerings such as business intelligence, integrations and customer service. As you begin to assess different vendors, this document can help guide your RFP and ensure the most important areas to your business are addressed sufficiently.

Company background

Understanding a company’s background, viability, market strength and overall strategy is the first step toward choosing a solution. The inquiries below can help benchmark VMS providers against one another and provide insights into a company’s industry standing and experience.

1. Is your organization owned or affiliated with a staffing company? If so, which one?
2. How does your organization’s technology enable managed service providers (MSPs)?
3. Provide detailed financial information about your company and parent company, if applicable.
4. What is the background of the management team? How many years of industry-specific expertise do they have, and how many years have they been with the company?

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Program structure
Because each organization has a different structure and management, it’s imperative to determine if the solution has the ability to work with a variety of MSPs or if capabilities are limited within the platform.

1. Can your product support programs managed by multiple MSPs or a combination of MSP-supported programs and self-managed programs? Do you allow for multiple MSPs or a combination of self-managed/MSPs?
2. Please provide examples of clients who have employed a multi-MSP model successfully.
3. Please provide an overview of additional services (outside of the VMS program) your company can provide to our organization that will reduce our overall cost and improve performance.
4. Can you describe how workflows are set up and sustained?

Product information

External workforce management
From the initial requisition to invoice, a VMS should provide a process that is cost effective, efficient, ensures quality and certifies compliance. When selecting a solution, it’s important to understand how each phase of the process will work. The questions below will help determine how a VMS will help streamline workflow and provide visibility into your workforce.

Requisitions
Please describe the automated processes available for the end user. How does your application allow for easy adoption and simplified processes?

Requisition distribution
How are requisitions distributed to suppliers? Can the distribution list be composed of “tiers” with preferred suppliers getting requisitions first, followed by second and third tier suppliers? What criteria or business rules can be used to define when information is passed to subsequent tiers?
Interview process
What is the process for using the application to schedule and track interviews?

Hiring process
• Does your solution allow for rate negotiation? How is the onboarding process handled?
• Is the application flexible to support multiple hiring practices in different countries and unique processes across the organization? Please provide examples of both scenarios.
• Do you have clients in the same regions where our organization does business?

Timesheets
• How do you assist with time entry to ensure hours are categorized properly?
• Please describe the process for addressing complex rates and tax rates in various countries and provide specific examples of how this has been accomplished.

Invoicing
• How do you make sure invoicing data is correct and immediately available to the client?
• When an MSP is involved, how does the application create the three-way invoice?
• How do changes to a large number of worker assignments happen all at once, such as when the company re-organizes or a cost center is closed and a new one must be assigned to many workers?
• Can the final invoice and any applicable taxes be generated within the system without any external processing or input? Does this also apply to a Statement of Work (SOW)?

Services procurement
In addition to external workforce management, a VMS should be capable of handling the sourcing and procurement of service providers, including multi-bid SOW processes, creation of an SOW and its distribution to suppliers and vendors. Each services engagement is different so the solution must allow for various levels of configuration.

1. Does the solution offer multi-bid SOW capabilities? If so, how can you control the suppliers authorized to respond to a multi-bid SOW? Can you ensure that only approved suppliers receive the multi-bid SOW?
2. Can I utilize a library of terms and templates when creating a contract or SOW? Can I inherit terms from previous contracts or SOWs and reuse?
3. Are RFP templates available so that users do not have to start from scratch? Can portions of the template be marked as required?
4. Describe the different payment structures that can be utilized within an SOW.
5. How can multiple people (internal and external) come together to negotiate an SOW?
Product administration

Matching VMS capabilities with your specific needs can help streamline business processes and ensure every step of the supply chain is managed effectively. Because no two programs are alike, the questions below help clarify the configuration options and how the solution might provide the end user insight and data.

1. Has the solution been created using third-party software (for instance, report writers, etc.)? If third-party software is required, please describe any additional licenses or infrastructure required, as well as how third-party software releases are introduced to the users.
2. How configurable is the workflow embedded within the system? Can the workflow be configured to support data-driven events, such as the cost of a transaction, overtime entered on a time sheet and the value of a customer-defined field on the transaction?
3. Does your solution allow program offices to upload and download tools?

“The ability to derive intelligence from a VMS can help you make more informed business decisions that will improve efficiency and lessen costs down the road.”
Business intelligence and reporting

The ability to derive intelligence from a VMS can help you make more informed business decisions that will improve efficiency and decrease costs. **Users should be able to access reports easily and these reports should be configurable to your business needs.**

1. Describe the architecture of the reporting system. Are third-party tools used?
2. How does the application support customized or ad hoc queries?
3. Can report definitions be saved for future use?
4. What user types can create ad hoc reports? Is there an additional fee?
5. Is it possible to create role-based dashboards to report more data besides basic functions, such as scorecards and KPIs? If so, please describe this process.
6. Can clients working locally download and email reports?
7. Describe the process for benchmarking and if it’s possible to benchmark against market data.

Technology

As with any technology solution, security is an ongoing concern with any VMS and should be addressed during the RFP process. **Among the issues to address are architecture, hosting and recovery processes.**

1. Describe the computer system security, intrusion detection, audit procedures, backup procedures, fault recovery procedures and disaster recovery plans.
2. Where do you host the system and what level of security is provided at the center?
3. Please give an overview of the technical architecture of the system.
Implementation and integration
Once you’ve decided on a VMS, the next steps are deploying the solution and integrating it into existing technologies. Make sure these are streamlined processes that will provide your users an optimal experience using the VMS.

1. What are the key elements required in order to assure a smooth and successful implementation?
2. What ERP, e-procurement or HR systems have been integrated with the system? (You can customize this question by asking for specific examples of integrations with the systems your company uses today.)

Customer support
Your program office and end users shouldn’t be left stranded once the solution has been implemented — they need to be supported regularly with a variety of training tools and guided resolution management. You’ll want to verify that the VMS is transparent about software releases as well as any additional costs these services might incur.

1. Please describe any assistance available to users such as self-help tools, user guides, tutorials and customer service support lines.
2. How will future releases be made available to us? Approximately how often is the solution upgraded? Are the upgrades considered part of our maintenance package or are there additional fees?
3. Can you describe any sort of assistance, such as a decision wizard or similar feature, that can help end users determine the type of work required?

Consultative services
Outside of technical customer support, program sponsors and program office staff can benefit from best practice expertise and benchmarking to craft strategy and define larger long-term goals. Access to this sort of knowledge base can be a key differentiator in the RFP process.

1. What expertise can you provide regarding industry best practices?
2. Describe the rate, supplier and performance benchmarks that can be made available.
3. Do you provide supplier support and training?

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