

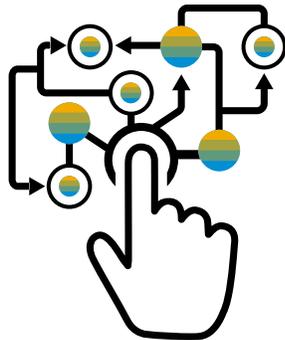


# Top Five Tips to Prepare for a Successful Vendor Management System Implementation

SAP Fieldglass Whitepaper

## Setting the tone

Initiating a large scale project to manage external workers and service providers can be daunting. Once your team makes decisions about how to structure the program and which vendors to partner with, the real work begins. Whether you decide to manage your program in-house or through a trusted Managed Service Provider (MSP), a Vendor Management System (VMS) will likely be employed to automate and streamline processes and provide visibility into your flexible workforce.



The implementation process often sets the tone for the VMS project's success, and it is a critical element to achieving executive approval, user acceptance and thirdparty system compatibility. A VMS implementation depends on the project scope and business requirements. Whether the project is relatively simple or complex, the following five steps can help ensure that your implementation runs smoothly and accomplishes the expected goals, on time and on budget.

“ It is important to ensure that every idea complements the identified and agreed upon objectives to avoid project scope creep. ”

## About SAP Fieldglass

SAP Fieldglass, a longstanding leader in external talent management and services procurement, is used by organizations around the world to find, engage and manage all types of flexible resources. Our cloud-based, open platform has been deployed in more than 180 countries and helps companies transform how work gets done, increase operational agility and accelerate business outcomes in the digital economy. Backed by the resources of SAP, our customers benefit from a roadmap driven by a continuous investment in innovation.

# 1

## Define objectives, metrics and key performance indicators (KPIs)

One of the first things you should do when kicking off the VMS implementation is to develop the scope of the project, determine the goals it should accomplish and then manage the entire project to those goals.

Different organizations will have different goals. For some, cost savings is the primary objective of the program so it's important to consider how you want to analyze that. For others, the priority may be to mitigate risk by better managing compliance with tenure regulations and on- and offboarding processes.

Many companies are most concerned with improving the quality of the workforce by using a scoring system and supplier/candidate evaluations. Other common objectives include ensuring adoption of the solution so more spend is controlled under management, decreasing the time to hire and shortening onboarding times.



**A good idea is to conduct a thorough needs analysis and compare those against your vendor's best practices.** While things may come up during the implementation that will clearly be unthought-of value adds, it is important to ensure that every idea compliments the identified and agreed upon objectives to avoid project scope creep.

Once the program goals are established, you'll want to determine how to measure and track results in a systematic and meaningful way. Tie specific metrics and KPIs to each objective. Once the VMS is in place it should be able to serve reports tracking these important metrics. If you have a third-party MSP or Vendor on Premise (VOP) partner you can also link the KPIs to the Service Level Agreements (SLAs) in areas such as response times, resume delivery, rates and invoice accuracy.

# 2

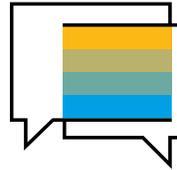
## Build the team and develop a clear communication strategy

It is important that the correct people are involved from the beginning of the implementation project to make sure that the process, potential scope and timeline are understood by all parties. Your internal team should include:

- a program sponsor
- a project manager
- someone with a technical aptitude

Your resources need to be dedicated to the project with enough bandwidth and have the appropriate skill level and knowledge. This team should provide updates to your senior management periodically concerning the project's status. Your project sponsor will help maneuver through political or organizational roadblocks.

There are different approaches to secure buy-in. A best practice method is a top-down approach. In this approach, top line management should direct the organization to execute and use the new technology. They should also offer regular updates of the project status and communicate its value to specific segments of the organization. This is critical to reduce the problems caused by users that are uncooperative or difficult.



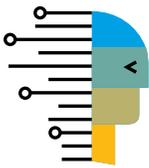
Mission-critical initiatives such as a VMS deployment will most likely change your organization's culture. Therefore, it is necessary to address this important

aspect throughout the implementation strategy. Determine how to deal effectively with change in your end user community. Be prepared for issues such as resistance, criticism and confusion.

The key to any change management program is communication, communication, communication! The project leaders and executive sponsor need to continually emphasize the importance of the project and benefits throughout the organization.

# 3

## Establish business processes, assign approval workflows & understand data requirements



Documenting your business rules and system design is the best way to set expectations and avoid misunderstandings over the course of the project. In addition, the written

materials can be used as a reference during the system configuration process and to help curb changes to the scope and design that cause delays. Using process flows will help you make important decisions about approvals.

Collecting data such as users, workers and jobs can be one of the more tedious aspects of the implementation. It is best to determine upfront what will be required, including file formats, to avoid complications when it's time to load and test the data elements in the tool. Make sure to also take the time to identify custom field requirements as it may validate or change other design decisions.



# 4

## Determine integration requirements early

Not all, but many VMS implementations include system integrations to existing applications that touch various phases of the worker lifecycle such as HRIS, ERP, AP and SSO (Single sign-on). Often the sharing of data needs to be bi-directional. There is a starting point, where the data resides and an end point, where the data needs to be delivered. Integrations can be scheduled to occur on a regular basis or they can be configured to occur on-demand.

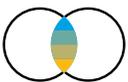
Integrations can be complex, so the project leaders should clearly understand the requirements and keep expectations in proper alignment. A few factors to consider include the need to:



**Identify required/desired interfaces and resources**



**Prioritize interfaces realistically and clearly; phased approaches work well**



**Understand corporate integration policy and process requirements and incorporate into project plan**



**Recognize that changes are made to design decisions; realize it will create re-work and delays**



**Secure time with the appropriate resources as testing the integrations will be very important**

# 5

## Enable your supplier community

Your suppliers are just as critical to the project's success as your internal users. It is important to keep an open dialogue between your program owners and suppliers to help ease resistance to new processes, potential fees and the system itself.

Some complications to avoid include lack of clarity on how to handle workers staffed by noncompliant suppliers and suppliers that try to modify the MSP or VMS agreements. If executed properly, your suppliers will recognize their own benefits from the solution such as faster payments, reduced sales costs and potential revenue increases by receiving more requisitions through the system.

## Learn more

The world of work is changing, and SAP Fieldglass is leading the way with innovative solutions that harness the power of the external workforce in driving the digital economy. Explore additional resources on [www.fieldglass.com/resources](http://www.fieldglass.com/resources) to learn more about the external workforce and the way work gets done.



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