



# THE ULTIMATE VENDOR SELECTION PROCESS

## Vendor Selection Process

1. Determine what it is you are trying to do, why you are contemplating a vendor change
  - a) We have outgrown our current vendor...we are in the top 10% of their largest clients
  - b) Our current vendor is reactionary and does not add any unique value/learning to our business
  - c) The current vendor does not participate in a meaningful way in our vendor partner meetings
  - d) There have been errors, delays, overruns
  - e) We have not evaluated vendors in this category in the previous 3 years
2. Create a pool of potential vendors by searching the Internet, talking with the internal team, asking friends and business associates for references, and contacting trade organizations.
3. Create a project standard document and send to all potential clients with a deadline. The goal is to get a sense for pricing and how they thought about the business...the questions they asked revealed how they conduct business, their view of the project, etc. For example, those that asked for samples moved up higher on the list.
  - a) Ask those that responded a series of questions to get a sense for
  - b) their legitimacy. Prod and probe with specific questions on how they conduct their business, how they on-board, previous success stories, previous issues and how they were resolved, etc.
  - c) Ask for samples and references both good and bad and call.
4. Based on the samples/references, narrow down the pool to go visit.
5. Send out the due diligence checklist below to each of the final contenders.
6. Visit and then make a decision.



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## Due Diligence Checklist Meeting objectives and takeaways from on-site

- **To physically inspect the site looking for some basics such as:**
  - Organization
  - Cleanliness
  - Age and types of machinery
  - General employee demeanor and attitudes
- **To review customer service procedures/protocols**
  - Who will be our support team and primary point of contact
  - How does work flow through the building
  - Where are the quality checks through the process
  - What quality certifications does the facility have
  - What training do the people carrying out the quality checks have
  - How/when is the equipment calibrated and maintained to insure consistent quality
  - Explain the breadth of services and how they tie into our business
- **To ensure there is a strategic benefit evaluate...**
  - Can they help us improve the quality of our materials
  - Is there an awareness of emerging trends
  - Is the firm knowledgeable about content delivery trends, best practices, etc.
  - Explain the decisions behind the package you put together and any additional thoughts you have
- **To answer due diligence concerns**
  - What happens when disaster strikes...what is plan B
    - Short term issues...Local power issues
    - Long term issues...Fire or building damage
  - How do you insure you have the items necessary to meet our needs...paper, bindings, toner...
  - What is the financial strength of the business, are there any on-going enterprise risks?
    - Review financials
    - Review organization...what happens if our point of contact leaves, if the production manager leaves, if the most senior member leaves...
  - Walk through the on-boarding process
  - Explain shipping process in detail and walk through the shipping area....vendors used, on-time delivery review...
  - Review international experience in detail and describe how that will be handled
  - Explain the contract terms
- **To ensure there is the appropriate culture and fit**
  - Can we imagine outsourcing a mission critical piece of our business to them?
  - Do we think we would like working together?