



The Facilities Manager's Guide to

Smarter vendor management

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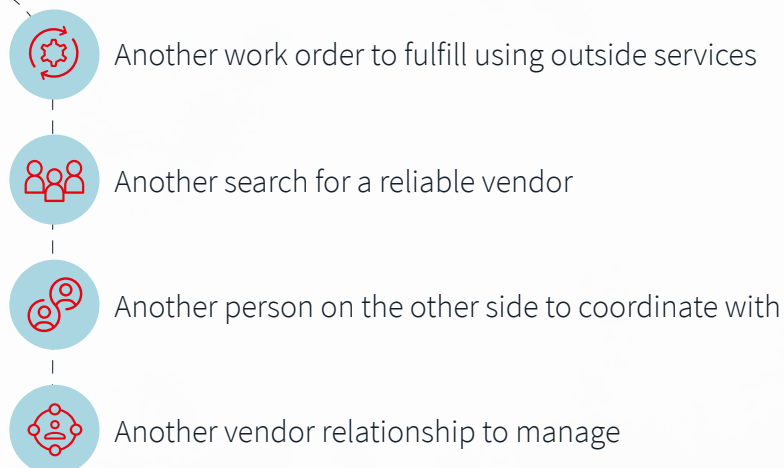
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Good vendor management results in tangible value

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You come into your restaurant and find a broken fryer. Do you know what to do next? If you have a reliable vendor you can call, it's simple: kick off a work order, get them to come by and get the fryer fixed - getting your restaurant back on its feet and revenue flowing again.

Of course, it's not always that easy. Without strong vendor management or prior vendor relationships, issues like broken equipment can start a chain reaction of tasks:



Without established vendor relationships, these tasks can take quite a bit of time. Those relationships aren't established overnight, but there are steps your organization can take to create trusted vendor relationships more efficiently.

We have identified the top five steps to help you find and manage vendors and create long-lasting, mutually beneficial relationships.



Step

1

Finding your vendor

How do you find your service professionals if you don't receive a personal recommendation from someone you trust? Perhaps you turn to Google or another free search tool to investigate search ranks, reviews, and locations. But, in doing so, you add several time-consuming variables to the process.

Need a quicker option? You can use a vendor directory, like the one built into the Corrigo computerized maintenance management system (CMMS), to identify and connect with vendors actively used and vetted by your peers. Your fellow FM's write reviews of Corrigo pros, so you can trust their insights to find the best vendors-no more relying on unverified reviews.

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Regardless of which directory you use to search for your vendor, the most valuable search tool includes:



A broad set of trades and specialties with deep search parameters



A scoring and review system that separates great vendors from the pack



The ability to see all the vendors' contact info



A direct connection to your work order CMMS

Step 2

Vetting your vendors

Reading valid reviews of vendors' past work is always important, but that's only the first step of the vetting process. In addition to reliable recommendations, it's crucial to verify the businesses you identify before assigning any projects to them. This ensures compliance and reduces liability if something goes awry during the job.

There are two big pieces of documentation you should request before working with vendors, which will save you time:

- **W-9s** to validate taxpayer identification numbers (TINs), establish payroll, and ensure the business is legitimate
- **Certificates of insurance (COIs)** so you know your vendor is fully insured, which protects you from liability for property damage or bodily injuries



An effective CMMS tool can go beyond these requirements, to make this process simpler and ensure you're getting a highly trusted vendor. Some tools can confirm TINs, check for OSHA violations and bankruptcies and screen companies against the Terrorist Watch List automatically. Helpful tools can also check on what insurance each vendor has, to make sure that their policies meet your requirements as well.

Once you're satisfied with your vendor's credentials, review their pricing structure. Learn their standard and overtime rates, and set clear, definitive not-to-exceed (NTE) limits. Corrigo can institute this for you and monitor the project to ensure you stay on budget. On average, you'll reduce invoice expenditures by 5.23%.

Even if you need a pro quickly, ask for references from long-term customers. If they can provide an instant reference, it's worth a few minutes of your time to check it out. And it shows they have loyal customers. If everything goes well, you may become one of them.

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Corrigo reduces the noise created from millions of vendor choices by connecting you with 70,000+ vetted professionals.

Step 3

Initiating your working relationship

Once you've found and vetted a vendor you think is right for the job, it's important to develop repeatable processes to ensure the work is performed to your standards.

Set yourself up for success by establishing processes for the following tasks:

- Agreeing on the scope of work and price
- Signing the master service agreement
- Ensuring proper communication channels at your facility (if you're not the primary contact)
- Educating the service pro on the CMMS you are using, the unique parts of your process, and any training resources you might have available
- Setting up invoicing, including terms of payment and a point person for questions

While good processes are certainly a key to success, things don't always go according to plan. It's necessary to set expectations. Empathy and flexibility about unavoidable changes to the scope of work are equally vital.

Start by making sure the vendor and you agree on any specific parts and tools needed to complete the job. Then, update the service level agreement (SLA) in your CMMS as changes arise, so everything is documented and transparent. The vendor remains accountable but is not blamed for things beyond their control.

You'll also want to understand potential supply chain disruptions and adjust your expectations accordingly. Supply chain constraints happen – and in today's volatile world, things can change quickly. Your CMMS should keep everyone on the same page regarding timing and cost changes.

Lastly, make sure your vendors use the work order software in your CMMS. Capturing this data as you go will save hours of headaches down the road. The more data you capture, the more information you can mine later for actionable insights.



Step 4

Evaluating the work

Do you have a standardized evaluation system in place? We recommend it. Not only does it create a formal process for every project, but providing a form to complete also ensures everyone on your team is asking and answering the relevant questions about the experience.

Here are some questions you can ask:

Performance

How do you rate their work on a scale of one to ten? Did the work get done? How many delays were there-and were they avoidable?

Professionalism

Were they courteous? Dressed appropriately? Helpful? Do you think they want to work with you again? Do you want to work with them again?

Timing

Did the work start when expected? End when expected? Match the SLA?

Budget

Did they complete the work as quoted? If not, why?

Next, provide your vendor with balanced feedback, both positive and negative, and ensure they know how they can take tangible steps to improve. Actionable feedback is the foundation of a lasting, trusted partnership.

Be extra detailed when reviewing the first couple of work orders. This feedback helps set expectations with your vendor, so they better understand your needs and the specifics of your facility. It will also make them feel comfortable and confident when they return for the next job.

Finally, review the data about the job in the CMMS. For example, if there are delays or cost overruns, Corrigo identifies them-and you can see if you need to make any adjustments when drafting SLAs or setting NTE limits.



Step 5

Getting in the groove with repeat work

The goal for any facilities manager is a lasting vendor relationship, so you immediately know your go-to people for each kind of job. Your CMMS can help support this success as you go as well.

- Agree on pricing, expectations, and the parameters of their work at your facilities
- Create recurring work orders within the CMMS to save you time and money on emergency repairs
- Ensure two-way alerts and communication between you and vendors within the CMMS, in case things go wrong
- Integrate your CMMS with your accounting system for quick billing and to ensure the vendor gets paid transparently and promptly
- Use your CMMS' reminders to conduct quarterly or annual service evaluations to review a vendor's work and adjust where necessary

Corrigo's automation tools also give you the ability to pre-approve specific service requests to save time when you engage with a trusted vendor. You can specify scenarios for Corrigo to generate a work order, automatically route it to a vendor, and alert you when they're coming.

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A Forrester study of Corrigo's economic impact showed companies can save 10% in facilities spending by implementing a preventative maintenance schedule.



Good vendor management results in tangible value

Good management of the vendor relationship doesn't need to be a stressful, hand-holding process. Implementing a CMMS such as Corrigo streamlines vendor management significantly.

From verification and data collection to communication and automation, your CMMS provider is probably your most important vendor-so its most valuable benefit to you should be major reductions in time and money. Everything from fixing a broken pipe to winterizing your facility is simpler with a robust CMMS that supports your FMs and helps them build lasting relationships with service pros.

If you're considering a smart CMMS, **talk to a Corrigo expert today**. If you're already a Corrigo user, check out our support and training portal for detailed information about the CorrigoPro Network, and more.



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