

Global Bank Improves Vendor Management through Consistent KPIs & Benchmarks

Leading Global Bank Improves Cross-Company Vendor Management and Performance through Consistent KPIs and Benchmarks

In order to better manage its suppliers across strategic sourcing vendors, this global banking and financial services firm needed a vendor management solution. The solution needed to provide key performance indicators (KPIs) and benchmark information that it could then proactively share with suppliers for improving both the relationship and service delivery.

Customer Profile

Global banking and financial services firm conducting business on five continents with \$44 billion in annual revenue.

Customer Challenges

With its vast global reach, the firm needed a single organization-wide view of how strategic vendors within specific sourcing categories performed. It needed a system that would deliver greater visibility into supplier performance, in order to obtain actionable insights that would both support supplier development and aid relationship remediation efforts. It also needed a system with which it could conduct comparative analysis about vendors, and support fact-based vendor management and sourcing decisions for strategic vendors.

It needed to develop performance insights that highlighted actual vendor performance and performance relative to other vendors. Its KPIs included metrics on both service delivery health and strategic relationship health. The firm also sought to share this information in reports to the vendors, as well as using the information to develop performance improvement motivators.

Key Highlights

Industry

Banking and Financial Services

Location

Based in Europe, conducts business on five continents

Key Challenges

- Getting a single, cross-company view of strategic sourcing vendors
- Deriving visibility into both strongly and poorly performing vendors
- Sharing information and benchmarks with vendors

Solution

The global banking and financial services firm deployed Digital Fuel, including its Vendor Management capability.

Business Benefits

- Gained greater supplier performance visibility and actionable insights
- Improved analysis to drive fact-based vendor management and sourcing decisions
- Managed vendors more proactively, ensuring profitable relationships

The Solution

Because of the high importance of vendor governance and management, the firm dedicated several resource groups to the deployment of its solution, setting up roles for vendor account managers, vendor executive sponsors, service delivery managers and sourcing managers within the groups using Digital Fuel, including its Vendor Management capability. These roles now have access to a reports and dashboards, many of which are Web-based to facilitate data entry and maintenance.

When users log into the strategic partner program, they see key vendor contracts, a list of programs and initiatives, and upcoming meetings. When they access an executive briefing dashboard, it contains vendor profile and news; a relationship assessment commentary; a financial summary; a business summary; key service offerings, and KPI scorecard results.

When users log into the supply chain management scorecard, they see results of both KPIs and surveys relating to each service category, as well as trending results. These can be grouped by line-of-business, role, or division. All of this material can be compiled into a briefing booklet containing formatted reports of scorecards and other data.

As a result, strategic stakeholders of the banking and financial services firm now have key vendor facts and performance information available in a single, centralized location, accessible via single sign-on. This also gives high-level executives visibility across the entire corporation into cost and quantity of services, scheduling demands of services, location of services, and quality and governance insights.

Business Benefits

Deploying vendor management capabilities has resulted in multiple benefits for this financial services firm. It now has greater visibility into how its suppliers are performing both on an individual level and relative to other suppliers across the company. This information gives the firm the quantitative analysis not only to manage vendor relationships and sourcing decisions, but also to put in place remedial action to improve vendor support. With the improved ability to analyze vendor relationships, it can also identify which suppliers provide the most financial benefit with the least intervention.

Looking Ahead

Because of the positive internal exposure the vendor management deployment received, the firm continues to develop and mature its vendor management model. In addition to the factual information and subjective measures the financial services firm has put in place, it will be adding objective measures through the development of metrics within Master Service Agreements. This will enable the firm to measure a wider variety of services provided by strategic suppliers, including those related to testing services, project services, managed services, and staff augmentation.

“With this vendor management system in place, we can now drive vendor behavior proactively and empower the vendor selection process with more quantitative insights. We make decisions now based on facts rather than just instinct.”

— *IT Executive, Global Banking & Financial Services Firm*

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