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ServiceNow
Vendor Performance Management

Benefits

- **Gain Insight to How Vendors Affect Business**
  Assess vendor performance using real-time data already managed in ServiceNow, including costs, order volumes, incident and problem records, service level performance, warranty expiries, service contracts, and stakeholder surveys.

- **Drive More Value from Vendors**
  Evaluate and compare vendors across common criteria such as compliance, product reliability, and customer satisfaction, and support service integration and management (SIAM) and multisourcing service integration (MSI) models.

- **Reduce Operational Costs**
  Consolidate vendor management efforts and negotiate better contract terms by leveraging actual performance, service usage, and service quality data.

The IT Challenge

As IT organizations mature into service brokers, they become increasingly reliant on third-party suppliers and partners. This has led to the rising importance of the service integration and management (SIAM) and multisourcing service integration (MSI) models. Both models aim to let organizations manage service providers in a consistent and efficient way, making sure that performance meets business needs.

Many organizations do not have a good way of evaluating and comparing vendors to determine which ones deliver the best service. There may be no formal vendor review process that provides enough detail to drive real improvement. Or, data about vendor performance may be scattered across many systems and personal anecdotes with no way to consolidate it all to one place. Without accurate vendor performance information, it is difficult for IT to provide constructive feedback to build stronger partnerships or hold vendors accountable for missing service commitments. It also puts procurement at a disadvantage when negotiating contracts. Using underperforming vendors leads to poor service quality, reduced satisfaction, and increased costs.

The ServiceNow Solution

ServiceNow Vendor Performance Management evaluates and compares vendors across a variety of categories such as compliance, reliability, and satisfaction. The application includes a vendor ticketing integration that improves the measurement of service level agreement (SLA) performance and allows managers to record vendor credits if service commitments are breached. Performance ratings are calculated using a built-in assessment engine that sends surveys to stakeholders and analyzes data already managed in ServiceNow including costs, order volumes, incident histories, warranty expiries, and service contracts. Results are then displayed on interactive scorecards and decision matrices making it easy to compare, analyze, and rank vendors. In addition to evaluating vendor performance, the application centralizes vendor relationship management by tracking vendor contacts and important activities such as meetings and demos. Any ServiceNow user can provide vendor feedback through a social live feed.

Several pre-built reports are included to provide managers with a consolidated view of vendor-related information. And since all ServiceNow applications share a common data model, managers can quickly create custom reports that combine vendor data with information from other ServiceNow applications to gain further insights that help reduce costs, alleviate risks, and improve vendor partnerships.
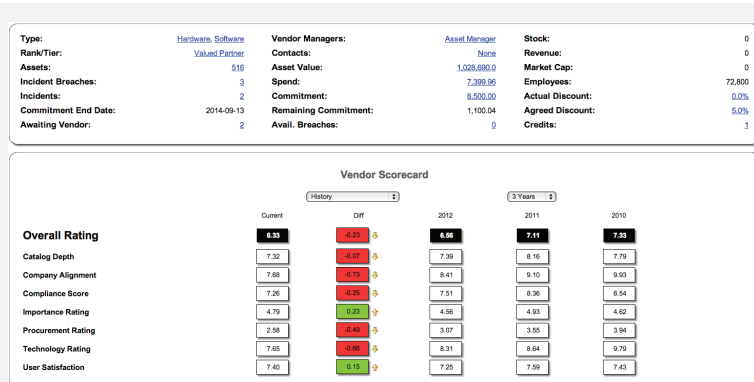
Scorecards summarize vendor information and performance trends

Comprehensive Vendor Performance Assessments

ServiceNow includes a powerful assessment capability that can evaluate, score, and rank records from any ServiceNow application. Vendor Performance Management uses this capability to periodically send surveys to stakeholders and gather details about assets, contracts, operational performance, and financials. The assessment engine converts this raw data into meaningful metrics that support the categories being evaluated. Vendor scores are then calculated using category weightings and normalized across all vendors for easy comparison. Assessment results can be easily shared with others through scorecards, decision matrices, and reports.

Dynamic Vendor Scorecards

Vendor scorecards provide a consolidated view of helpful information such as related incidents, assets, purchase agreements, discounts, outages, and breaches. These printable scorecards also include performance ratings across many categories such as compliance, reliability, and satisfaction. Managers can use scorecards to examine current and historical rating trends and compare two vendors head-to-head. To ensure ratings are always current, the system dynamically updates scorecards each time they are viewed. ServiceNow Live Feed is also incorporated into scorecards to encourage stakeholder collaboration and capture additional feedback about vendor performance.

Personalized Decision Matrices

Vendor decision matrices are used to compare the relative standing of vendors across two axes such as product reliability versus user satisfaction. Managers can create a decision matrix to compare any set of categories and even customize the colors. Each axis contains one or more categories that are weighted and averaged to plot the results of each

vendor. Filters help refine which vendors are displayed. To see actual scores, managers can hover over a vendor name to display a rating summary or click on the vendor name to open the scorecard.

Service Level Management Integration

To build stronger relationships between vendors, incidents, and service level agreements (SLAs), vendor tickets can be integrated into the incident management lifecycle. Activating vendor ticketing adds the vendor name, ticket number, and point of contact fields to the incident form for easy reference. Establishing this relationship enables SLA timers to be automatically started, stopped, or paused based on a vendor's involvement. Additionally, vendor ticketing allows vendor managers to track credits that a vendor owes due to breached service contracts and to view any unused credits. All vendor-related incidents are shown on scorecards and factored into vendor performance ratings.

## Centralized Vendor Relationship Management

The Vendor Performance Management application establishes a single system of record for all vendor-related information. The application is used to assign vendors to the managers that are responsible for maintaining the ongoing relationships and leading performance assessments. For easy reference, vendor managers can keep track of contacts such as account managers and technical resources in the system. And any authorized user who works with the vendor can document important activities such as meetings, demos, and trade shows. Of course, all related operational activity is tied back to vendor records, creating a complete view of the relationship.

Customized Reporting and Dashboards

Reports and dashboards can be easily customized to gain insight into vendor
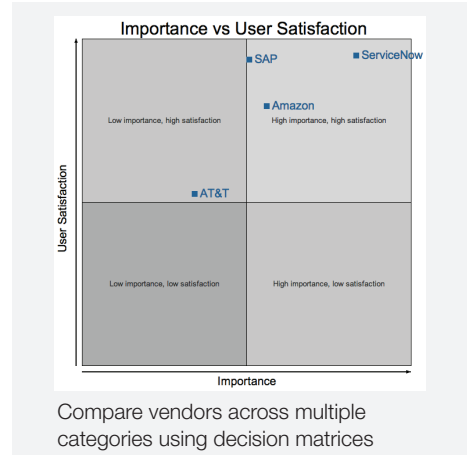
Compare vendors across multiple categories using decision matrices
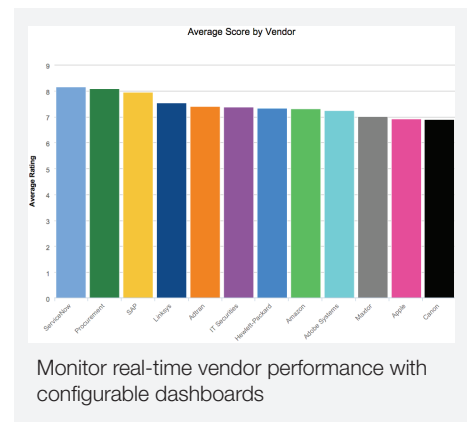
Monitor real-time vendor performance with configurable dashboards

performance, costs, asset inventory, and more. The reporting engine built into the ServiceNow Service Automation Platform allows vendor managers to generate reports quickly and to save reports directly from a list of records with a simple right-click. Managers can also drag and drop gauges and reports to create personal dashboards. And since all ServiceNow applications share a common data model, reports can combine vendor performance data with information from any other ServiceNow application to gain deeper insights that help reduce costs, alleviate risks, and drive service improvements.

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