

VENDOR MANAGEMENT CASE STUDY

It Takes This Credit Union Just One Hour a Week to Manage 200 Vendors with Nvendor and Ncontracts Manager

About The Credit Union

Size: \$1.5 billion

Challenges:

- 20 hours per week monitoring only top 30-40 vendors
- No vendor review process
- No confidence in risk analysis
- Limited due diligence
- No vendor review process
- No centralized control
- Doubts about vendor business continuity plans

Results:

- 1 hour per week monitoring 200 vendors and 300 contracts
- Improved vendor performance
- Early notice of vendor breaches
- Stronger vendor agreements
- Better, data-driven decisions

The Challenge

Vendor and contract management at this large credit union was manual, inefficient, and inconsistent when the current Vice President of Corporate Projects at the \$1.5 billion-asset credit union, took it on.

“We had no holistic view of what was really happening with vendor due diligence,” he said. “Each vendor’s due diligence was initially conducted and commented on by individual departments. It was entirely decentralized with various standards of quality.”

The credit union had a basic vendor management system, but it was only used by two people in the ERM department to conduct risk an annual risk assessment. It lacked the functionality needed to properly manage vendor due diligence, including summarizing contracts and their costs. As a result, the credit union’s operation was inefficient and was often missing key contract provisions.

Meanwhile, one full-time employee spent half her time managing 30-40 vendors, while the compliance officer in the risk department “spent a large percentage of her time chasing the due diligence materials required for annual reviews,” the VP said, with no time for in-depth due diligence reviews.

“It became pretty evident that we needed to change. Getting the right tool was fundamental. We wanted to start small and build a totally integrated system.”

The Solution

The VP who has a background in strategy and project portfolio management, knew what he wanted in a solution: a holistic view of vendors and contracts, standardized processes, efficiency, and expert assurances that data was accurate and complete. He also wanted the ability to implement it at his own pace.

He found all that and more with Nvendor. Nvendor streamlines vendor management at the credit union by relieving it of burdensome activities that are best addressed by experts, and providing tools that ensure vendor management is standardized and addressed on an as-needed basis.

With Nvendor services, due diligence documents and contracts are collected and analyzed by expert attorneys to uncover potential risks. Policy and procedure review and guidance ensure a consistent approach to vendor management. A centralized repository encourages departments to collaborate, making it easy to locate documents and pull up real-time reports of vendor risk, while alerts



Now we have a good holistic view: what we need to do, when we need to do it, and what are we doing to mitigate it? And I'm doing that basically within an hour a day.

– VP Corporate Projects, \$1.5 Billion Credit Union

and email notifications for contract renewals, due diligence activities, and task management promotes a proactive approach to managing vendor relationships. Recording capabilities make it easy to track vendor interactions and issues, and observe trends.

Intuitive design combined with unlimited support, makes for “a great end-user experience,” said the VP. “We did an in-house training for everyone involved with vendors for the very first time. No one had been taught anything about vendor management. It took just an hour for 30 managers.”

What really sold the VP on Nvendor was the ability to start slowly, focusing strictly on contracts, and gradually expand vendor and risk management with Ncontracts' suite of risk management products.

“We can move along that journey at a pace we are comfortable and don't have to do a big bang delivery. We can scale this very easily.”

The Results

“Nvendor is the first thing I look at when I walk into office. I see what's come in overnight from the Ncontracts team, look at to-do list, then push out reminders as I see them and I'm on the way for the day,” said the VP.

“We've come from the rudimentary basics of the organization, which had limited resources and scope, and brought technology in and took a lifecycle approach with all processes streamlined and fully leveraged.”

Managing more vendors, more in depth, in less time. With Nvendor, it takes the credit union one hour a week to monitor over 300 contracts with 200 vendors. Nvendor also conducts regular due diligence and tracks more details, including insurance. “It takes us less time to administer a larger number of vendors than before.”

Improved vendor performance. The credit union is holding vendors accountable by leveraging Nvendor's ability to log vendor issues. “Now we're able to look at a six-month window and reach out to the vendor with serious questions,” the VP said. “We're witnessing improvement in that vendor's service desk response times.”

Early notice of vendor breaches. Nvendor's cybermonitoring alerted the credit union of a vendor breach an estimated two to three weeks before the vendor would have said anything. “We saw the alert and our business unit immediately started looking into the business implications.”

Stronger vendor agreements. Nvendor's contract reviews revealed “major omissions” in many vendor contracts, including a lack of service level standards. Now the credit union renegotiates contracts making SLAs a priority. “It's helping us strengthen our contractual agreements and pushing us from a straight contractual relationship into more of a partnership relationship.”

Better decisions with accurate data. Standardized processes for each vendor tier gives the VP confidence vendors are assessed methodically and consistently. “I can rely on the data I'm seeing to make recommendations to the C-team. Before, I would be triaging data and still questioning whether I have the info I need and if its factual. Now, I see emerging patterns, and we can decide on our strategy going forward.”