

6 Vendor Traps to Avoid on the Path to Budget Success

On the road to sourcing your next vendor, be on the alert for these six common budget traps that might arise:

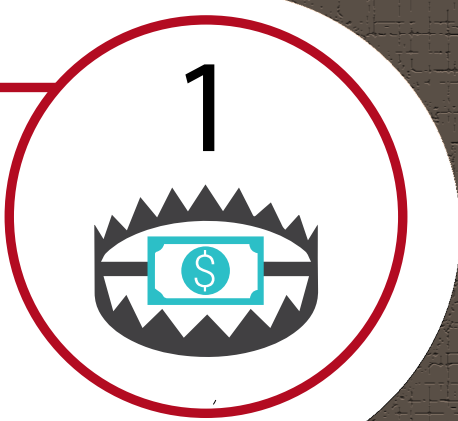
START

Trap #1: You accept annual price increases

That 5% annual price increase from your preferred vendor might seem modest at the time, but these costs compound over time. Five years down the road, you might be hard-pressed to find an extra 25% in the budget.

How to avoid:

You put vendor contracts out for bid each year.

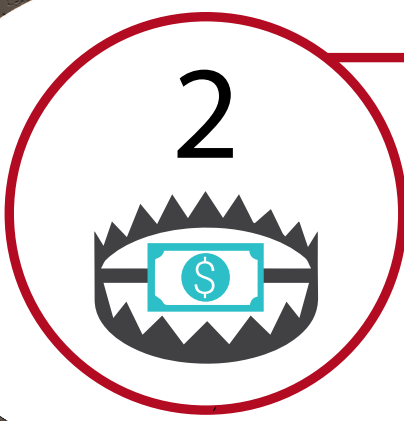


Trap #2: You cast a narrow net

You typically choose your vendors by picking those with whom you've worked in the past, or those recommended to you by friends. You end up missing out on new vendors popping up in your area that offer the same or better services for less.

How to avoid:

You tap into a large network of trusted vendors to make sure that you're getting optimal service at the most competitive price.

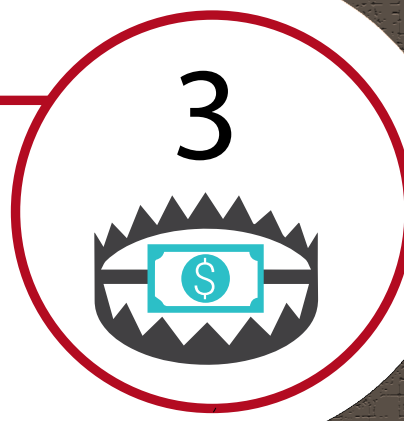


Trap #3: You compare apples to oranges

During the competitive bid process, different vendors send you their bids in various formats. You spend valuable time digging through the information and have a difficult time comparing the vendors. It becomes nearly impossible for you to make an informed decision.

How to avoid:

You harness a comparative matrix to make detailed vendor comparisons easy.

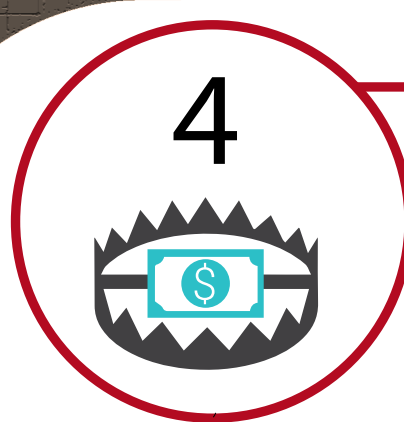


Trap #4: You can't find honest pricing

You struggle to track down accurate pricing for each vendor and to view this information in a way that's useful for your decision-making. This also holds you back from negotiating existing contracts, and ultimately leaves money on the table.

How to avoid:

Your comparative matrix makes pricing transparent and gives you fuel to drive your decisions.

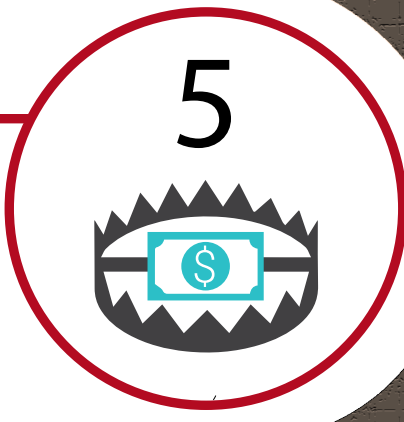


Trap #5: You're unable to justify your decisions when it matters

Your existing bid process doesn't have the data you need to support your vendor decisions, including the conversations and tribal knowledge shared during the process. It's difficult to show that you fulfilled your fiduciary responsibilities, particularly during larger capital projects.

How to avoid:

You find a way to keep accurate records of the data that proves you did you followed best practices when selecting vendors.

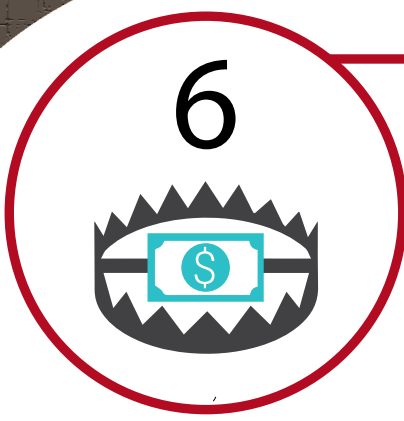


Trap #6: Your competitive bid process is outdated

With your current bid process, you spend too much time manually formatting your vendor sourcing to the project at hand, sorting through responses and conducting follow-ups. You struggle to find the right tools to support vendor sourcing needs.

How to avoid:

You automate your vendor sourcing process using a flexible and customizable software solution that saves you time requesting and processing bids, and helps you connect with the right vendor.



FINISH

Avoid future traps

Are you stuck in one or more of these budget traps? Let our Bid Management solution be your way back to a better bottom line. The platform automates the competitive bid process and lets you tap into our nationwide network of service providers. With our streamlined proposal generation process, apples-to-apples vendor comparison matrix and 50+ customizable service templates, it's easier than ever to find the right vendor for your specific needs. Want to learn more?

[Schedule a demo of Prism Bid Management.](#)