



Self assessment: Score your vendor management process

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To effectively manage vendors, it's essential to first understand the current state of your vendor management practices. This self-assessment checklist is designed to be a diagnostic tool that provides a snapshot of your vendor management health. Assess your practices against the following statements and score your performance to gain insights into areas that may require attention.

Instructions:

Review each statement carefully and respond with the frequency that each item applies to your current practices: Always (3 points), Sometimes (2 points), Rarely (1 point), Never (0 points). Total your score at the end for an overall vendor management effectiveness assessment.

				Vendor selection and bidding
0	1	2	3	We have a standardized process for selecting and onboarding new vendors.
0	1	2	3	Our bidding process is transparent and ensures that we receive competitive and fair pricing.
0	1	2	3	We consistently analyze vendor performance and value for continuous improvement.
				Contract and relationship management
0	1	2	3	All vendors are operating under current contracts that have been reviewed within the last year.
0	1	2	3	We maintain healthy relationships with our vendors, marked by clear communication and mutual respect.
0	1	2	3	The terms and specifications in vendor contracts are strictly adhered to, with mechanisms in place to address deviations.



				Invoice and payment processing
0	1	2	3	Our system effectively prevents common issues such as duplicate invoices or overcharges.
0	1	2	3	We leverage technology to automate invoicing, reducing the likelihood of human error.
0	1	2	3	Payments to vendors are made on time, using an established, consistent system.
				Compliance and risk management
0	1	2	3	We have protocols in place to ensure all vendors are in compliance with industry regulations and standards.
0	1	2	3	Our vendors provide up-to-date Certificates of Insurance (COIs) confirming adequate coverage.
0	1	2	3	We conduct regular risk assessments to identify and mitigate potential vulnerabilities within our supply chain.
				Technology and integration
0	1	2	3	Our vendor management system integrates smoothly with our accounting software for streamlined operations.
0	1	2	3	We have adopted digital contract management tools for centralized storage and easy accessibility.
0	1	2	3	Our work order processing is automated to prioritize requests and simplify approvals.

Your total score:

Scoring:

45-36 points:

Your vendor management practices are robust and likely contributing to enhanced operational efficiency and cost savings. Continue refining and staying up to date with the latest proptech solutions to maintain your competitive edge.

35-26 points:

Your practices are on the right track, but there are areas that need improvement. Focus on identifying the gaps that may be leading to inefficiencies or increased costs.

25-16 points:

There is considerable room for improvement in your vendor management practices. It is crucial to address the inefficiencies to avoid unnecessary expenses and strained vendor relationships.

15 - 0 points:

Your current vendor management practices may be putting your operations at significant risk. Immediate action is needed to implement robust systems and processes to manage vendors effectively.

This checklist serves as a starting point for introspection and improvement in your vendor management approach. Regardless of your score, remember that the landscape of industrial operations and proptech solutions is ever evolving. Continuously revisiting and updating your practices is key to keeping pace with industry best practices and technological advances.



Conclusion

It's time to be proactive and not just adapt to change, but to transform. By harnessing proptech solutions outlined in this guide, you have the opportunity to architect a new standard for vendor management—one that is marked by precision, efficiency, and resilience.

Envision a world where every invoice aligns perfectly with its contract, where bids are not just managed but optimized in real time, and where relationship management with vendors transcends transactional interactions and becomes a strategic asset.

Looking ahead, the landscape of CRE operations will be shaped by those willing to lead with innovation. Join in this forward charge, a pursuit fueled by the power of proptech, where your mastery of vendor management becomes a beacon for the industry's progress.

Discover a faster, simpler, more cost-effective way to work with vendors and keep your commercial properties running at their best. And learn how Prism by Building Engines can help you cut your vendor spend up to 30%. Schedule a demo now to learn more about the proptech solutions outlined in this guide.

Request a demo →

