VENDOR MANAGEMENT …



The cost of doing business or a strategic partnership?

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EDWARDSVILLE

Nov. 17th, 2026

Key Points

- What is Vendor Management?
- What is a project managers role in Vendor Management? (two perspectives)
- What are the risks of poor vendor relationships?
- What are the foundational building blocks of a good vendor relationship.
- What one vendor saw in their relationship with their client. (video)

VENDOR AND PROCUREMENT MANAGEMENT?

- Vendor management is the process of overseeing and optimizing relationships with external suppliers to ensure quality, compliance, and value for an organization.
- Procurement management is a structured process to ensure external resources support project objectives with transparency and accountability.

WHAT IS A PROJECT MANAGERS ROLE IN VENDOR MANAGEMENT? (CLIENT/PM VIEW)

- Vendor selection criteria
- Deliverable Acceptance criteria
- Intermediary/advocate for your Vendor
- Reviewer for Deliverable Acceptance
- Ensure that there is alignment between deliverables and payment schedule.
- Escalation point

WHAT IS A PROJECT MANAGERS ROLE IN VENDOR MANAGEMENT? (CLIENT/PM VIEW)

- Clear priorities
- One clear decision-maker
- Timely decisions
- Access to the right people
- Honest feedback
- Clear roles

WHAT IS A PROJECT MANAGERS ROLE IN VENDOR MANAGEMENT? (CLIENT/PM VIEW)

- Fast escalation
- Consistent communication
- Control of scope
- Follow-through
- Visibility into internal dynamics
- Partnership

What are the risks of poor vendor relationships?

- **Adversarial relationship**
  - Additional workload on delivery team, vendor team and vendor management to fix the frustrations.
- **Tension leads to escalation….**
  - Escalation often leads to unwanted senior leader involvement…..To many cooks in the kitchen.
  - Escalation becomes an additional set of tasks and a communications challenges to manage

WHAT ARE THE FOUNDATIONAL BUILDING BLOCKS OF A GOOD VENDOR RELATIONSHIP

- Awareness.....you need the service they are providing.
- They are in business to make money.....profit is not a bad thing.
- Reputation is a double-sided coin.
  - A difficult client makes a vendor price for or scope in risk
  - A difficult vendor requires additional oversight.....A resource burden.

BUILDING BLOCKS OF A GOOD VENDOR RELATIONSHIP

- **Suit Sales verse reality** – What was sold – what is in the SOW.
- Spend time going thru the bid or contract to make sure the team that arrived understands the expectations.
- Spend time understanding their hierarchy and processes and sharing mine.



WHAT ONE VENDOR SAW IN THEIR RELATIONSHIP

- Post | LinkedIn

OPEN DISCUSSION

- The Good
  - What have you seen that worked well?
- The Bad
  - What have you seen that succeeded but was painful.
- The Ugly ---- What was just plain ugly?



SUMMARY

Thank you!

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