

35TH ANNUAL ISCEBS
Symposium

Best Practices for Productive Vendor Relationships

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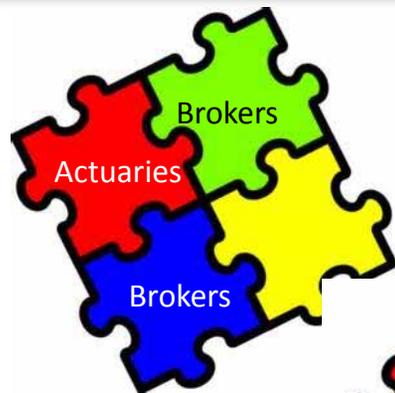


International Society
of Certified Employee Benefit Specialists

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The Puzzle Pieces . . .



Administration



Compliance



Strategy



Consider This . . .

- Have you ever had to move your open enrollment dates due to a vendor delay?
- Has an auditor ever dictated their onsite and deliverable dates without your input?
- Have you ever filed a 5500 without needing a 5558 extension?
- How did your 1095 project go this year?
- When was the last time you visited your actuary's office?
- When was the last time you had lunch with your EAP vendor?
- Do you set "fake deadlines" to protect your true deadlines?

Still Going . . .

- Would you trust two of your vendors to discuss an eligibility file problem without being on the call to listen in?
- Have you ever had an systems implementation manager talk you into circles until you have no idea what question you asked, much less the answer?
- Do you have an account manager who never replies to your emails until you copy her supervisor?
- Do you receive and reply to customer satisfaction surveys for your vendors during open enrollment season?

The Question Is . . .

- Are you managing the relationship, or is it managing you?

What This Isn't About . . .

- There is nothing wrong with doing *or not doing* any of the things in the previous list of questions
 - Unless it adds to your workload, increases stress, or compromises your professional brand
- This discussion isn't about criticizing vendors
 - It's about helping you recognize ways to make your relationships with your vendors more productive

Our Agenda

- Best practices for productive vendor relationships:
 - Establishing regular vendor meetings with an ongoing agenda
 - Communicating effectively with your vendors
 - Reviewing vendor contracts to identify service gaps
 - Tips for establishing a new vendor relationship or repairing an ineffective vendor relationship

Regular Vendor Meetings

Best friends

are people you don't need to talk to
every single day.

You don't need to talk to each other for weeks,
but when you do,
it's as if you never stopped talking.

(Your vendors don't feel this way about you.)

Make a List . . .

- List your five most important vendors
 - When was the last time you spoke?
 - When was the last time you spoke outside of a regularly-scheduled quarterly or annual review meeting
 - Have you ever met them in person?

Regular Vendor Meetings

- Establish a regular meeting with each vendor
 - Pick a day of the month and meet with as many vendors as possible on that day
 - Allows you to provide a consistent message
 - Allows you to focus on your vendors for that day
 - Set frequency based on your interactions
 - Every other week
 - Monthly
 - Quarterly

Why Is This Important?

- If you take the time to establish a good relationship with your account team, they are more likely to go the extra mile for you in a crisis
- If you get to know your account team, you can communicate with them more effectively
- Conversations are more efficient when you have a relationship with the person on the other end of the phone/email
- You will be building the resources you can call for a “quick read” on an issue when you don’t have time for research

Who Has Time For This?

- Each vendor should be responsible for creating and maintaining the meeting agenda
 - An open items log or annual calendar of events
 - Use a simple format
 - Ask the vendor to deliver the updated agenda the day before the meeting so you can review
 - Send emails between meetings of items you would like added to the agenda
 - Use the log as a tool to help you keep on track with annual requirements
 - Limit meetings to 30 minutes

Play By The Rules

- Be prepared for the meetings
 - Read the updated log
 - Be prepared to deliver items or updates assigned to you
 - Reschedule meetings as necessary

Keep It Simple . . .

Item	Responsible	Due	Notes
2016 Communications	Team	Ongoing	Next item is quarterly statements – will require review by employer
Plan Audits and Form 5500	Employer	August 2016	Audit process has started. Target is to file DC 5500s first week of August.
Quarterly system access review	Vendor	End of Q2	Provide list of personnel with access to employer data
Customer service complaint	Vendor	May 9, 2016	Send summary of recorded calls with Mr. Doe regarding 401(k) distribution
529 Lunch and Learn	Team	May 16, 2016	Scheduled for 11:30 am at employer office
Annual Review Meeting	Vendor	TBD	Let's discuss possible meeting dates

Communicate Effectively

**The single biggest
problem**
in communication
is the illusion
that it has taken place.

- George Bernard Shaw

Think About Your Team . . .

- Your immediate team may be you and your staff
- But your true team is much larger when you count all of your account management/vendor teams/broker

Now Think About This . . .

- Is there a vendor who always calls your cell phone first and then calls your desk?
- Is there a question that you ask every single year in the annual claim review, but the answer is never in the materials?
- Do you have a vendor that always delivers time sensitive items after you have left the office for the day?
- What do your vendors do that makes you a little crazy?
- What do you do that makes them a little crazy?

Communications Matter

- If you take the time to establish a good relationship with your account team, they are more likely to go the extra mile for you in a crisis
- If the vendor doesn't know what you expect of them, should you be unhappy when they don't meet your expectations?

You Are The Customer

- Set expectations
 - Talk about communication preferences
 - Be candid about your style
 - Get to know them a little bit
 - Let them get to know you a little bit
 - Spend some time in their space

Practice What You Preach

- Set expectations about:
 - Deadlines
 - Timeliness
 - Deliverables
- Be candid about:
 - Customer service complaints
 - Employees who are less than truthful
 - Making mistakes
 - What works and what doesn't work

Contracts



If you think
reading is boring,
you're doing it wrong.

What's In Your Contract?

- Read your contracts:
 - What are you paying for
 - What services are you paying for and not using
 - What services do you use consistently that aren't in the contract
 - Is flat fee or per hour billing better for your company
 - Are there some things you would prefer to do in-house
 - Are there things you would prefer to outsource
 - Should you consider consolidating vendors

Quarterly Contract Reviews

- Make a list of your current vendor contracts with some basic information
- Set aside 30 minutes on your calendar each quarter to review
 - Stay ahead of renewals
 - Keep notes

Vendor	Service	Expires	Notes
ABC Company	Stop Loss	12/31/16	Claim data provided, preliminary quote due 10/15
AAA Benefits	Online enrollment	6/30/17	Renewal received and in process
Wellness Co.	Wellness	12/31/2018	Multi-year contract in place

Contract Renewals

- Keep notes during the year of things you'd like to add or change
- Use procurement and legal departments to help you when appropriate
- Negotiate your renewals—Don't just accept what is proposed
- Demand performance guarantees when appropriate
- Ask the vendor to spend 30 minutes on the phone with you reviewing the renewal
 - Ask for ideas
 - Ask about their best practices

Establishing and Repairing Vendor Relationships

First
impressions
last.

Interviewing Potential Vendors

- First impressions count
 - That goes for both sides
- Set expectation and talk about style
 - Do you plan . . . or do you panic?
 - How do you approach deadlines?
 - Discuss communication preferences
- Know the team
 - Identify who is on the account for implementation purposes only, and who is in for the long haul
 - Who is your crisis manager?
 - Who is your quarterback?

Working With a New Vendor

- Implementations are a big opportunity for a vendor to manage you
 - And you might not even notice it
- Ask questions that help you understand how they work
 - How do they optimize team sizes and assignments?
 - How does the standard implementation time frame match up with what you can deliver in terms of resources?
 - What project management tools do they use?
 - What are their contingency plans for missed milestones?

New Player On The Field

- When you are new at your job or employer
 - Get on the phone and introduce yourself
 - Make plans to meet in person
 - Review the contract
 - Ask about the past relationship
 - Ask what do they do for other customers that they don't do for you, and vice versa
 - Set expectations

Changes On The Account Team

- When you have a new account manager at an established vendor
 - Find out why the transition is taking place
 - How does the vendor plan to handle the transition
 - Who will provide stability on the account
 - What is the time frame
 - Ask if you can have input about who is assigned to your account
 - Set expectations

Fixing Problems

- Sometimes an account team or player on that team just isn't a good fit
 - Understand their role and experience
 - Make sure the team fits your company's needs
 - Replace players as needed
 - Get the right player for the position
 - Fill gaps on the team
 - Make changes when necessary
 - Set expectations
 - Remember . . . you are the customer

Two Sides To Every Story . . .

- Maybe you think someone on the account team isn't a good fit because you don't know enough about that person or their role
 - Ask questions
 - Ask them to help you resolve your concerns

Vendors Playing Nicely . . .

- Are your vendors working together?
 - Data feed issues and error reports
 - Medical/PBM coordination
 - Auditors and Actuaries
- Set expectations
 - Do you need or want to be in the middle of communications

At The End Of The Day . . .

Productive Relationships Count

- Vendors can contribute to your success or to your stress
- Problem employees are one thing; problem vendors are a whole other story
- It's up to you to set expectations and manage the relationship
- It requires an investment of your time and energy

Let's Review Our Agenda . . .

- Best practices for productive vendor relationships:
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Questions?