



beeline®

## Vendor Management System

Intelligent workforce solutions  
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VENDOR MANAGEMENT SYSTEMS (VMS) WERE FIRST INTRODUCED IN THE LATE 1990s. SINCE THEN THE TECHNOLOGY HAS EVOLVED SIGNIFICANTLY AND IS NOW A PROMINENT PART OF TODAY'S BUSINESS ENVIRONMENT. LEARN THE BASICS OF THIS POWERFUL BUSINESS TOOL.

### WHAT IS VMS AND WHERE DOES IT FIT INTO YOUR PROCUREMENT PICTURE?

Simply put, VMS is the software that automates the hiring process of contract workers. It is often a web-based application that helps to manage and procure staffing services from requisition through billing.

Most VMS tools are delivered through a software-as-a-service model. VMS tools provide significant improvements in reporting and analytics capabilities that far outperform manual systems and processes. VMS tools are typically operated externally by a Managed Service Provider, by the Vendor on Premise or internally within an organization by a Vendor Management Office.

This structure enables a streamlined and automated process with real-time visibility for all parties. Suppliers see all relevant job orders, and you can accurately assess labor services spend and performance, leading to significant cost reduction.

### WHY SHOULD YOU IMPLEMENT VMS?

Typically, Fortune 500 and Global 1000 companies, or companies who employ more than 100 contractors at a time are suited to benefit from a VMS solution. Companies with flexible workers in multiple countries and varying labor classes can also streamline their hiring processes with a VMS.

#### Below are some of the top reasons to implement VMS for your organization:

- **Cost savings:** VMS helps eliminate rogue buying of labor and maverick spend. You can gain hard dollar savings by consolidating supplier and benchmarking rates to gain negotiated savings or volume/early pay discounts as well as soft dollar savings through process improvements like consolidated invoicing, reduced timecard and invoice errors and compliance tracking.
- **Visibility:** Cost savings from a VMS are driven by the analytics and reporting which help reveal where and how you are spending money on contract and project-based labor in order to make better decisions for the future.
- **Compliance:** Transparent analysis of all stages of the procurement lifecycle provides greater control and ability to enforce procurement strategy and policies. By implementing a VMS and gaining full visibility into your staffing spend and activity, you can mitigate concerns and potential exposure to co-employment and tenure litigation.
- **Quality:** VMS allows you to measure and monitor the performance of your suppliers and flexible workforce to ensure there is an efficient process for suppliers and a strong onboarding program for contractors.
- **Operational efficiency:** By implementing a VMS, you can automate many steps in the procurement cycle, reducing the time to fill positions, consolidating billing and supplier payments and ensuring 100% invoice accuracy.

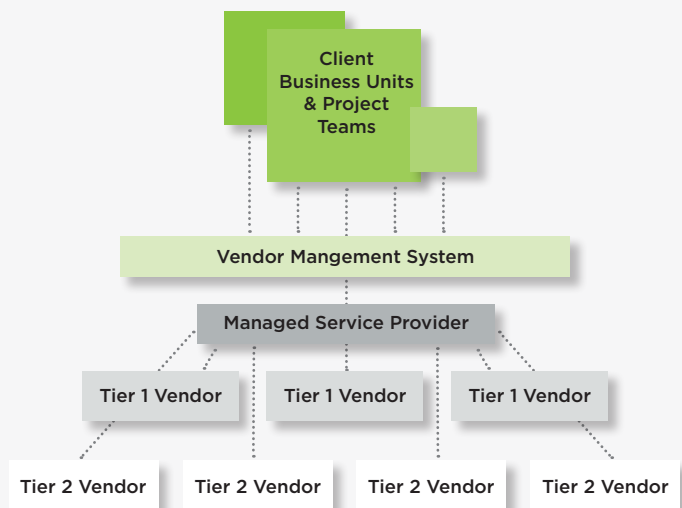
## HOW SHOULD YOU SELECT YOUR VMS PROVIDER?

There are multiple VMS providers in the market today, ranging from publicly traded companies to venture-backed organizations. Make sure you choose wisely.

### Here are eight things to consider when selecting your VMS provider:

- 1. Trusted partner commitment:** It's critical to find a firm that is willing to invest in a relationship with you and be nimble through organizational changes.
- 2. Financial stability:** Your VMS vendor should be a viable choice for today, tomorrow and over the next decade.
- 3. Flexibility:** VMS providers should understand trends, the next hiring model, and how best to facilitate sourcing talent.
- 4. Expandability:** The tool should have the ability to accommodate all labor categories and easily expand to include SOWs, not just contractors on a time and material basis.
- 5. Geographical reach:** Select a provider who understands the tax and labor laws in all areas you do business.
- 6. Visibility:** Robust reporting and analytics capabilities are critical to maximizing the value of your investment.
- 7. Ease of use:** The tool should be intuitive enough so that users can learn about 90% of the functionality on their own. Training, online help, online tutorials and help desk assistance should be available for the remaining 10%.
- 8. Technology compliance:** The firm you're considering should be certified by an independent service auditor to ensure they have undergone the most rigorous assessments and compliance testing.

### Improvement Model | Vendor Neutral



Beeline is committed to helping businesses simplify the complex world of flexible labor solutions. To learn more about the benefits of a VMS—or for more insight and innovative workforce solutions—visit [beeline.com](http://beeline.com).

Be ready