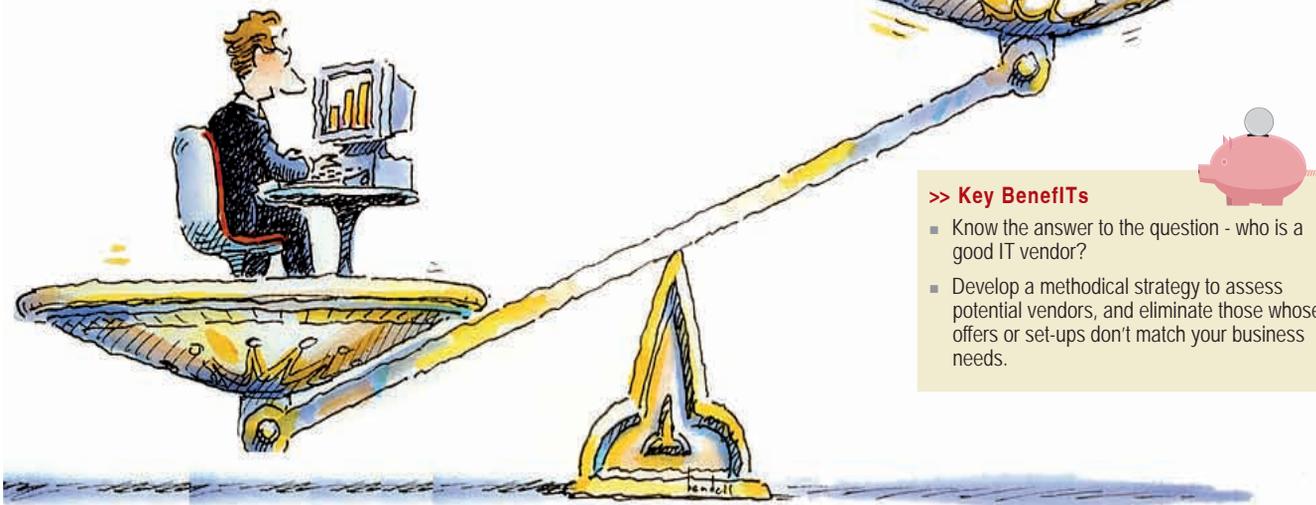


# A Perfect Match

When a plethora of tech vendors knock at your door, here's how to identify which of them will perfectly match your business needs.



## >> Key Benefits

- Know the answer to the question - who is a good IT vendor?
- Develop a methodical strategy to assess potential vendors, and eliminate those whose offers or set-ups don't match your business needs.

**Charu Bahri**  
The author is a freelance writer, columnist and [part-time] manager—projects and information systems at J Watumull Global Hospital & Research Centre. More about her at <http://charu-bahri.googlepages.com>

Identifying the right vendor for a software solution or for hardware, in a market flooded with players, is just a question of finding the right match!

After all, since IT is a long-term investment, you will be wedded to the vendor for some years to come. Naturally, in deals involving the confidential information that is key to the success of your venture, it is worth investing time and effort in assessing potential vendors.

Here are some aspects that you should evaluate:

### Does the vendors' turnover suggest financial strength?

As IT manager with ADES Pvt Ltd, Arun Kumar has played the role of both IT vendor and client. Sharing his candid opinion on

what you should be looking out for in an IT vendor, he cites a firm's competence, turnover and attrition rates as factors to be carefully studied. Essentially, a firm boasting of a healthy turnover and financial position over a period of time is unlikely to be a fly-by-night vendor, who is here today, yet gone tomorrow, leaving you in the lurch! Since small firms may also be financially sound, assess



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the turnover in respect to the firm's manpower and spread of operations.

Further, as financial soundness has much to do with the managerial capabilities of a team, Vihang Kathe, chief consultant, International Business Consulting suggests that you ascertain whether the key management people are experienced professionals capable of delivering the goods even in the face of any business adversity. The mannerisms and courteousness of the middle and junior teams also point to the overall professionalism of the firm - sales persons who display a clear understanding of your unique requirements and who are not unduly pushy suggest a quiet confidence that stems from the much-desired competence.

### Does the vendor enjoy a good reputation stemming from expertise, consistency and adherence to business ethics?

A vendor with sufficient experience in your domain would meet your expectations with a minimal outlay. This is because the vendor would be able to offer valuable suggestions as well as share industry best practices to help you establish effective systems. So, Kathe proposes that you determine if the vendor has executed similar projects for organisations in your area of operations. If it has, you should go a step further to assure yourself of the vendor's expertise, by interacting with the vendor's



long term clients to evaluate its ability to consistently meet deadlines and work within budgets. The idea is to eliminate 'green' vendors who will make you their guinea pig!

Talking to clients will also help judge whether the vendor adheres to general business ethics, like punctuality, non-disclosure of confidential information, etc. Don't forget that there is a lot at stake when you tie-up with an IT provider. The vendor gains access to confidential data, your network configuration and at times, the source code driving your enterprises' applications. All this critical information and your network must be protected by a non-disclosure clause in your vendor agreement.

### Is the vendor serious about providing clients value-added services?

"In any service contract, delivery is everything. So alongside reviewing the proposed product/



## Give new vendors a chance

The past performance of a vendor matters a lot. However, Kathe suggests that you keep an open mind to the possibility of contracting a new vendor.

Says Kathe - "New vendors may be very competent, if they bring the right expertise to their venture. I would suggest that a new vendor be evaluated on the basis of:

- The solution offered to your business
- Its problem-solving capacity
- The business approach – does the new team put forward win-win scenarios?
- Do you get the feeling that the team thinks of your problem as its own?
- Does the vendor display good business ethics?
- Does the vendor have quality manpower, even if not many (quantity) people?"

solution, also ensure that the vendor has delivery and quality plans in place. These plans suggest how serious the vendor is in providing timely value-add services to clients. Ideally, a vendor would hold ISO, Six Sigma or other certifications proving its commitment to quality," says Kumar.

Kathe agrees. He suggests you ask the vendor a few pointed questions about the resources required to deliver within the

**"In any service contract, delivery is everything. So alongside reviewing the proposed product/solution, also ensure that the vendor has delivery and quality plans in place."**

Arun Kumar, IT manager, ADES Pvt Ltd

specified schedule. “This will help determine vendor preparedness,” he says. For instance, if the vendor requires ‘x’ number of people to serve you, does it have the manpower available or will it need to recruit staff especially for your project? The latter scenario may translate into project delays in case manpower is not available, or worse, not obtainable at the vendors estimated price.

“Further, since IT services entail after-sales service too,” opines Kathe, “it is important to know the vendor’s approach to handling individual accounts after the initial purchase. Certain large vendors overlook regular service to small accounts in favour of larger customers. Hence, in case you are procuring a niche solution in IT security, for instance, it may work out better to choose a small yet efficient local reseller who can support you on an ongoing basis.”

### Does the vendor offer value for your money?

If the factors mentioned earlier are in place, Kumar believes that cost should not be a constraint for any company to get good service.

Even so, Kathe advocates doing a pricing versus budget



analysis, in order to ascertain whether the proposed product/ solution is in tune with the organisational budget.

- What price/performance ratio does the vendor offer?
- Are there any ongoing apparent or hidden costs for the proposed product?

Kathe suggests that you review these questions to help you gauge which vendor is offering you the best deal. Since ‘cheap’ doesn’t always translate to ‘best’, your aim should be to identify the least expensive vendor who also adheres to industry standards, while ensuring the turnout of quality products and services.

No mention of price is complete without pointing out the usefulness of a reasonable incentive or penalty. Since timely and quality implementation of your agreement is imperative for your business success, linking price with under- or non-performance penalties keeps a vendor on its toes throughout the duration of your contract as well as compels you to clearly elucidate your expectations from the vendor. This is a great way to increase the providers’ responsibility and accountability towards your business functions. Otherwise, vendors often remain immune to the business losses you could incur because of their lapses in delivery.

### Is the vendor committed to continuously adopt the latest technology?

In the opening paragraphs of this article, we spoke of a long-term relation with an IT vendor. Since technology is ever evolving, you need to be certain that the

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vendor is comfortable adapting to technology transitions. After all, if a vendor lags behind in adopting the latest tools and technology, how can you expect to be offered a range of the latest products to choose from, so as to gain an edge over *your* competitors?



Past and current clients could help here by sharing their experiences and views on whether the vendor has responded positively to their requests for product updates. Further, even once you are sure of a vendor’s openness and ability to adopt the latest technology platforms/products, include a clause assuring you of flexibility—albeit at a certain price—in your contract. Else the vendor may charge you extra for the enhanced service.

It may sound like a lot, but remember that choosing the right vendor will stand your business in good stead for many years to come. ■