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Managing Vendor Program

Implementing a multi-state managing vendor program

Client

MDI Group's client is an international food provider operating over 1,600 retail stores in the U.S. The client is responsible for the management of U.S. retail operations, creating and developing synergies, and deriving the benefits of economies of scale in areas such as sourcing, logistics and IT. This client spends approximately \$12 million annually on IT contractor resources.

Challenge

Several critical issues led this client to pursue MDI Group as a managing vendor program (MVP) service provider, including:

- Lack of current information on contractor base.
- Uncontrolled spending on IT contractors.
- Inability to monitor and verify competitive bill rates on IT contractors.
- Inconsistent and ineffective procedures for obtaining and managing quality IT contractors.

Our client recognized these issues and engaged MDI to improve the quality of IT staffing services received and reduced the costs associated with them.

Client

International food provider operating over 1,600 retail stores in the U.S.

Scope

Design, develop and implement a managing vendor program for IT staffing requirements

Consulting Staff

Delivery Director, Managing Vendor Program Coordinator

Project Timeframe

June 2003 to present

Solution

The core of MDI Group's MVP solution is the integration of our IT staffing services into a vendor neutral MVP program. Within this total solution package, MDI Group delivers the following services:

- Establish formal procedures for managing the contractor requisition process—job requests, submittals, interviews and engagements.
- Implement a Web-based vendor management tool for supporting these formal procedures and collecting contractor hours.
- Standardize the IT contractor engagement management, including procedures for on-boarding, off-boarding and evaluations.
- Create a consolidated monthly invoice for all IT contractors.
- Manage the ongoing relationships with all vendors providing IT staffing services.
- Enforce standard client contract terms, including contractually committed pricing levels.
- Deliver monthly and ad hoc reports on vendor performance.

Additionally, MDI Group began providing the MVP solution within 45 days after the contract was awarded.

Results

As a vendor funded MVP solution, MDI Group has been able to reduce the client's costs associated with IT staffing. As a result of identifying process improvements and enforcing a bill rate validation/reduction, MDI Group is saving the client approximately \$900,000 annually on their IT staffing services expenses.

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