

WHY HIRING CHEAP HURTS MAKE VMS WORK FOR YOU

Vendor management systems (VMS) were initially created as a tool to centralize procurement and control spending. The problem is that unless an organization's strategy around VMS goes beyond cost control, it can actually end up costing more time and money in the end. This is primarily because the quality of IT contractors can be lost when the sole hiring goal is to achieve the lowest cost.

"[IT] talent will go to companies that have built a program that is adaptive to the market rate," explains Karen Wilson, co-founder of VMS Professionals, a national association of end-user companies focused on acquisition and contingent labor management best practices. "But companies may not understand – [in] three months, that rate card does not apply."

Wilson believes that a successful VMS program is one that is "more collaborative and less 'whip-and-chair'." Although there is a trend for VMS to be run "by people who buy paperclips, procurement people need to look at labor differently."

To make a VMS program work for you in today's tight IT labor market, new areas of effectiveness need to be considered, including business process efficiencies, central security checks and workforce management best practices. These areas should continually be assessed, just as overall business strategies and efficiencies are.

Amy McGraner, the program manager for Contingent Labor Contracts & Controls at OfficeMax, follows similar guidelines when she looks to suppliers for a genuine business-to-business arrangement. "It's not what they say they can do, but what they can provide that is 'reference-able'." That's great advice for any organization assessing its talent vendors.

If you need a technical staffing solution that delivers the right people, with the right skills, at the right time, [contact Prism Group today.](#)