Transforming Reference Checks
Saves time, resources and eliminates bias

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VP Product
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eVendorCheck

Provider of web-based supplier assessment tools, that use direct customer feedback to measure a supplier’s current performance and risk levels

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Why Do References?

• Better selection decisions
  One of the BEST sources of information about suppliers’ capabilities are their CUSTOMERS
Why Do References?

- **Avoid risky suppliers**
  - Failure to deliver
  - Budget overruns
  - Wasted $$$
  - Your reputation

Why Do References?

To Determine Bidder Responsibility

Current practice – supplier references

- No consistency .......... Across public entities
- Most common
  - formal competitive bids
- Discretionary below bid limit
Question:
At what step of the solicitation process do you check references?
1. RFI
2. RFP Responders
3. Final 2-3 Candidates
4. Final Candidate
5. Don’t typically do references

Answer:
At what step of the solicitation process do you check references?
1. RFI 4%
2. RFP Responders 9%
3. Final 2-3 Candidates 60%
4. Final Candidate 19%
5. Don’t typically do references 6%

Step in the process
- RFI • Pre-qualification
- RFP • Narrow the field
- Final 2-3 • Finalist decision
- Final • Validation of decision
Who

- Procurement Professionals
- Administrative Staff
- Evaluation Committee

References

- 3-5 references – SOP ??????
- Not all successfully contacted
  - Lack of time
  - Resources
  - Telephone tag
- Rewards

What to Ask

- Standard questions - general
- Project specific questions
- Unstructured
- Combination
Question

How many minutes does it typically take you to complete a reference check? (include reaching reference, interview, transcribing notes)

1. Under 30
2. 30 – 45
3. 45 – 60
4. Over 60

Answer

How many minutes does it typically take you to complete a reference check? (include reaching reference, interview, transcribing notes)

1. Under 30 21%
2. 30 – 45 48%
3. 45 – 60 12%
4. Over 60 18%

Challenges

- Time-consuming
- Limited data points (3)
- Lack of full disclosure
- Missing important information
- Interviewer skill
- Bias at every step
- Documentation and process transparency
- Hard to compare suppliers
Customers provide valuable data

- Need to improve data collection and reporting
- Take advantage of internet capabilities

Improved Process
Less time – Better information

eVendorCheck

"Everything is difficult before it becomes EASY"

eVendorSelect – References made easy

- Saves Time
  - < 5 min
- More Data
  - 16 – 25 refs
- Third Party Neutral
- Survey
  - 30 items
- Strengths & Areas to Improve
- Truthful
Management effectiveness
- Operate in an open, honest and ethical manner at all times with your organization
- Minimize the need for your staff to oversee quality, technical and delivery requirements
- Appear to maintain a stable workforce with little indication of high turnover or layoffs
- Consistently maintain contract conditions, including payment terms
- Proactively initiate activities to improve quality, generate cost reductions and/or lead times

Defining the business relationship
- Establish a clear understanding of how to work together effectively: roles, responsibilities
- Explain in advance the pricing and other terms and conditions of the contract
- Work with you to establish measurements for their results
- Make you aware of any plans to outsource or subcontract

Customer support
- Assign a highly effective team leader: knowledgeable, responsive, supportive
- Respond to your needs for info or decisions
- Make a quick recovery from any errors
- Demonstrate a sense of urgency to help
- Demonstrate flexibility by accommodating requested changes with min cost/disruption
Results – quality/timeliness

• Meet requirements for **quality and usefulness**
• Meet requirements for **on time delivery** and **order accuracy**
  — How would you have rated that 6 months ago
• **Invoice** you completely, **correctly** and timely
• **Stand by work** by guaranteeing performance
• Perform in a way that you are **confident in using them in the future**

Preventing supply chain disruptions

• Successfully prevent material shortages, labor/workforce issues, sub supplier failures, workplace accidents and financial problems
• Successfully prevent legal/regulatory and environmental issues

Process transparency

• Separate dashboards for client and suppliers
• Client monitors supplier’s number of references added and the response rate
• Suppliers monitor specifically who responded and can add more raters throughout process
• System sends reminders to references

Higher response rates (avg. 72%)
Report

- Suppliers survey results – side by side
- Response rates
- Individual supplier results
  - Ratings
  - Comments
  - Rank ordered reference companies
  - Reference key information

Survey items – suppliers side-by-side

<table>
<thead>
<tr>
<th>Survey Items</th>
<th>ABC Education Services</th>
<th>EDP Facility Services</th>
<th>John and Fringe Campus Facility Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

Response Rates

<table>
<thead>
<tr>
<th>Return Rate Summary</th>
<th>ABC Education Services</th>
<th>EDP Facility Services</th>
<th>John and Fringe Campus Facility Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Rate Responded</td>
<td>31</td>
<td>23</td>
<td>27</td>
</tr>
<tr>
<td>Survey Distributed</td>
<td>40</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Return Rate</td>
<td>77%</td>
<td>88%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Average Rate Return Rate = 0.154 x 77%
**Written comments - Strengths**

- The management staff is prompt, consistent, knowledgeable and has excellent follow-up.
- Response time and action to requests are handled professionally and timely.
- When we needed additional help, they sent staff from home office to be sure it was completed.
- Quality and timeliness is on point.
- Was able to assist after natural weather events that caused damage/issues to site.

**Written comments – Areas to improve**

- Communication ref scheduling could improve.
- Need faster price quotes for jobs.
- Response time needs to improve.
- Have extended management to cover all sites.
- Cust service must do a better job of identifying which projects are life safety vs. regular orders.
- Training new employees about do’s and don’ts.
- Reporting results of inspections to the client.
- Vacation/sick leave subs have been a challenge.

**Reference Information**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Email</th>
<th>Reference Type</th>
<th>Email Address</th>
<th>Company</th>
<th>Location/Region</th>
<th>Name</th>
<th>Email Address</th>
<th>Registration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Doe</td>
<td>Associate Vice President of Facilities</td>
<td><a href="mailto:john.doe@company.com">john.doe@company.com</a></td>
<td>Associate Vice President of Facilities</td>
<td><a href="mailto:john.doe@company.com">john.doe@company.com</a></td>
<td>Wayne County Schools ISD</td>
<td>Education</td>
<td>Jane Smith</td>
<td><a href="mailto:jane.smith@company.com">jane.smith@company.com</a></td>
<td>March 2013</td>
</tr>
<tr>
<td>Robert Lee</td>
<td>Facilities Planning and Construction Officer</td>
<td><a href="mailto:robert.lee@company.com">robert.lee@company.com</a></td>
<td>Facilities Planning and Construction Officer</td>
<td><a href="mailto:robert.lee@company.com">robert.lee@company.com</a></td>
<td>Wayne County Schools ISD</td>
<td>Education</td>
<td>Paul Brown</td>
<td><a href="mailto:paul.brown@company.com">paul.brown@company.com</a></td>
<td>March 2013</td>
</tr>
<tr>
<td>Mary Johnson</td>
<td>Chief Operating Officer</td>
<td><a href="mailto:mary.johnson@company.com">mary.johnson@company.com</a></td>
<td>Chief Operating Officer</td>
<td><a href="mailto:mary.johnson@company.com">mary.johnson@company.com</a></td>
<td>Wayne County Schools ISD</td>
<td>Education</td>
<td>Dr. Smith</td>
<td><a href="mailto:dr.smith@company.com">dr.smith@company.com</a></td>
<td>March 19, 2013</td>
</tr>
<tr>
<td>John Smith</td>
<td>Asst. VP, Plant</td>
<td><a href="mailto:john.smith@company.com">john.smith@company.com</a></td>
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<td><a href="mailto:john.smith@company.com">john.smith@company.com</a></td>
<td>Wayne County Schools ISD</td>
<td>Education</td>
<td>Jane Doe</td>
<td><a href="mailto:jane.doe@company.com">jane.doe@company.com</a></td>
<td>March 2014</td>
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</tbody>
</table>
User Experience

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eVendorSelect

- Better Decisions, Less Risk, Eliminates Bias
- Time Saving
- Cost effective - $99 per supplier evaluated
  - Supplier paid option available
- Complimentary project for NIGP members