

Vendors and Customers

Five Keys to a Productive Relationship

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About the Author



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Healthcare technology management professionals sometimes see equipment vendors as an obstacle to doing their jobs. Those trying to maintain equipment frequently focus on the costs of goods and services, and the difficulty of obtaining service materials. They often don't consider the issues faced by vendors and the potential benefits they bring to the table. The reality is having an effective relationship with vendors is a key part of successfully managing any business. That doesn't mean you have to be friends with them, but you do need to be able to work with them. Here are five tips to building a successful relationship.

1 **Establish a relationship.** Not surprisingly, the first key to an effective relationship is actually having one. While this sounds obvious, it is frequently overlooked by both parties. It is not uncommon for vendors to only request a meeting to deliver the sales pitch and for the customer to only request meetings to complain about the performance of the equipment, or the quality and cost of service. If those are the only times you meet with the vendor, you can't expect to have a true relationship. Figure out the key players on the vendor side, and establish a schedule for routine meetings. Take some time to really get to know each other at the first meeting. Talk about your backgrounds and what you like to do outside of work. Knowing someone on more than a superficial level makes it a lot easier to deal with problems. The discussion

of problems should be only one item on your routine meeting agenda. Another item for discussion should be what's going well. Driving improvements that are beneficial to both parties should be another topic for discussion.

2 **Communicate effectively.** In order to have a successful relationship, communications must be crisp, clear, and delivered to the appropriate party. Communicate about communicating, covering things such as who you will typically talk to and the best method. E-mail is appropriate for some communications and the phone for others. For example, a non-urgent issue can be communicated to an agreed-upon member of the vendor team via e-mail. However, urgent issues should be communicated via phone using an established escalation tree. Discuss and come to an agreement with the vendor on the type of communication that works best in specific situations. Create a vendor escalation list and test it periodically. Call the people on the list at 2:00 a.m. on a Sunday and see if you get a response. While it is irritating to get a call in the middle of the night on a weekend just for a test, it is better for both parties to verify that the process works when there is no crisis. You don't want to find out your communication plan doesn't work when your jobs are on the line. Make sure all of your communications are clear and that your tone is appropriate. Treating your vendor with respect will only benefit the relationship in the long run.

3 Define expectations. If expectations are set at all, they are typically set around standard contract terms, things such as uptime and response time. There is nothing wrong with that, but it's important to think more broadly. Some expectations to consider relate to the question of whom vendor representatives should communicate with and when. This could apply to sales representatives, service representatives, or both. Consider spelling out for service representatives the process for checking in when they arrive at the site, whom they should talk to in order to get permission for additional repairs not covered on the initial purchase order, and who can sign off on a completed work order. Set expectations for your organization's staff on how to request vendor service, what type of information to provide with such requests, and stress the importance of working closely with vendor service representatives on scheduling service at a time when the equipment is actually available. Whenever possible, these additional expectations should be spelled out in the contract so they are more easily enforced.

4 Prioritize your vendor relationships. While it's important to meet with vendors on a routine basis, you'll drown in meetings if you don't set priorities. Think about which vendors deserve more attention. Obvious metrics to consider in establishing priorities are equipment quantity, dollars spent on capital, dollars spent on service, and criticality of equipment. These metrics could help determine the types and frequency of meetings to have with vendors. The key is to be proactive rather than reactive with your vendor relationships. Build the relationships with the right vendors for the right reasons.

5 Always strive for win-win outcomes. This may be the most important area on which to focus. The common view seems to be that vendors are the enemy—or, at best, a necessary evil. That attitude will impede healthy and effective relationships. Vendors are in the business to be successful, just as we are, and they need to make money to be successful, just as we do. The right approach to building a relationship with a vendor is to reason with them—not criticize them. Start off by identifying the things that you and the vendor agree upon, which may surprisingly be a large percentage. On the issues where there is disagreement, it's likely that some are more important to the vendor than they are to you, and vice-versa. Those are easy to address. That leaves the touchy issues that are important to both parties, who are typically looking for different outcomes. But that is what negotiation is all about. Both parties must be willing to compromise on some issues. Effective negotiations result in both parties walking away smiling. That paves the way for future negotiations that can again be beneficial to both parties. ■



Whenever possible, use a contract to spell out expectations and responsibilities between equipment vendors and healthcare facilities.

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Author's Note: I have to confess that I spent a pretty large part of my working life believing that vendors were the enemy. That's why I have a good understanding of that attitude and what drives it. It took a class on successful negotiations before I understood that an effective negotiation is not one in which the vendor with whom you are working is "beaten" at the end of the session. I learned that building a strong relationship with my vendors based on mutual respect and clearly defined goals and objectives was a key to running my business successfully. I wish I would have learned that simple truth much sooner.