

# Vendor Assessment

## The Background

Due to significant operational issues with their Policy Administration System, a Lloyds Managing Agent engaged Fifth Step to conduct an independent review of their software provider. We were also asked to consider the viability of a new supplier – who had already been identified by the client – as a long term replacement.

## The Challenge

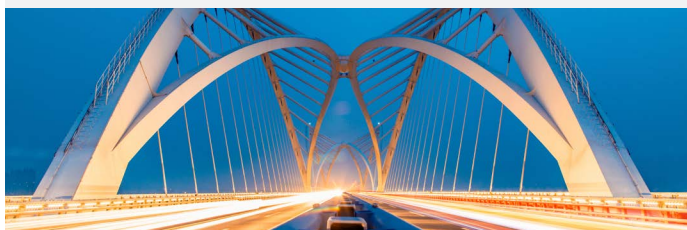
Our client's main challenges were multiple on-going legacy issues, and the current provider's poor responsiveness. These issues were having a detrimental effect on their ability to manage and retain business effectively. However, at this stage they did not wish to look at other vendors as they had started to engage with their new preferred supplier.

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## Our Recommendations

We were unable to endorse the proposed new supplier as a high number of functional requirements were still to be developed. We therefore recommended that our client run a new vendor selection process to identify a fit-for-purpose platform, with the following pre-requisites: the client would assign an IT capable Product Owner to manage the lifecycle of the product, and commence to document and sign-off the functional requirements; a dedicated Systems Integration Partner would act as prime vendor across the programme; and a Testing Partner would design and execute all testing phases.

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## Our Solution

To gain clarity on the underlying issues, we engaged with each of our client's departments and developed an holistic overview of the situation. We identified that the incumbent provider's lack of detailed requirements, business rules and technical functionality had delivered a system with dysfunctional functional capabilities. Vendor management needed to be improved and a product roadmap established, and ownership of delivery, testing and other requirements needed to be taken by a Product Manager.

## The Outcome

Following in-depth interviews and reviews, we established the mandatory requirements the vendor assessment was to be based on, and candidates were asked to evidence these by demonstrating their system's capabilities. Findings were presented with each function scored, and this was supported by a vendor comparison capability overview. The selection process resulted in a shortlist of candidates, and the recommended vendor offered a mature application that matched all but one of the business requirements. In addition to being an excellent functional fit, the IT function was mature and stable, and their approach to the system review and data migration was meticulous.

**“Fifth Step provided key processes and mentored our client's team to understand their responsibilities in managing issue resolution, with a particular focus on defining and implementing change control procedures.”**

## The Benefits

Fifth Step provided key processes and mentored our client's team to understand their responsibilities in managing issue resolution, with a particular focus on defining and implementing change control procedures. We also emphasised the fact that successful management involves a strong approach to the vendor's performance.

## The Future

Our client had been held back by the inability of a previous vendor to manage their Policy Administration System efficiently, and as a result their reputation had suffered. Our processes offered clarity on suitability, fit and flexibility, and helped them select a vendor who is playing a key role in our client's growth and on-going success.