



INDUSTRY INSIGHT / JEREMY BARRICK



# BUILDING BETTER RELATIONSHIPS

*Field services companies are using one-on-one tactics to help their vendors grow and succeed.*

In business, the key to success is the ability to provide great customer service. Building a good rapport with customers or clients can launch a company ahead of its competition in no time, but that is not the only relationship that needs grooming. Establishing good connections with internal employees and third-party vendors can be equally, if not more important in some industries.

These relationships are critical in the mortgage field services industry. National companies rely heavily on their partnerships with third-party vendors who serve as the boots on the ground network in the field. They provide a first-hand look into properties across the country, allowing field services companies to relay accurate and timely property information to their mortgage servicing clients. These third-party vendors, or inspectors and contractors, are the vital backbone of this industry. It is important for field services companies to maintain healthy relationships with that particular network.

There are many philosophies on building good relationships, with several themes emerging that can assist field services companies in building those partnerships. Just as important is how field services companies implement these philosophies into their day-to-day business strategies. Safeguard Properties, has developed several methods that establish a one-on-one connection between its third-party vendors and internal employees. It is similar to a “single point of contact” philosophy, but gives both parties incentives to succeed.

The idea behind this environment was to establish a best practice for the field services

industry that focuses on those relationship building ideals and enhances accountability for its vendors’ successes.

In this type of system, vendors are assigned a vendor account manager as their primary one-on-one connection or single point of contact. That vendor account manager is responsible for the coordinated success and performance of that particular vendor company. Their achievements and failures go hand in hand with how they develop and grow together as partners. The more successful the vendor is, the more successful the vendor account manager.

## DEVELOPING IDEAL CANDIDATES

In creating the vendor account manager system, care in hiring or promoting current employees to this position is key to success. These handpicked individuals need to possess a very special set of skills and have the right personality, in addition to a level of professionalism that is required.

Successful ideal candidates have generally shown to originate in or have strong backgrounds and experience in high-pressure sales, legal collections or supply chain management, to name a few. They need to be someone who is outgoing and friendly, but not

afraid to correct poor performance or manage issues openly and directly. These individuals should be highly intelligent, detail-oriented, and analytical with the ability to identify drivers to isolate and remediate issues. These individuals possess a hunger to always be better and exhibit an excellent motivational and ambitious mentality to help others they interact and partner with to be better as well. They are competitive and driving toward success at all times.

Conflict resolution also is a highly developed skill for ideal candidates. The daily transactions are very similar to those experienced in an advanced collections environment or other high pressure situations. Focus and calculated efforts are often required to achieve a mutually beneficial and successful outcome, in which vendor account managers have to manage challenges for vendors trying to complete work properly and on-time. They must serve as the diffuser in any conflict that arises for the vendor and find resolution in an amicable way.

A hallmark of the vendor account manager program is the way employees are compensated, incentivizing success through additional financial rewards. The premium talent that the role requires calls for a pay scale that allows the company to attract the best and the brightest.

Competitive compensation is a vital key to better identifying and attracting the correct demographic and candidate pool for vendor account manager recruiting and prospecting in the field services industry. It motivates them to ensure their vendor networks are thriving.

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Financial bonuses should be given to the vendor account managers whose network is exceeding the standards set by the company and its clients.

Vendor account managers should be evaluated on their vendors' performance in quality, on-time percentages, mobile usage, in-house quality control reviews, company set criteria, quality order reviews; reopen percentages, and commitment date percentages. This is factored into their own performance in communication with vendors, correcting poor performance, and relationship building to determine the vendor account manager's incentive. Further, there is a review component where the vendors offer feedback on the vendor account manager's performance and their relationship.

## COMMUNICATION AND PERFORMANCE MANAGEMENT

In our company, each vendor account manager is geographically assigned on average 100 vendor companies covering over several states for one service line – REO maintenance, property preservation, seasonal work, or inspections. There is no set formula on how each vendor account manager establishes and maintains those business relationships, nor is there an exact number of vendors assigned that dictate success, but some have created best practices that help grow their networks.

Open, straight forward, and high frequency communication is critical in establishing, fostering, and maintaining a good business relationship between vendor account managers and vendors. This relationship is not only coordinated like a business partnership, but also as a joint endeavor. Conversations are ongoing and proactive. A major key in this communication is establishing the open environment for not only areas of evaluation or improvement, but also to strategically identify vendor growth, strengths, and successes. This involves dedicated communication between

the vendor account manager and their vendors to work together to identify root causes of challenges to achieve their mutual goals.

A healthy vendor account manager and vendor relationship is not solely interaction from the vendor account manager or another employee at the field services company as a reaction to an issue or mistake. Vendor account managers are their partners within Safeguard and they have the vendors' best interests in mind to enable the conversations to be more supportive, even if it is to discuss something negative.

Next to communication, performance management and review is a critical element in making this relationship work. Vendor account managers manage vendor performance by determining if the number of vendors in the market is sufficient, ensuring work is allocated properly, and identifying sources for additional coverage as needed. They need to have that intangible personal skill to be in tune with their network and consistently follow up on performance. So if there are urgent or high profile orders, they know who is capable of managing additional work, for example.

The vendor account manager works to grow, improve and follow a “Vendor of Choice” model. It's a basic concept that helps ensure the vendors who exhibit high performance, quality, interaction, strategic operational tactics, and local coverage controls will receive work first as a priority over lesser successful companies. For those vendors that are not performing up to the standard, vendor account managers are diligent in knowing what training resources and education are available to assist vendors in their day-to-day work. They also are trained to walk them through systems and processes to ensure work is completed properly and with a thorough understanding of expectations.

As with all relationships, it takes hard work, patience, and a mutual appreciation for each other's strengths and areas of opportunity. The

relationship's success or failure is determined by the willingness and dedication of both parties to provide each other the support to overcome challenges and work together to achieve their goals.

Relationships benefit from face-to-face interactions. It requires vendor account managers to make regularly scheduled trips to visit vendor offices and their crews in the field. Being in their backyards, and not just on the phone, gives the vendor account manager a first-hand look into their business and a way to identify opportunities they have for improvements, expansion and growth. The vendor also has the ability to share their best practices in the field that can potentially be shared with other vendor businesses in the vendor account manager's network. This meeting helps the vendor account managers make a personal connection with the vendor, which can help them get better insight into how the vendor's business operates.

Successful vendor account managers are invested in helping vendors grow their businesses by coaching and ensuring they have the opportunity to climb the service chain. For example, a top-performing vendor that does grass cuts or landscaping may be equipped to handle interior property cleaning. The vendor account manager will help guide them in that direction to expand their business offerings, not only for the benefit of Safeguard and the field services industry, but in ways that can help them expand into servicing other industries as part of the vendor's intended growth plan.

Because national companies rely heavily on their partnerships with third-party vendors, building those relationships are critical in the mortgage field services industry, more so than other businesses. Tapping into philosophies on building good relationships and connecting with vendors one-on-one were the goals behind our company's vendor account manager program. While communication and performance management are the most critical elements, using incentives, selecting the correct talent and relationship-building tactics have proven to be effective as on-time performance and quality have improved for Safeguard's vendors.

The biggest positive this program has created is the improved relationships formed. The benefits are immeasurable and the company looks forward to continuing to help its boots on the ground network grow and succeed.

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