Framework for a Strong Provider Network

How to build and maintain a rock-solid network of proven best providers

ServiceChannel

Introduction

Service providers are critical to the delivery of your facilities mission. In fact, over 80% of facilities budgets go to the direct payment of service providers. And for good reason.

While marketing and operations build your company's image, your facilities bring it to life. As an extension of your team on the front lines, your service providers do the critical work to ensure your locations perform around the clock. They play a critical role in delivering the elevated brick and mortar experience your customers and team members now expect.

Having the right providers ready to resolve issues quickly prevents unnecessary downtime that can cost your company revenue and erode customer loyalty. But despite this critical role and the portion of budgets it represents, facilities teams often do not have the tools and resources they need to evaluate objectively the true state of their provider networks — or to identify the right next steps to improve.

New framework for success

Now, a powerful new framework provides a clear strategic model for facilities teams to uphold the brand experience and ensure business continuity — all with the right mix of the highest quality and most cost-effective service providers in the market.

The framework is built on decades of real-world experience and best practices from career facilities professionals, service providers, and industry leaders. It distills that experience into an iterative, repeatable workflow for building and maintaining a strong provider network — a network based on:

Quality performance

A rock-solid network of high-performing providers who address issues quickly and completely, in a professional and communicative manner.

Cost-effectiveness

Providers who consistently beat expectations and get jobs completed efficiently and effectively at a fair market price.

Resilience

A robust system of backup providers that ensures a reliable team is ready to step in at a moment's notice.

1 Measure performance.
Establish clear performance metrics and use data to objectively assess provider service quality.

2 Identify areas to improve.
Benchmark provider performance against industry standards. Provide a scorecard and feedback for improvement. Consider replacements if necessary.

3 Test new providers.
Onboard new providers regularly and evaluate their initial performance to ensure they meet your organization's standards.

4 Expand on success.
Grow relationships with high-performing providers while ensuring backups are prepared and dependable.

1

Measure performance

Make data-informed decisions with benchmarks and valuable insights.

› Collect accurate performance metrics
› Develop scorecards to track progress
› Establish your performance standards

2

Identify areas to improve

Develop a process and regular cadence to improve provider performance.

› Clearly communicate benchmarks and standards
› Coach providers with guidance and feedback
› Identify those that need to be replaced

Strong Provider Network

4

Expand on success

Balance work distribution, assignments, and volume to boost your impact.

› Give more work to providers that excel
› Rank top-performers as primary
› Continuously monitor performance for ongoing improvement (return to step 1)

3

Test new providers

Find and onboard providers that will deliver, based on your priorities.

› Identify providers with a proven track record
› Ramp up in your environment to minimize risk
› Monitor initial work to build a strong foundation

Breaking down the workflow

ACTION 1
Measure performance

To start, you need a full picture of how providers deliver for every location — not only for urgent issues, but with every job.

For a meaningful assessment, you need enough data to evaluate provider performance over time and against market standards. Focusing on the numbers brings everyone into the loop, including your providers, on-site operations teams, and finance.

Prioritize performance data

As you begin to assess your network strength, it's key to understand the different types of insights day-to-day operational data and big picture performance data can provide:

› **Operational data:** Most facility management teams focus on the data that shows how well you are doing on any given job. Operational data will be unique to each situation and includes factors such as arrival time, parts availability, and whether the job stayed on budget.

› **Performance data:** To evaluate provider performance, you need a wider view that allows you to zoom out and look for trends over time. How much do you get billed on average? How often is a provider late and by how much time? At least 10 work orders are typically required to begin measuring a provider's performance.

Set your standards

Once you've collected and considered performance data, the real work begins. Now you need to set clear standards based on your goals and what the numbers tell you. Your goals will give your team, operations, and providers a picture of where you are vs. where you want to be and give everyone a clear target.

Initially, your goals don't need to be unique by trade, region or provider. In fact, in the beginning, that approach may create counter-productive complexity. Start with a basic, such as "time-to-site" or consistency of checking in and out of a job. Get the basics down and get into details later.

The following table illustrates a sample set of basic standards that are typically a good starting point for tracking speed and quality.

Key Metric	What it tracks	Why it matters
Check-in compliance	% of work orders with documented check-in and check-out	Ensure accurate invoicing and technician accountability by validating time on site
On-time arrival	% of work orders where provider arrived within SLA	Align providers with your priorities and timelines
First time completion	% of work orders where work is completed in one visit	Solve problems on the first try with skilled technicians and well-stocked truck
Completion time	Average time (days) for resolving an issue	Monitor overall timeliness of the provider from response to repair

Track your vital statistics

Make sure your providers understand how they are being measured — and where they stand — by providing a scorecard. When you start to keep score, everyone needs to see the scoreboard. If your good providers know exactly what they need to work on, they will share in your goals and strive to improve.

> *Get started*
> **Review your scorecard at least every other week.**

Double-down on the data

First, focus on how you will gather the right data and communicate what it tells you.

Start with defining and collecting metrics manually, then step up to automating. Regardless of whether your process is manual or automated, set clear performance goals and ensure they are identified, calculated, and communicated.

Use this chart to determine your opportunities to advance your performance measurement, goal setting, and communication.

Measure performance	Basic	Better	Best
Collect clean data	• Simple metrics	• Ad hoc	• System-stored
Establish goals	• Common	• By trade	• By trade, service, and industry
Develop scorecards	• Limited global metrics and targets • Ad hoc review	• Full suite of metrics • Regular review • Shared with providers	• Customized metrics • On-demand review • Real-time access for all

ACTION 2

Identify areas to improve

Once scorecards and goals are set, it's time to pinpoint the most important areas in your network for improvement. This requires benchmarking each provider's performance against others in your network and, when possible, against the larger marketplace.

Benchmark your provider's performance

As you look for areas of opportunity, the scorecard will be key. A good scorecard will uncover where providers are not performing as well as other providers in your current network. Benchmark your providers against your entire network for the KPIs you care about to understand who is performing to your standard and who is not.

Benchmarking providers against top performers in the industry is the next step. It's a challenge, but important for your providers to see how they stack up against their competition — providers in their same trades, serving customers in your industry and geographic region.

Whether your benchmarks are internal, external, or both, this comparative data will uncover deeper insights and areas of focus.

Provider	Check-in compliance	On-time arrival	1st time completion	Full time resolution
Acme Plumbing	96%	62%	78%	5.82 days
Joe's Plumbing and Backflow	58%	60%	62%	18.48 days
Piper and Sons	94%	85%	78%	10.31 days
Downtown Plumbing	97%	77%	67%	12.28 days

Underperforming provider

Keep in mind that having solid relationships with your providers is critical to success. Data tells part of the story, but it's not the entire picture. Let the numbers and your relationships work together:

Review provider performance data across every work order, not only the critical ones

Make sure providers have clear performance objectives so they can meet your expectations

Consider context — if a provider only does very complex jobs for you, take that into consideration when comparing their speed and cost to the rest

Consider replacements when providers are unable to improve with coaching

Share the data with your providers and coach them on opportunities for improvement before considering replacements

Coach your providers

Once you've benchmarked providers to see where they stand, it's time to help them improve.

The best coaching is based on solid facts both sides can see, so your conversations should be centered around the numbers. When you are clear with providers about how they are measured, it becomes clear to them how to improve. And again, your best providers will want to share in your goals and strive to improve.

Set clear priorities for your coaching. Start with high spend trades, or areas that consume a disproportionate amount of your time and energy. Focus on a single trade or provider. Over time, your coaching may become a natural part of other conversations — or even become less important once both parties are focused on the same outcomes.

> **Get started**
> Identify a single provider to coach and set up a monthly call to review performance against expectations.

Decide which providers to replace

When providers consistently fail to meet standards, even with coaching, it may be time to consider a replacement. Data showing a clear pattern of poor performance over time will help you make a fair call.
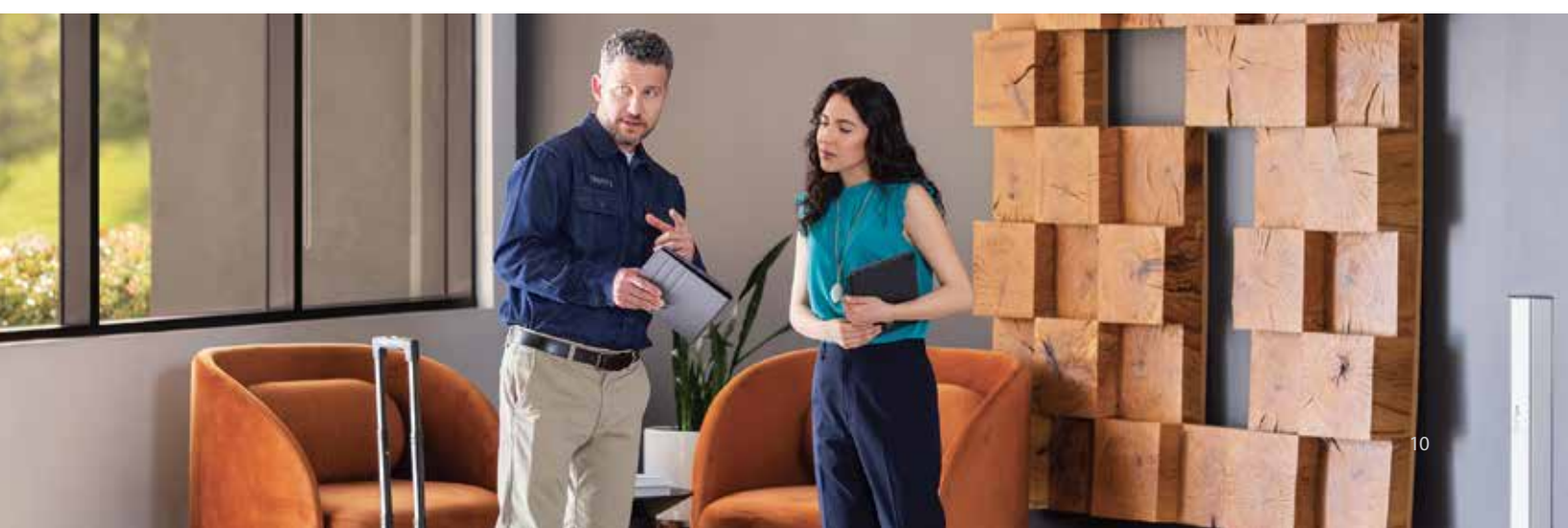
Before dismissing a provider, be sure to identify alternative providers who may provide better service at improved cost (see the guidelines for testing new providers in the next section). Keep in mind that in some challenging service areas, there may not be better alternatives available.

Make progress a standard practice

Early on, your decisions will likely be based on data from very basic comparisons. As you refine your benchmarking, you'll have better, more meaningful data to guide continued improvement.

Use the chart below to determine your opportunities to improve provider benchmarking, coaching, and replacement.

Drive improvement	Basic	Better	Best
Benchmark for visibility	Show ratings against network	Show rating against comparable segments (e.g., trade)	Show ratings against true peers (trades + geography + industry)
Provide guidance (regular reviews)	Coach on common metrics	Coach on benchmark	Include qualitative feedback (reviews)
Replace underperformers	Set internal performance & qualitative standards	Rank and prioritize manually	Automate ranking and prioritization

ACTION 3
Test new providers

It's important to make the process of identifying and testing new providers an ongoing part of your operations. This includes regularly choosing new providers in every key trade, setting them up, and tracking their performance on a few initial work orders. Taking this time and thoughtful approach ensures you are in a good position when you do need to replace a provider for any reason. It also helps you build a strong foundation for a successful relationship with your new provider.

Find the right providers that fit your needs

When searching for new providers it is essential to understand the needs of your network: Is your business especially dependent on a specific trade? Do you need expanded or new location coverage? Would you like to engage more self-performer? Are you concerned with diversity — e.g. engaging women-owned providers — or meeting environmental standards? Clarifying your network needs from the start narrows down choices to ensure the providers you choose can meet your goals.

No matter how you discover new providers, through online searches, trade shows, recommendations, or sales pitches, it is always critical to make sure those providers can deliver.

Before engaging them even on trial work orders, confirm their capabilities. Look for vehicles owned, number of qualified technicians, and sub-contractor relationships. Most important, check their performance for other clients using objective resources. Take the time to get this right to avoid future challenges.

Onboard and ramp-up

After choosing a new provider, the next step is to onboard them to your network. Depending on the size of your organization, the onboarding phase can be time-consuming and challenging.

While the contract, master service agreement (MSA), and certificate of insurance are important legal documents, it is important to establish a good process and translate your organization's full needs and process into an easy-to-read onboarding document.

A good onboarding guide answers common questions such as how to respond to jobs, who to talk to when they arrive on site, expected speed of response, dress code, and alternative contacts. A clear onboarding document eliminates repetitive conversations with providers and sets clear expectations from the beginning. It also makes it easier for new providers to complete compliance requirements so they can get to work for you more quickly.

Measure performance early

A new provider's first work orders are are vital to understanding their capabilities and service quality. In the first phase, you're testing the basics: responsiveness, communication, and technical skill. Casually check in with providers during these first few work orders to help uncover these traits when you don't yet have the data.

In the second phase, as providers gain experience, focus on invoicing, communication, and work order management skills (e.g., ordering parts, handling high priority cases).

The number of work orders it takes to fully test a provider varies based on the size of your network, but a general guideline is to allocate at least 20% of work orders (or a minimum of 10) within a 3-month period to properly evaluate performance.

After 90 days, meet with them to discuss the mutual results of the test. This is the perfect opportunity to allow the scorecard to drive the conversation.

Testing phase	What to validate	When
Initial engagement	• Work order acceptance • On-time arrival • Communication	Weeks 1-2 (or 5 work orders)
Lifecycle engagement	• Communication • Parts ordering • Proposal creation • Resolution time	Weeks 2-6 (or 15 work orders)
Billing & Support	• Invoicing speed • Quality of documentation	Weeks 7-12 (or 30 work orders)

The number of work orders required to accurately test a provider varies based on the size of your operation. A general guideline is to allocate at least 20% of work orders (or a minimum of 10) within a 3-month period to properly evaluate performance.

After 90 days, meet with them to discuss the mutual results of the test. This is the perfect opportunity to allow the scorecard to drive the conversation.

Get started: Set a 90-day check-in for a newly onboarded provider to ensure expectations are met on both sides.

Make "new" feel natural

Testing new providers can feel more like an art than a science. As your organization gets more comfortable with this practice, you can shift from ad-hoc or reactive decisions to an ongoing, data-driven approach with an established process.

Use the chart below to determine your opportunities to improve how you identify, onboard, and evaluate new service providers.

Drive improvement	Basic	Intermediate	Mature
Identify and invite	Traditional sources (trade shows, cold calls)	Network referrals	Real-time objective data
Onboard and ramp-up	Ad hoc with minimum requirements	Streamlined process	Test and measure with clear standard operating procedures (SOPs)
Measure early performance	Respond to issues	Monitor initial work	Establish process with 90-day review

ACTION 4

Expand on success

Once you've made some initial upgrades, continue to monitor and refine your network. As you progress, keep in mind two guiding principles:

1 Good work yields more work. Give your best providers additional work to develop and deepen those relationships.

2 Nurture dependable back-up providers for all trades to create a strong safety net and protect your facility up-time.

Upholding both objectives will keep you on track to deliver on your organization's financial and operational goals.

Give more work to your top-performing providers

Take care to bolster relationships with top-performing providers who seek opportunities to grow in their work with you. Whenever you can, allocate more work. Engage them for more locations or trades. Assign them to special projects. If a new provider significantly outperforms an incumbent, promote them.

Rewarding good service with more work builds your partnerships, ensures commitment to providing ongoing good service, and raises performance across your network.

Manage back-ups and location coverage

A stable of dependable backup providers ensures there is always someone there to get the work done. It's the safety net you create to fill gaps quickly in situations when your primary provider is not available or leaves abruptly.

One back-up option is to have a large, national provider on standby. While this may offer the advantage of many technicians and wide coverage, it is often not the most cost-effective or best-quality option.

A better alternative is to use your providers who have proven themselves in one area of your network and not in another. By creating overlapping areas of strong and moderate performers, the network becomes more resilient as you build relationships with both.

That way, as business demands grow and provider quality improves, you increase your flexibility. For example, you might choose providers on a location-by-location level if you discover that certain providers do a better job in a single metro area.

Managing good backup providers can be difficult for even the most sophisticated facilities teams, but working toward this goal gives your team an important edge.

> *Get started*
> **Identify one trade where you need more back-up providers.**

Continually strengthen your team

Use the chart below to create a plan to expand top performers and manage location backup coverage.

Drive improvement	Basic	Better	Best
Expand high performers	• Status quo	• Add locations based on provider data	• Expand based on location-level data
Manage backups and location coverage	• Single provider for most trades in each location	• 2 per trade per location • 3 for critical trades	• 3 per trade per location (some exceptions for planned work)

ServiceChannel

Make network strength an ongoing priority

Regardless of the size of your organization or sophistication of your facilities management toolkit, it's important to establish the right foundation, build on your skills over time, and acquire more advanced tools to keep improving.

START SIMPLE
Create a scorecard to monitor a few vital metrics

The best way to get started is to implement a scorecard and coach a single provider. A scorecard will help you identify top, medium, and low performers based on simple, yet important metrics you can readily track, such as time to complete, time to site, and check-in rate. This will get you thinking about your providers from an objective, data-centric perspective aside from the relationship. It will also enable you to identify the best opportunities to coach or replace. Choosing a single provider to coach will give you a sense of how to make it work.

EMBED IT
Make the framework part of your day-to-day routine

Get your whole team to start working with your current providers in a new way. This may be as simple watching for opportunities to add a comment to the end of any conversation: "I was looking at your performance scorecard and noticed that your check-in rate declined 2% last month."

SUSTAIN IT
Build strength over time — and stay focused on your goals

Every provider network presents unique opportunities. Success lies in continuous improvement. This four-part framework is not a linear, one-and-done effort. It is a process, an ongoing cycle of learning and education, of building a new muscle in support of your facilities goals.

A built-in foundation

Maintaining a strong provider network is faster, easier, and more effective when you have a solid infrastructure in place to support you. Next-level improvement is within reach when you're able to change perspective and have the tools at hand to work smarter — not harder.

With ServiceChannel, you have a flexible infrastructure to support each aspect of your progession through the framework, regardless of your starting point. You have the built-in capabilities you need to ensure a strong provider network — the best possible service at the lowest possible cost based on proven successful provider partnerships.

1   Measure performance.

Your contractor scorecard gathers and reports 28 key performance indicators to calculate scores across cost, speed, engagement, and quality. Real-time benchmarking against other providers in the same trades and geographic location servicing your industry is built into the scorecard. And you can easily see how each provider's performance is trending over time. Your providers also have on-demand access to their scorecard, so they can see where to improve on their own.

2   Identify areas to improve.

Your biggest opportunities for improvement are automatically calculated for you and presented every month in your ServiceChannel dashboard and in ServiceChannel Provider Search. The highest-performing providers to replace them are also presented, along with a calculation of how much you could save.

3   Test new providers.

With ServiceChannel Provider Search, you can find the proven top performers for all your needs based on objective data from millions of work orders — whether through your automated recommendations or by conducting your own search. You can effortlessly invite them, ensure compliance, assign work, and monitor their performance — all in one place.

4   Expand on success.

Your ServiceChannel contractor scorecard enables you to monitor performance based on a comprehensive set of metrics to guide your coaching and develop stronger relationships with top-performers. At the same time, backups are ready to go when you need them. And with new opportunities served up for you every month, you can continuously improve.

1
Measure performance

Make data-informed decisions with benchmarks and valuable insights.

› Collect accurate performance metrics

› Develop scorecards to track progress

› Establish your performance standards

Contractor Scorecard

Provider Benchmarking

Provider Homepage

2
Identify areas to improve

Develop a process and regular cadence to address underperforming providers.

› Clearly communicate benchmarks and standards

› Coach providers with guidance and feedback

› Identify those that need to be replaced

Contractor Scorecard   **Provider Central**

Provider Benchmarking   **Contractor Scorecard**

Network Opportunities

Strong
Provider Network

4
Expand on success

Balance work distribution, assignments, and volume to boost your impact.

› Give more work to providers that excel

› Rank top-performers as primary

› Continuously monitor performance for ongoing improvement (return to step 1)

Contractor Scorecard

Provider Benchmarking

Provider Homepage

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Test new providers

Find and onboard providers that will deliver, based on your priorities.

› Identify providers with a proven track record

› Ramp up in your environment to minimize risk

› Monitor initial work to build a strong foundation

Provider Search   **Provider Profile**

Contractor Scorecard   **Contractor Scorecard**

Provider Assignment   **Provider Homepage**

Onboarding Document   **Provider Support**

Provider Pilots

Available Tools   **Subscriber Tools**   **Provider Tools**