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April 27–May 1, 2014 • Moscone Center • San Francisco, CA

Lab Guide

Vendor Performance Management

Mike Zachary & Lisa Henderson

Lab instance: https://**<<name>>**.lab.service-now.com

Login / Passwords:

admin / Knowledge14

itil / Knowledge14

employee / Knowledge14

Lab Goal

PREWORK
Vendor Performance Management

Vendor Performance Management (VPM) is a brand new application available in the Dublin release of ServiceNow that allows customers to leverage existing data and the new Assessment engine to measure, compare and contrast a vendor's overall performance and importance to your company.

The goal of this lab is to understand all the different data feeds as well as how to configure and customize it to meet your particular vendor measurement criteria.

Log on to Your Training Instance.

1. **Immediately upon arrival**, begin working through the pre-lab setup instructions on the first couple of pages. These steps will take 15-20 minutes and can be running during the introductory presentation part of the lab.

2. Your instance URL is on the cover page.

3. Login using the **admin** credentials provided on the cover.

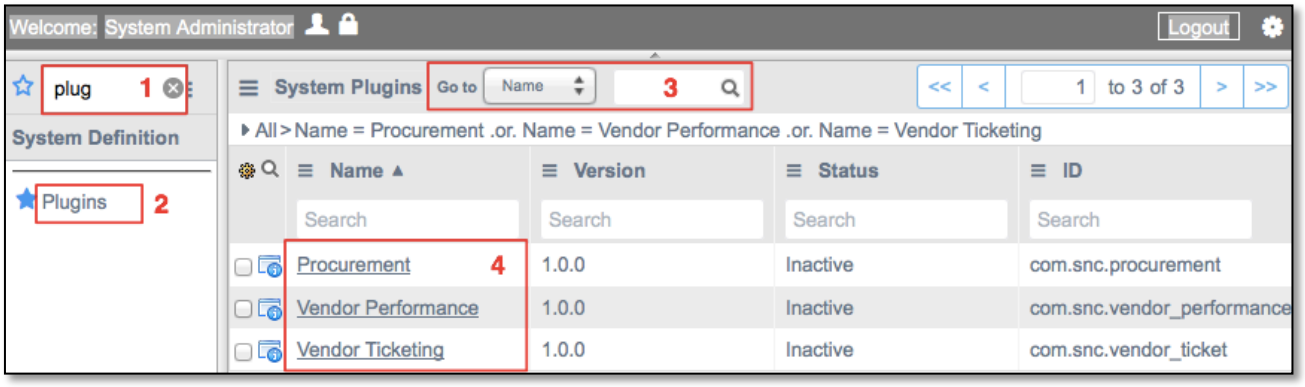
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Install Prerequisite Plug-ins

Vendor Performance Management (VPM) can potentially leverage data from many other ServiceNow applications. To demonstrate the full functionality of VPM, we will install a few additional applications that aren't installed by default in a new customer instance. This is done via plug-ins. Each of these plugins may in turn install other prerequisite plugins.

Prerequisite Plugins

- Procurement
- Vendor Performance Management
- Vendor Ticketing



1. Look for the filter search box on the left side of your browser window (**Navigation Pane**). Type **Plugins**. This will filter your list of applications and modules to show you the item(s) you're looking for.

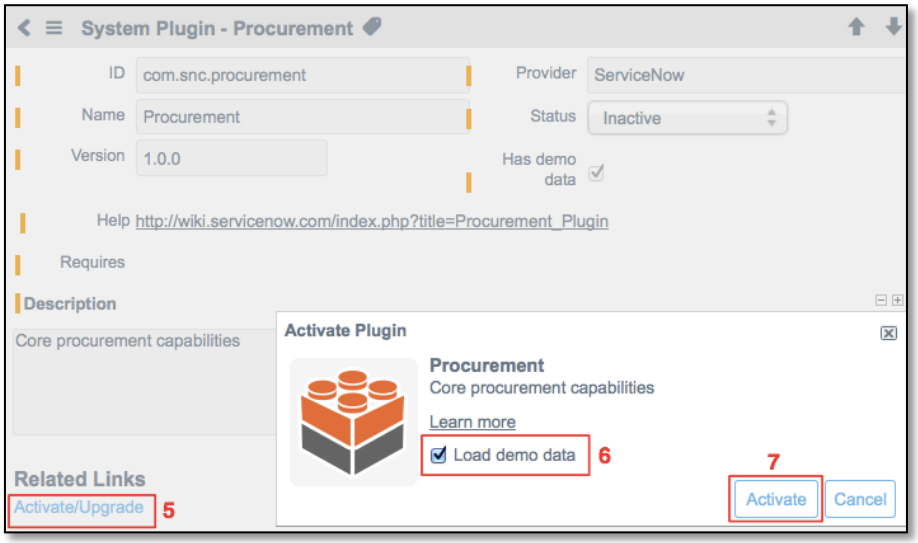
2. In your filtered list below, select the **Plugins** module. This will show you all available plugins. Some are already installed by default. These will be listed as "Active".

3. Using the list search at the top middle of your screen, search **Procurement** in the list of plugins.

4. Once you find it, click the underlined word **Procurement**.

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5. Click the Related Link at the bottom of your screen to **Activate/Upgrade** the plugin.



6. A dialog box will pop up to describe the plug-in and give you the option to have demo data installed as well. **Be sure to select the option to Load Demo Data.**

7. Click the **Activate** button to begin the plugin installation process. This process can take from a couple of minutes to as much as 10 minutes, depending on the plugin. Be patient.

8. Click the browser's BACK button to return to your list of plugins and repeat this process for each of the 3 prerequisite plugins. Be sure to select the demo data option for each plugin you install.

9. When completed, your screen should look something like this.



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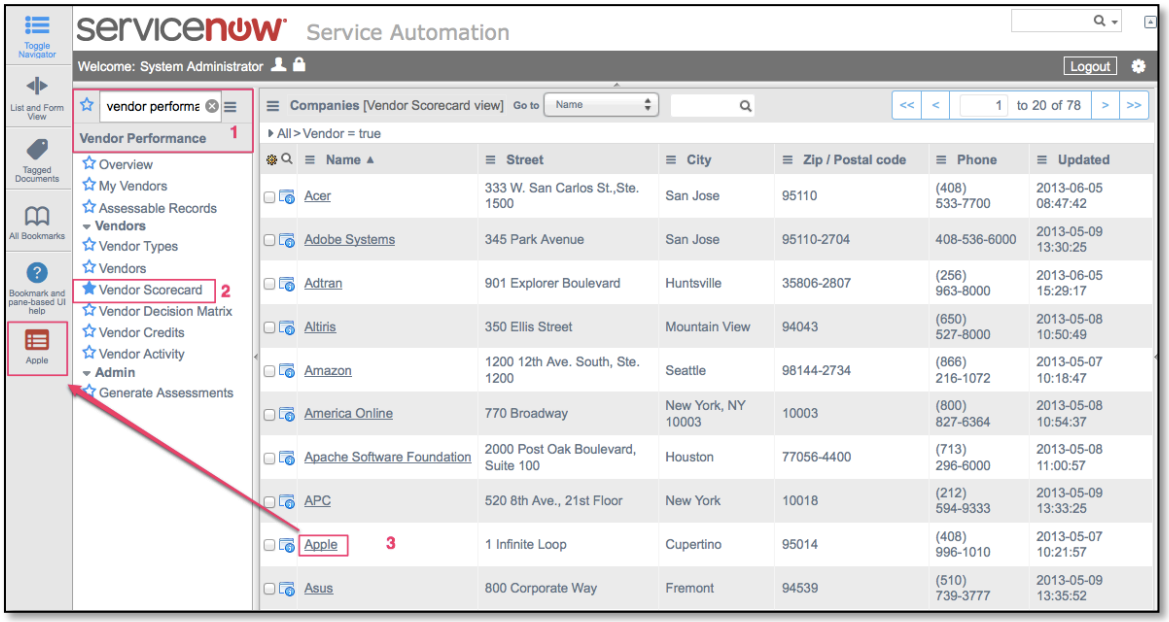
Lab 1: Tour the Vendor Performance Management Application

Lab 1 Vendor Performance Management

1. Navigate to the **Vendor Performance** application by scrolling through your application Navigator Pane on the left or by typing **Vendor Performance** in the Application Filter

2. Select **Vendor Performance > Vendor Scorecard**. This will show you a list of all your currently defined vendors.

3. Find **Apple** in your list of vendors. Since we will be coming back to this Scorecard frequently during the lab, let's first create a ServiceNow **Bookmark** for the Apple Scorecard. Create the Bookmark by simply dragging the link for the Apple record (labeled as #3) to the Bookmark bar on the far left of your ServiceNow browser window.



Now click the new **Bookmark** that you just created.

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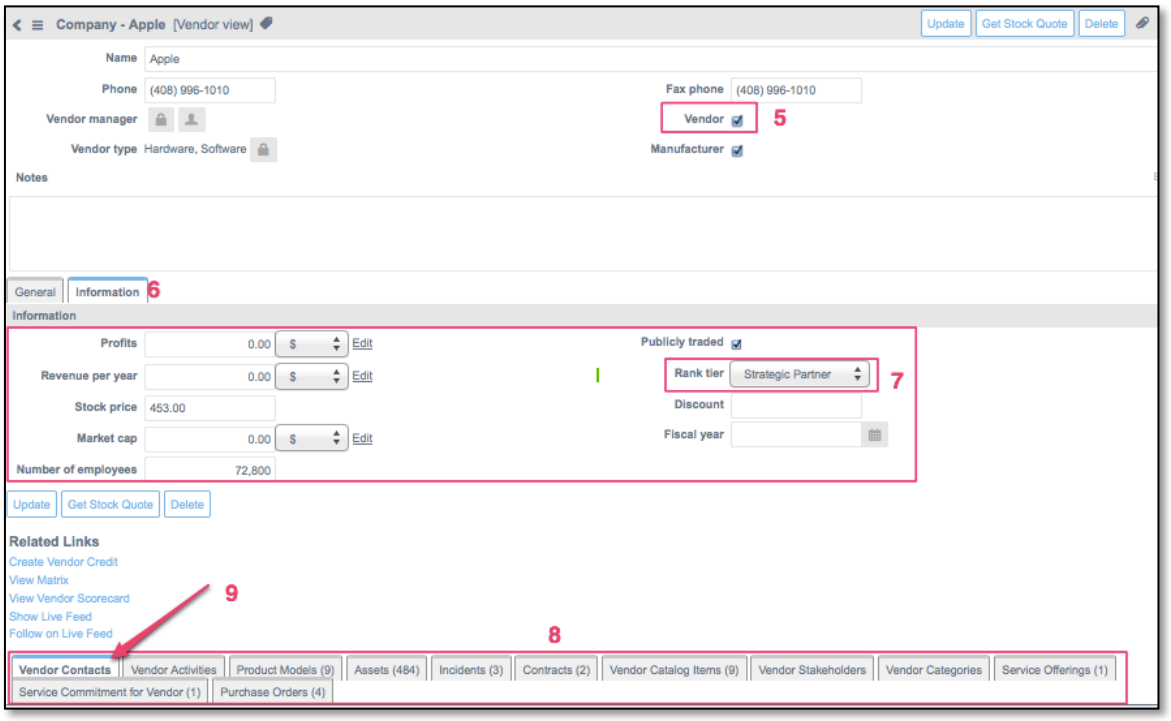
4. This will bring you to the **Vendor Scorecard** for Apple. Since there is a LOT of information on this page, the labs are broken down by sections. Lab 1 focuses on the core vendor information and the Header portion of the Scorecard. Labs 2, 3 & 4 will focus on the Vendor Summary section. The remaining labs will address the Vendor Ratings section.

   Click on the word **Apple** to view the **Vendor record** for this company.



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5. A Vendor record is simply a company record that has the Vendor field set to true (checked). You're looking at the Vendor view of that record so the layout is different than what you may be used to, but it is still just a company record.



6. On the **Information tab** of the Vendor form, you'll see some manual data entry attributes such as Revenue per Year, Stock Price and Rank Tier. Many of these attributes are passed through directly to the Vendor Scorecard and give some perspective as to the size and health of the company. The Vendor Manager typically sets these attributes when the vendor is brought onboard and they are then reviewed on a regular basis.

   [Customization Idea] *Write a Business Rule that would use web services to dynamically update the stock price and other company data from public sources like http://www.webservicex.net*

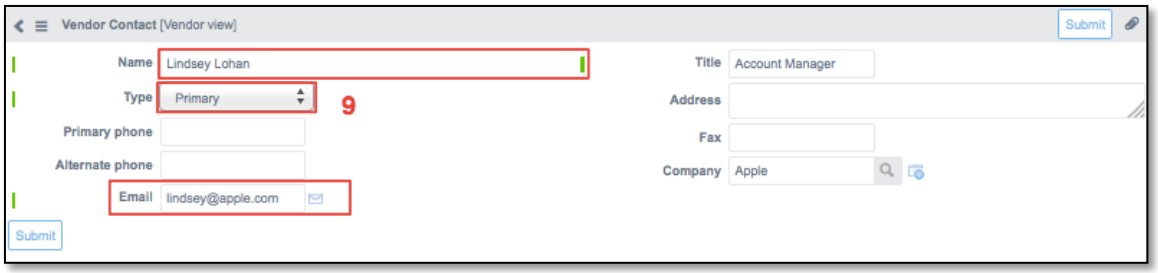
7. Make Apple one of our **Strategic Partners** rather than just a Valued Partner. Use the dropdown on **Rank Tier** to change this selection. Right Click in the gray banner to Save.

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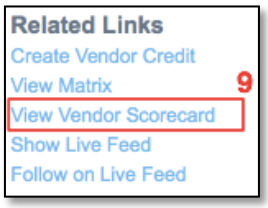
8. Review the Related Lists at the bottom of the Vendor form. These are just some of the elements that will be used in calculating the overall vendor analysis and scoring that is on the Vendor Scorecard.

   NOTE: *One of the significant advantages of the ServiceNow platform is its ability to create relationships between all the different business processes that are often independent silos of information in most other tools. The value of the overall solution increases as the number of applications deployed is increased. This is particularly true with VPM. The more solutions you leverage, the more meaningful your VPM Scorecards become.*

9. Create a **Vendor Contact** for this vendor: Under the **Vendor Contacts** tab of the **Related Lists**, click **New.** Fill out the form with at least the items highlighted below filled out. The Primary contact for a vendor is quickly accessible from the Vendor Scorecard. Click **Submit** when done**.**



10. Return to the Vendor Scorecard for Apple by clicking the **View Vendor Scorecard** link under **Related Links**.



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Lab 2: Asset Value Calculations

The Asset Value attribute on the Vendor Scorecard is a sum total of the cost of all active assets deployed or in stock in your asset records.

NOTE: All values shown in the Vendor Summary are actually links to the record list that makes up that value. To see how a particular value is calculated, just click on the value and view the breadcrumb of the filtered report.

Lab 2 Vendor Performance Management



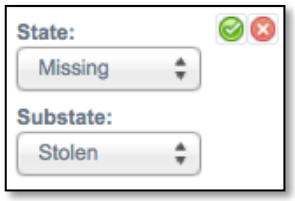
1. Make a note of the dollar amount associated with the Asset Value label.
   Write it here: _____

2. Click on the dollar value associated with the Asset Value label. This will take you into a list of all active assets.

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3. Double click the **State** value associated with any asset that has an Asset Tag associated with it.





4. Change the **State** to **Missing** and the **Substate** to **Stolen**. Click  to save your changes.

5. Use the Bookmark  that you created earlier in the lab to return to the Apple Scorecard.

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Lab 3: Vendor Purchase Commitment

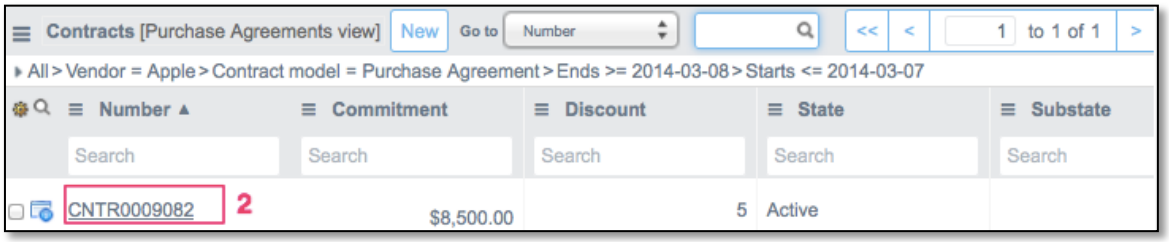
Lab 3
Vendor
Performance
Management

Many vendors will agree to special pricing discounts if a customer will contractually agree to spend a specified amount of money with that vendor during the term of the contract. The **Commitment** attribute on the Vendor Scorecard represents the sum of all Purchase Agreements made with that vendor. The **Remaining Commitment** represents that amount remaining to meet that obligation.

1. Drill into **Commitment** from the Scorecard by clicking on the dollar amount associated with it.

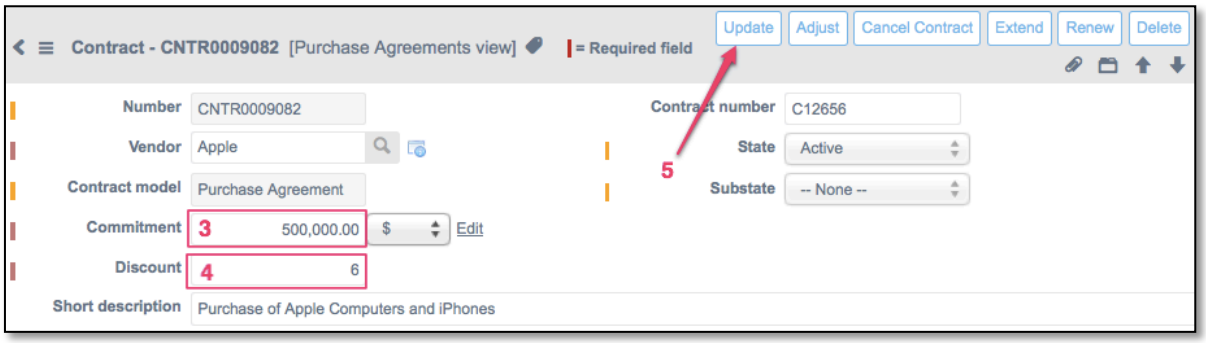


2. This is a list of all active Vendor Purchase Agreement contracts (commitments) for this vendor. Click on the **Contract** Number to see the details of the contract.



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3. Edit the **Commitment** field to change the contractual commitment to $**500,000**.



4. Edit the **Discount** field to change the contractual discount to **7.5**%.

5. Click the **Update** button to return to the list of contracts.

6. Use your Bookmark  to return to the Apple Scorecard.

7. Note the changes to changes to **Commitment**, **Remaining Commitment** and **Agreed Discount**.

8. The last remaining element in the commitment equation is how much has been SPENT with this vendor. This is derived from the sum of all purchase orders associated with this vendor during the Purchase Agreement contractual period. Whether you leverage ServiceNow's Purchasing module to generate the PO's or if they are generated elsewhere, it is often a good idea to keep PO data in ServiceNow for reporting purposes such as this.

   Click on the **Spend** amount on the Scorecard to see the list of purchases.

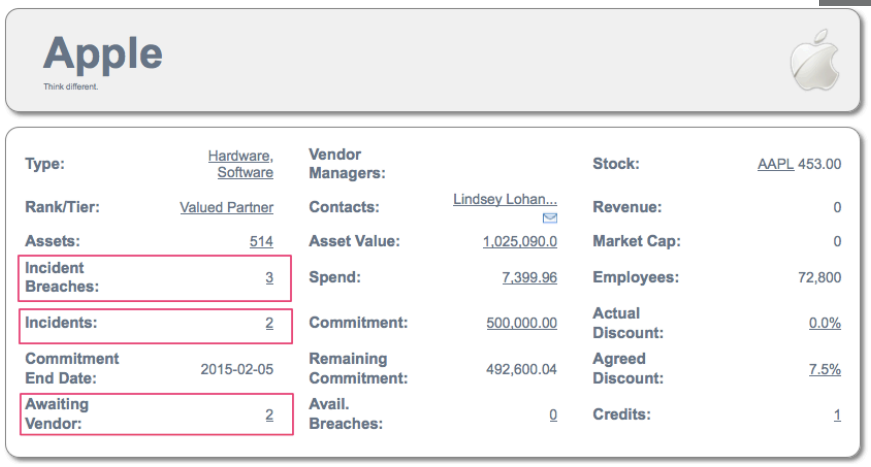
[BONUS MATERIAL] *Go back into the Purchase Agreement Contract and use the button at the top of the form to **Extend** the contract by one year. The sample contract ends Feb 15, 2015. Contracts are an essential part of Asset Management. Purchase Agreements are just one of several classes of predefined contracts available.*

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Lab 4 – Incidents and Incident Breaches

LAB 4 Vendor Performance Management

Part of Vendor Ticketing is the ability to track incidents that a Vendor is involved in and potentially measure their response times against a contractual Service Level Agreement. This lab will walk through all the different options with regard to Vendor Ticketing.

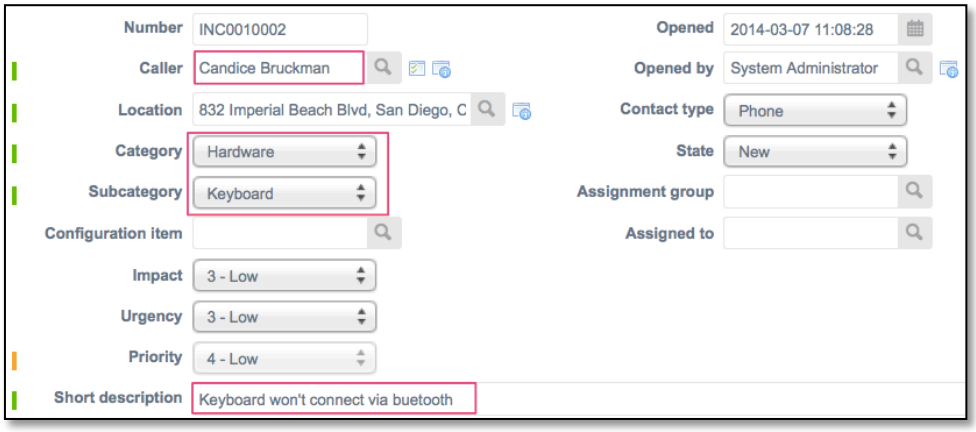


1. To associate a Vendor to an Incident, some new fields have been added to the default Incident form. For existing customers, these fields will show up in the available fields in the slush bucket available to the incident form.

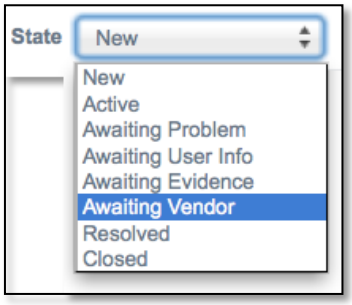
   Go to **Incident > Create New** on your Navigator Pane on the left side of your browser to create a new incident.

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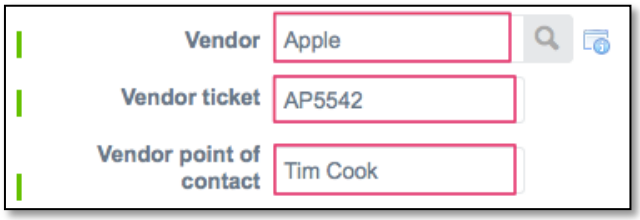
2. Fill out the **Incident** Form with the basic information similar to the screen shot below.



3. Now change the **State** to **Awaiting Vendor**.



4. New fields will be exposed via a UI Policy to allow you to associate a Vendor with this particular incident. In the **Vendor** field, type **Apple**. Fill out the remaining fields similar to below.



5. Click the **Submit** button at the top of the form.

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6. Click into **Incidents** from the Scorecard. This is a list of all incidents that are associated with this vendor, regardless of the State. Return to the Scorecard using your **Bookmark** .

7. Click into **Awaiting Vendor** from the Scorecard. This is the list of all incidents that are currently on hold awaiting a response or resolution from the vendor. This list of incidents could be subject to a vendor SLA or Underpinning Contract.

8. **To test this out, we will create a new Vendor SLA for Priority 1 or Priority 2 incidents to this Vendor.**

9. Go to **Service Level Management > SLA Definitions** in your Navigator Pane.

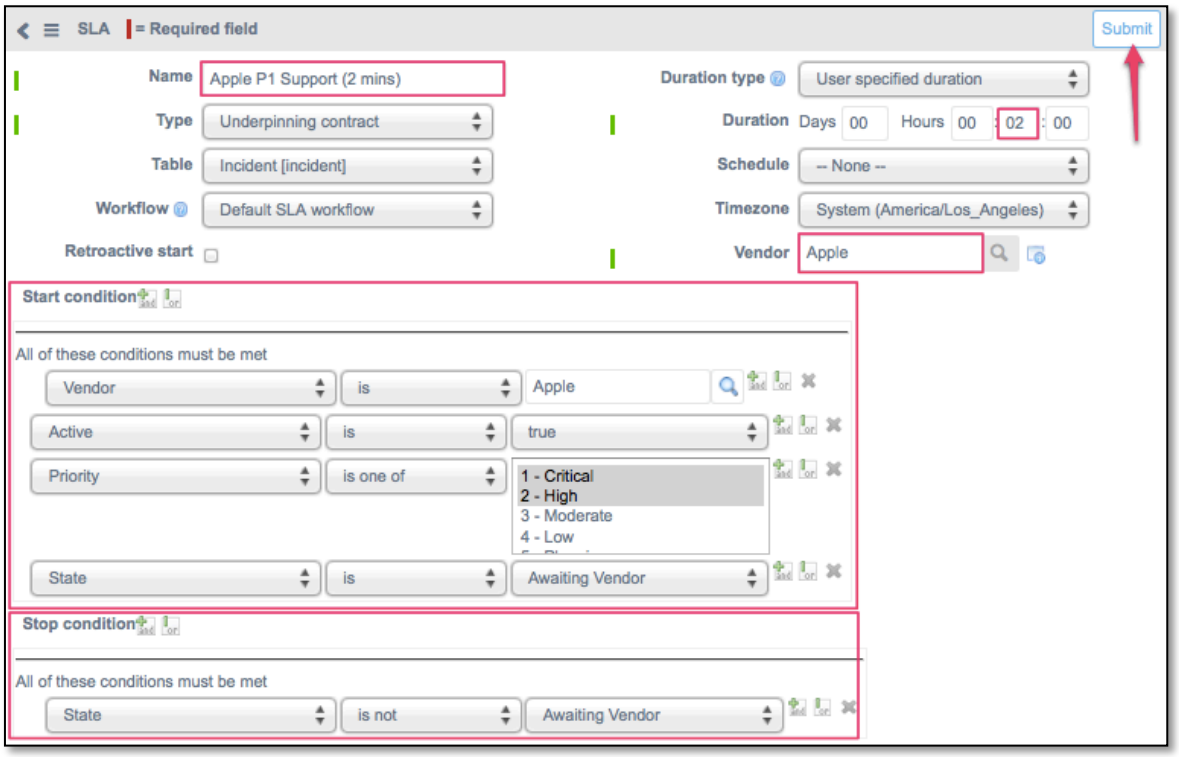
10. Click **New** to create a new SLA.

11. Select a **Contract SLA** as the SLA type.

    NOTE: *You could also have a vendor SLA that is based on Service Availability rather than Incident Response/Resolution Time. This would be measured via a **Service Offering SLA** and would show breaches on the Scorecard under **Avail. Breaches**.*

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12. Fill out the Underpinning Contract (SLA) form as shown below.



NOTE: *An Underpinning Contract is an ITIL term for an SLA with someone outside of your organization/company.*

13. Click **Submit**.

14. Return to the Incident that you created in the earlier lab. Go to **Incident > Open** in the Navigator Pane. Find the incident you created. By default it should be at the top of your list of incidents, but you can always sort by Incident Number, if necessary, by clicking on the Column Header called **Number**. Open that Incident.

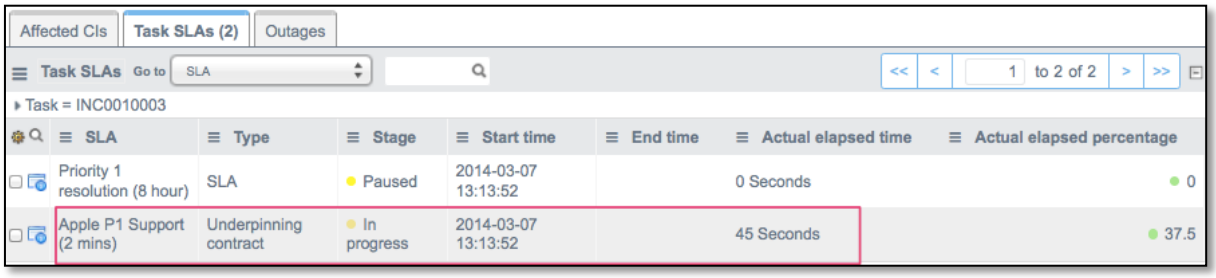
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15. Change both the **Impact** and **Urgency** of the Incident to **High** and this will automatically change the **Priority** to **1-Critical**.



16. Click the **Update** button to **Save** the Incident and then go back into the Incident to view it.

17. Since your incident met the criteria you defined, your **Underpinning Contract** (SLA) should be triggered. You can view the status by scrolling to the bottom of the Incident form to the **Related Lists** and click on the **Task SLAs** tab. You should see something similar to what is shown below.



NOTE: *You should see that 2 different SLA's have been triggered. The first is your internal SLA that states that you have 8 hours to resolve the incident. This is a sample that is provided for all new instances. The second is the new SLA your just created that indicates that Apple has 2 minutes to do their portion and either resolve the incident or pass it back to the internal support team.*

If your SLA hasn't already breached, it soon will. We didn't give Apple much of a chance. ☺

18. Use your **Bookmark**  to return to the Apple Scorecard.

19. Click on **Incident Breaches** to see that Apple breached their 2 minute SLA agreement.

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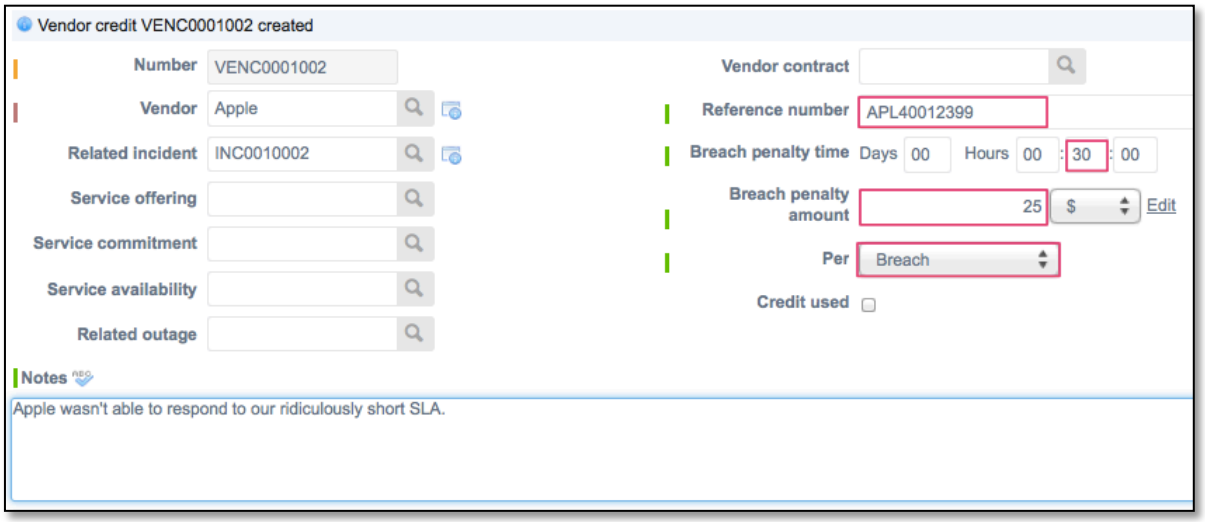
20. Drill into your breached incident from the list by clicking on the **Incident Number**.

21. Since the SLA for this incident was breached by the vendor, you may be entitled to some sort of Vendor Credit. Sometimes this credit is monetary. The Vendor Ticketing plugin provides you the capability to track any Vendor Credits you may have. This again is useful for the Vendor Manager during contract negotiations or before submitting the scheduled payment for that vendor's service.

    Scroll to the bottom of your incident form. Click on the **Create Vendor Credit** link.



22. On the Vendor Credit form, you'll record the vendor reference number that is often provided by the vendor when a breach has occurred. You'll also record any financial penalties and any other notes associated with the breach. Fill out the remainder of the Vendor Credit form as shown below.



NOTE: *Typically, you would create a Service Contract to go along with your Underpinning Contract to provide all the terms of the agreement. You might also set up a Service Offering CI that has the specified SLA commitment tied to it. For demonstration purposes, we just provided the basic information to show how vendor credits work.*

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23. Use your **Bookmark**  to return to the Apple Scorecard.

24. The Vendor Credits show up under **Credits** in the bottom right of your Vendor Summary section. Vendor Credits are not automatically generated based on a breach since the terms and conditions of your particular contract dictate how and when credits are due.

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LAB 5
Vendor
Performance
Management

Lab 5: Assessments

Assessments are used to evaluate, score, and rank records from any table in the system. This is a new application available starting with the Dublin release. In the case of Vendor Performance Management, Assessments can be used to collect subjective information from key stakeholders related to each vendor similar to the way a survey might be used. Assessments can also be used to dynamically collect information from the ServiceNow database for ranking and scoring. You can then compare assessment results for each vendor using new, unique graphical views designed to highlight key performance information.

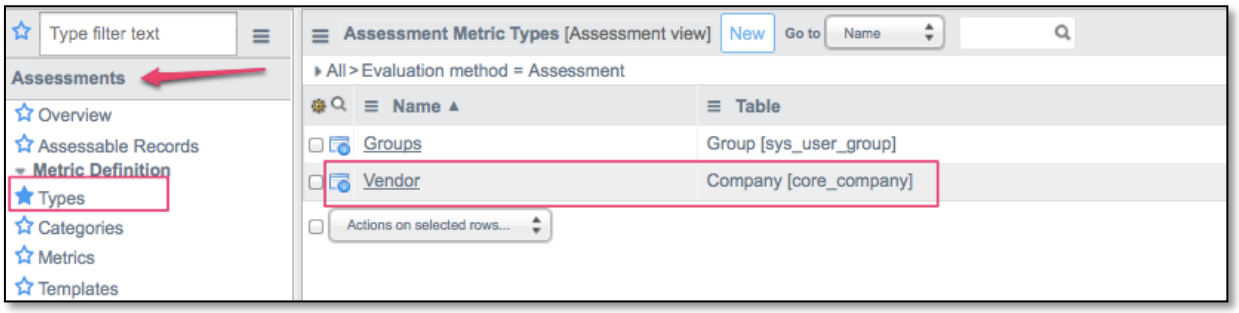
1. Before we go much further, let's take a minute to understand some terminology.

   Vendor Assessment Type: Defines the table upon which the assessments will be performed.
   Assessable Records: The subset of records in the Assessment Type table that will be addressed**.**
   Metric Categories: Defines the categories of the questions (Assessment Metrics) that will be asked related to the Assessment Type.
   Assessment Metric: This is the actual question or measurement that each stakeholder will be asked to respond to.
   Method: Determines how the Assessment Metric score is derived. It will either be Assessment or Script. Scripted Assessments need no interaction from a Stakeholder.
   Stakeholders: Users that have some level of experience in dealing with the particular vendor or topic and would therefore be important to gather input from.
   Assessments: These are the individualized Assessment tasks (similar to surveys) that are generated for each stakeholder that have only the specific Assessment Metrics that are pertinent to that Stakeholder.

   NOTE: *All Assessment Metrics have a weight to determine their overall importance in the Category. Also, each Category has a weight to determine that category's overall importance in the Vendor scoring. By default, these scores are normalized to a 0 to 10 scoring range.*

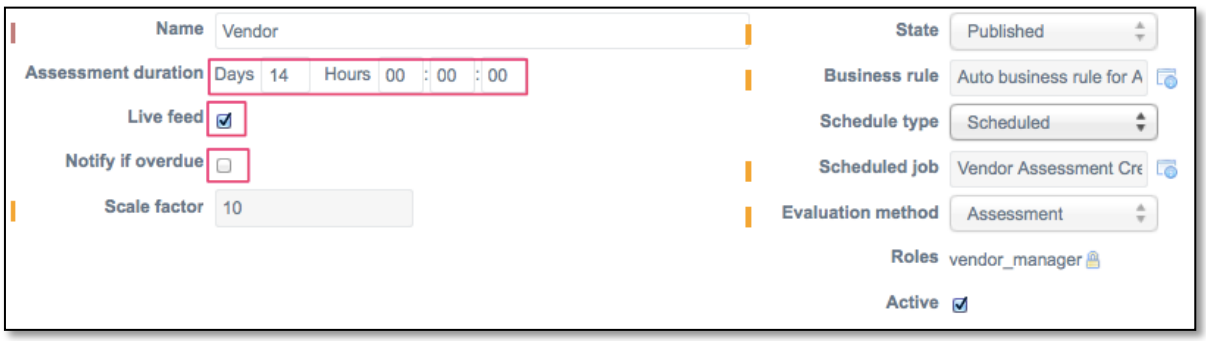
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2. Navigate to **Assessments** > **Metric Definition** > **Types**.



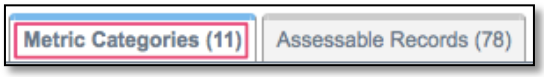
3. Although Assessments can be used to evaluate almost any record type in ServiceNow, for the purpose of this lab, we will be assessing Vendors. Select **Vendor** from the list of metric types.

4. There are several properties that can be configured for each metric type.
   Assessment Duration: Similar to the way an SLA duration works. There is a default workflow that sends reminders to the assignee, and potentially their manager, to complete their assessment task.
   Live Feed: Sets up a Live Feed group for this Vendor to allow stakeholders to make ad-hoc comments about the vendor to provide additional color and context.
   Notify if Overdue: Adds an additional step in the Duration Workflow to alert the assignee's manager if an assessment is not completed in time.

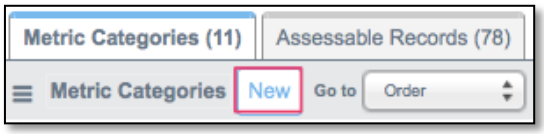


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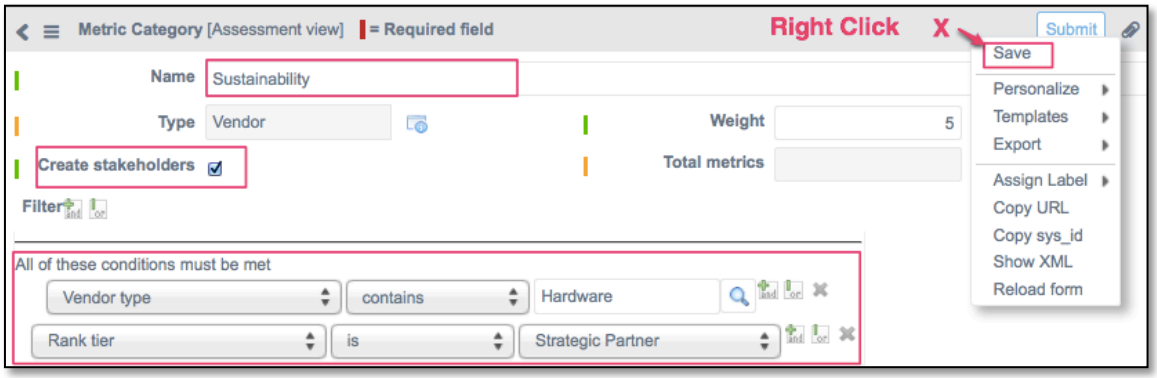
5. In the Related List at the bottom of the Vendor Metric record, select the **Metric Categories** tab.



6. We are going to create a new Metric Category to measure how ecologically minded our hardware vendors are (Sustainability). Click the **New** New button at the top of the Metric Categories related list.



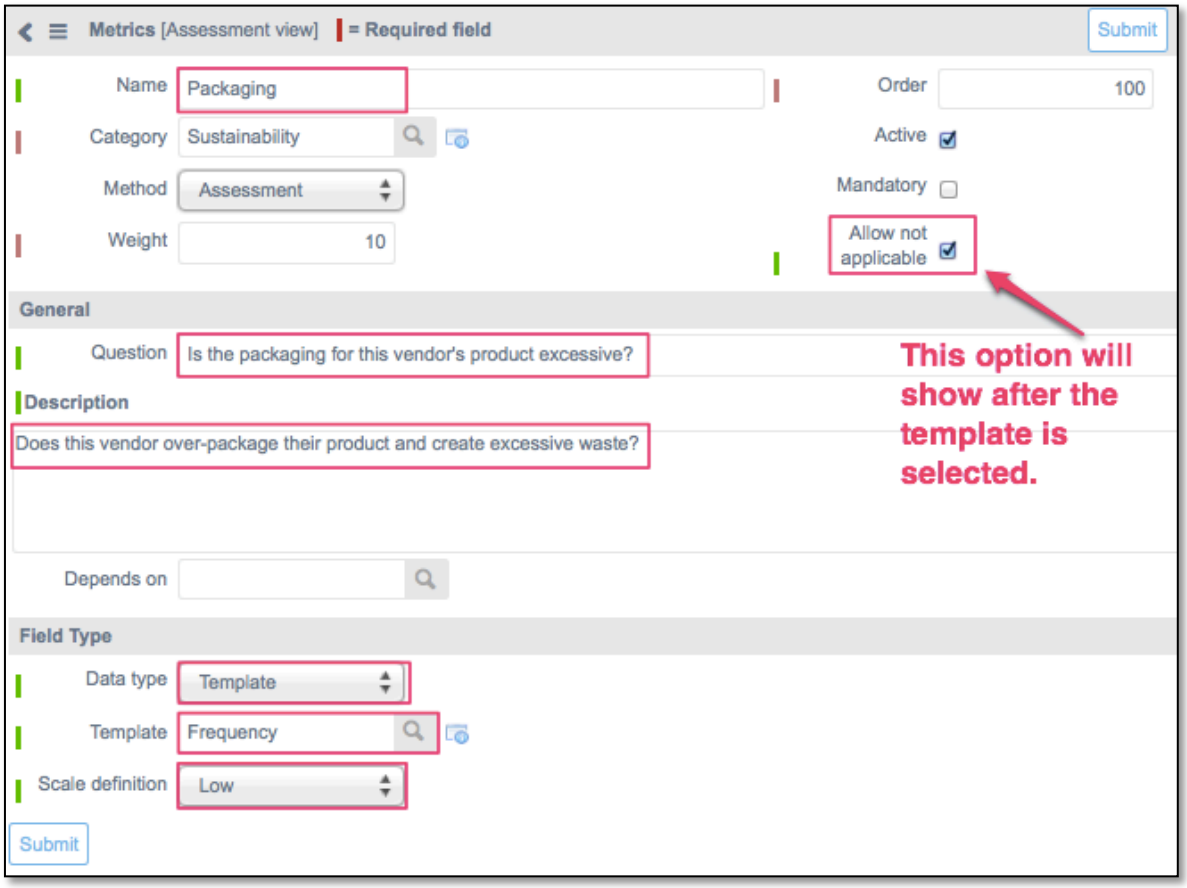
7. Fill out the new Metric Category form for **Sustainability** as shown below. In this case, the Sustainability Metrics will be limited to only our Strategic Hardware vendors. Each category can potentially target a different subset of Assessable Records and different Stakeholders.



8. When you're done, right click in the gray banner at the top and select **Save**.

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9. You should now see 3 Related Lists at the bottom of your Sustainability Metric Category form. Click the **New** [New] button in the **Assessment Metrics** related list to create our first Metric. Fill out the form as show below.



10. Click **Submit** to return to the Sustainability Metric Category form.

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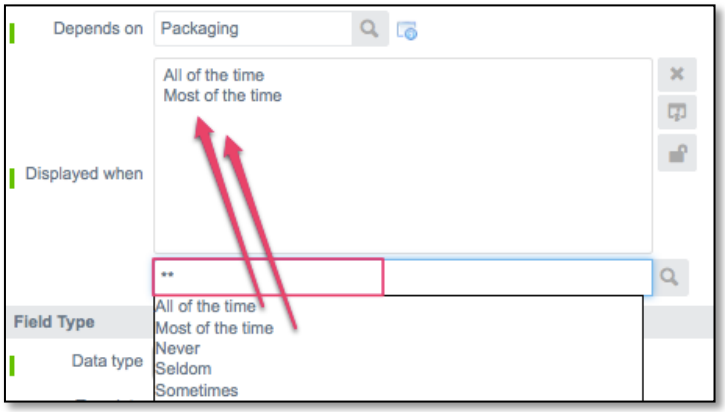
11. Create another new Assessment Metric by clicking the **New** button in the Assessment Metrics related list as before. Fill out the fields below.

    Name: **Recycled Materials**
    Question: **Packaging is made from recycled materials**
    Weight: **10**
    Data type: **Template**
    Template: **Frequency**
    Scale definition: **High –** *indicates that a HIGH value is better than a LOW value*
    Allow not applicable: **True**

12. Before submitting this metric, we want to make it dependent on the Packaging metric. This is a powerful feature of Assessments that allows you to conditionally ask additional questions. In the **General Section** of your form, fill out the **Depends** on field with **Packaging** and then click the **padlock icon** to define your conditions.



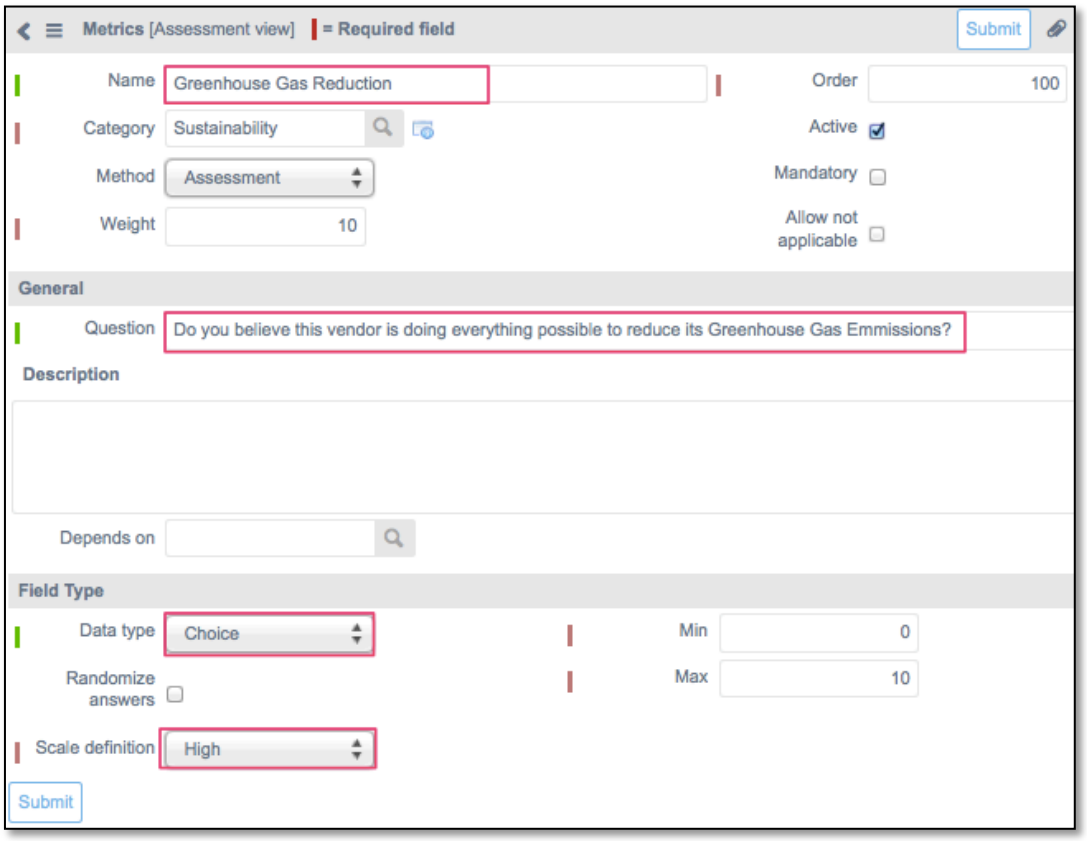
Using the search box, type **2 asterisks** (**) to display all your options. Select **All of the above** and then **Most of the time**.



Click **Submit** to return to the Sustainability Metric Category form.

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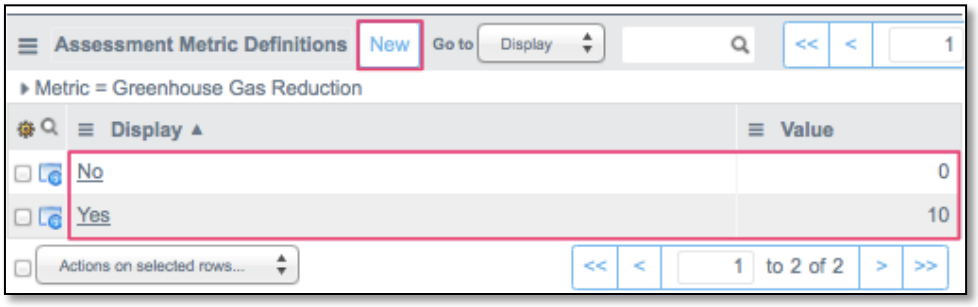
13. Create one last Assessment Metric by clicking the **New** New button in the Assessment Metrics related list as before. This will be a Yes/No type of metric. Fill out the form similar to below.



14. Right click in the gray banner header and select **Save**. This will expose the Related Lists at the bottom of this Metrics record.

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15. Create two new choices for this Metric. Click the New button and create each of the two options. When done, your list should look similar to what is shown below.

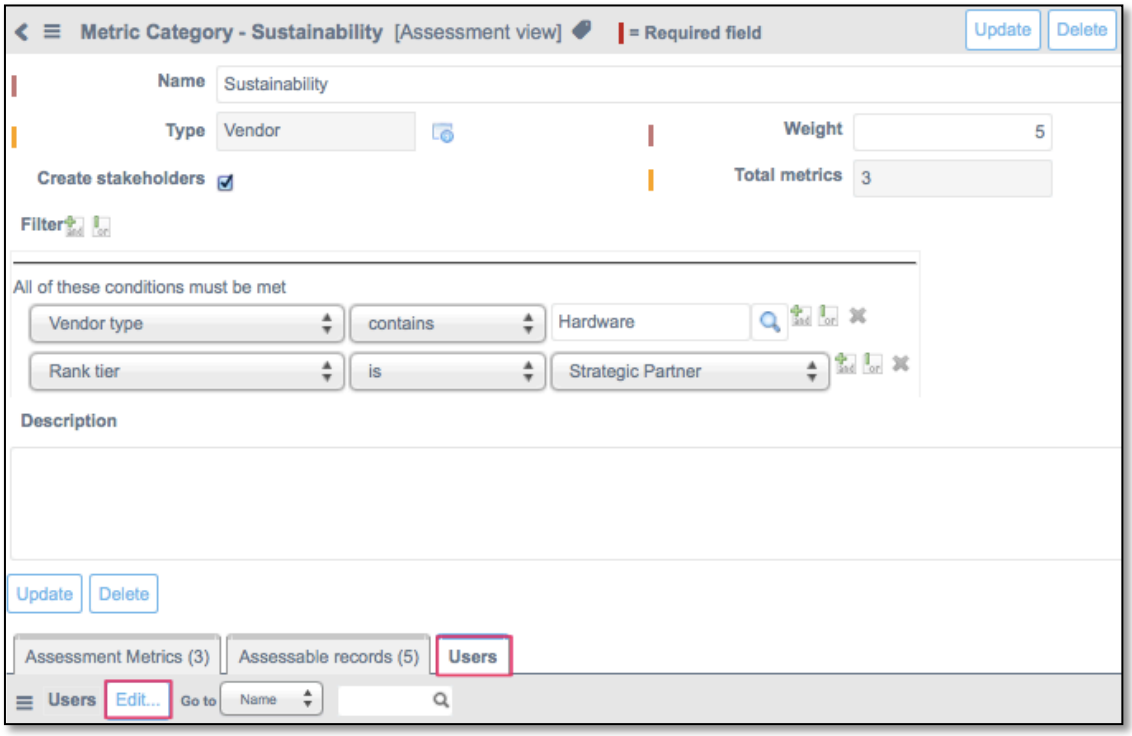


16. You are now done creating the Metric Choice options. Click **Update** on the Metric form and you'll be returned to the **Sustainability Metric Category**.

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17. Our final step is to associate Stakeholders to this particular Metric Category.

    On the Related List for the Sustainability Metric Category form, select the **Users** tab. Next select the **Edit** button.

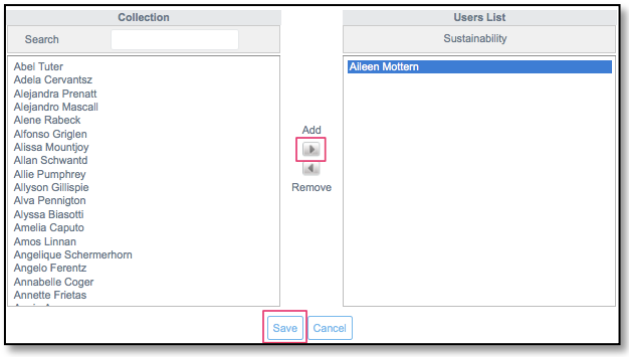


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18. For our demonstration, we will just have one person that is responsible for assessing the Sustainability of our Strategic hardware vendors.

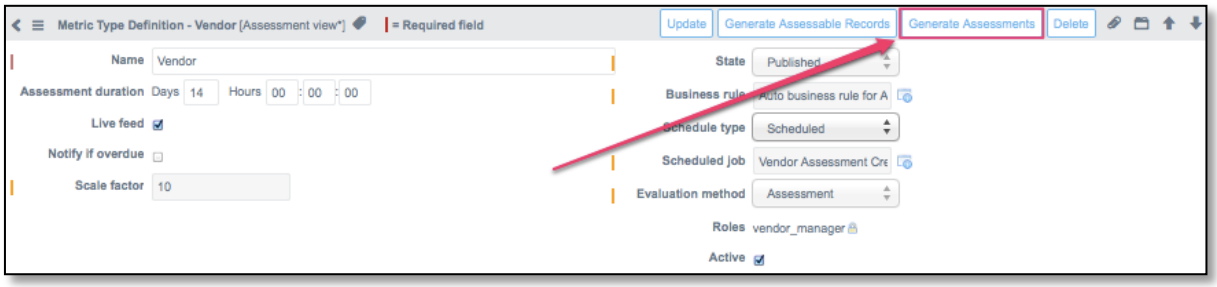
    Find **Aileen Mottern** in the list on the left and use the arrow button  to move her to the list on the right.

    NOTE: Assessment assignments do not require the assignee to have a role in the system. This means that ANY user in the system can be a stakeholder and not have to be a licensed Fulfiller/Process user. In our example, Aileen is a regular Requestor user with no defined role in ServiceNow.



19. Click **Save** then **Update** on the **Sustainability Metric** form and you'll be returned to the **Vendor Metric** record.

20. The final step is to click the **Generate Assessments** button to build out the Assessment records for each stakeholder. <u>This may take a while</u> depending on the number of vendors, number of stakeholders and the number of metrics associated with each vendor. Be patient.



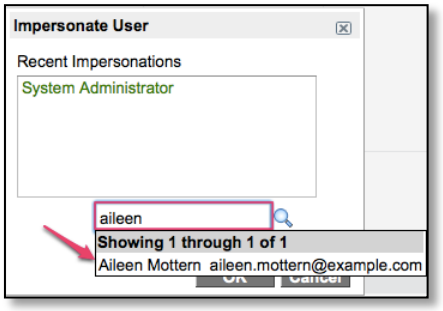
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21. When the Assessment generation is complete, an Assessment Instance will have been created and assigned to each stakeholder with just the assessment metrics that they are responsible for. To see what this looks like, we will impersonate **Aileen Mottern** to see what she would see in her view of the console.

    Click on the Impersonation icon  just below the company logo.

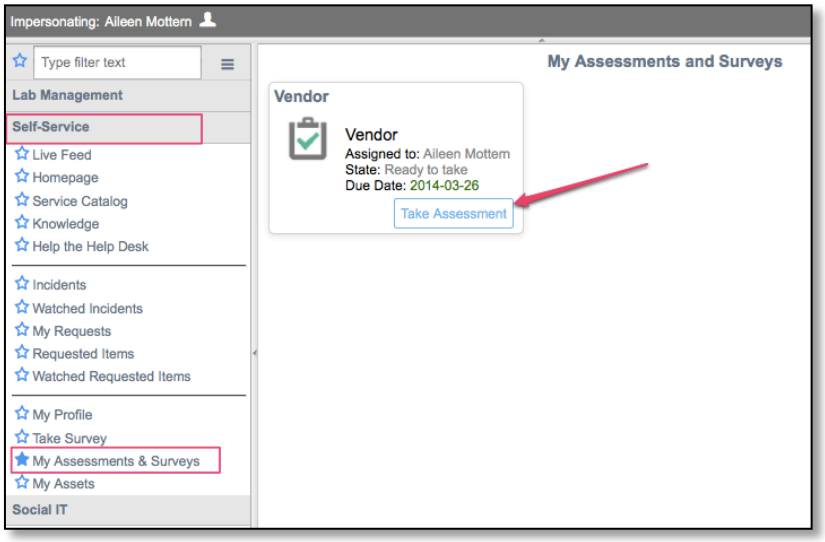


22. Log in as **Aileen Mottern** by typing her name in the filter box and click **OK**.



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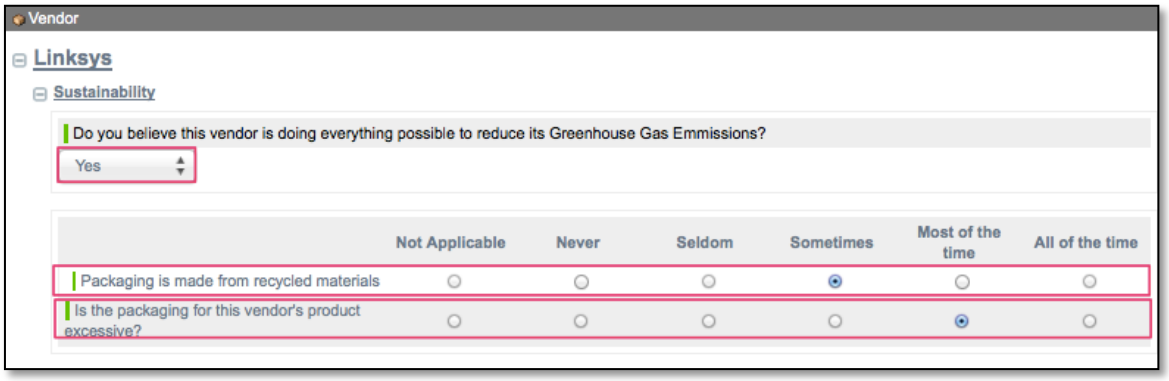
23. Acting as **Aileen**, use the Navigation Pane on the left and expand the **Self-Service** application. Click on **My Assessments & Surveys.**



24. You should see a single Vendor Assessment available to you. Click **Take Assessment**.

25. Fill out the Assessment for <u>each of the 5 vendors</u> for which Aileen is a stakeholder. For our purposes, it doesn't matter how you respond. We just need some sample data.

    NOTE: *The that the "Packaging made from recycled materials" question only shows up if you provide a high score on the "excessive packaging" question.*



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26. Click **Submit**.

    NOTE: Saving the Assessment will allow the user to come back to the assessment at some future time to complete it. **Submitting** it marks it as complete.



27. Aileen's task is now complete. Return to your administrative user by clicking the **Impersonation icon**  again and picking **System Administrator**.

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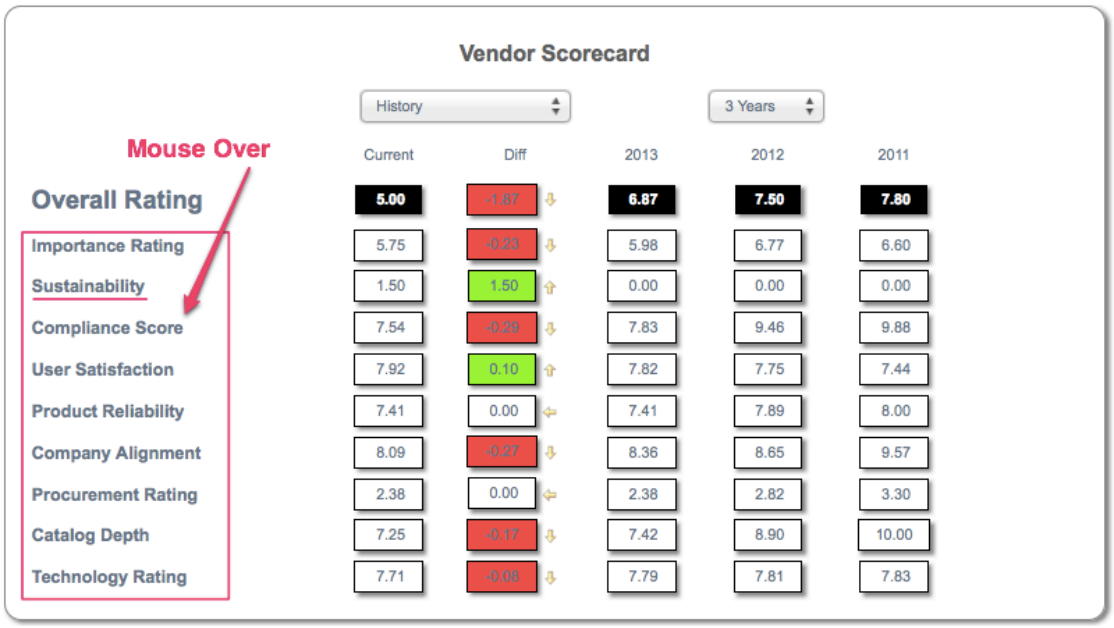
Lab 6: Vendor Scorecard Ratings

LAB 6
Vendor Performance Management

1. Use your **Bookmark**  to return to the Apple Scorecard.

2. You should now see **Sustainability** as a new Assessment Category.

3. Hovering over each Category label will pop up a mini chart of historic scores for this category. If you hover over **Sustainability**, it will only show one point since this is the first time this category has been measured for this vendor.



4. There are many options to configure in the Ratings Display. We'll focus on just a few of the most powerful options, but take the time to test them all out upon completing this lab.

   The default view is the **History View**. It shows the latest score in each category as well as the most recent prior score and then average category scores for the past 3 years.

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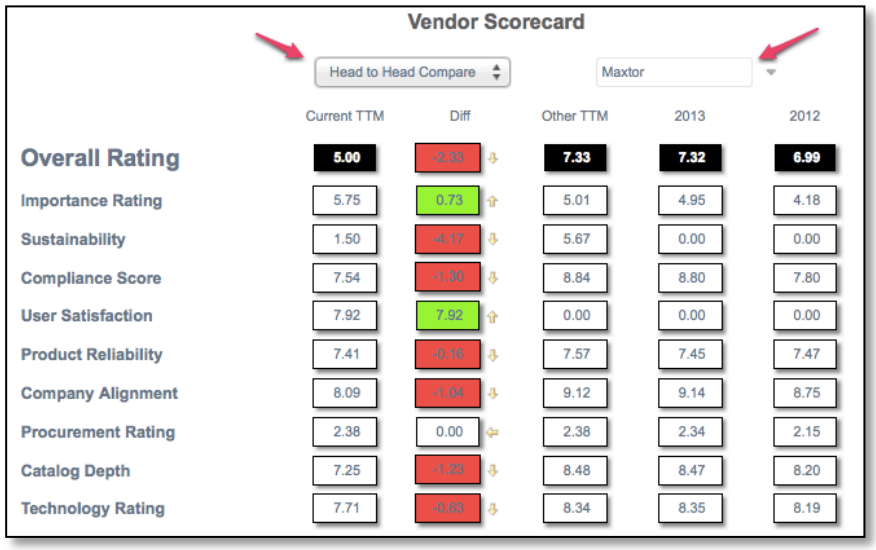
5. Change the first dropdown to **Averages by Vendor Type**. Change the second dropdown to **Hardware**. This will represent how this particular vendor (Apple, in our case) compares to the average of all the other assessed hardware manufacturers in the system.



NOTE: **TTM** in the first column stands for "Trailing Twelve Months" and is the average score for the prior 12 month period.

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6. Now change the first dropdown to **Head to Head Compare**. Change the second dropdown to **Maxtor**. Rather than comparing this vendor to an average of all vendors in its class, we are now comparing **Apple** head to head against **Maxtor**.



7. At the very bottom of the Scorecard is a Related Link called View Matrix. Click on **View Matrix.**

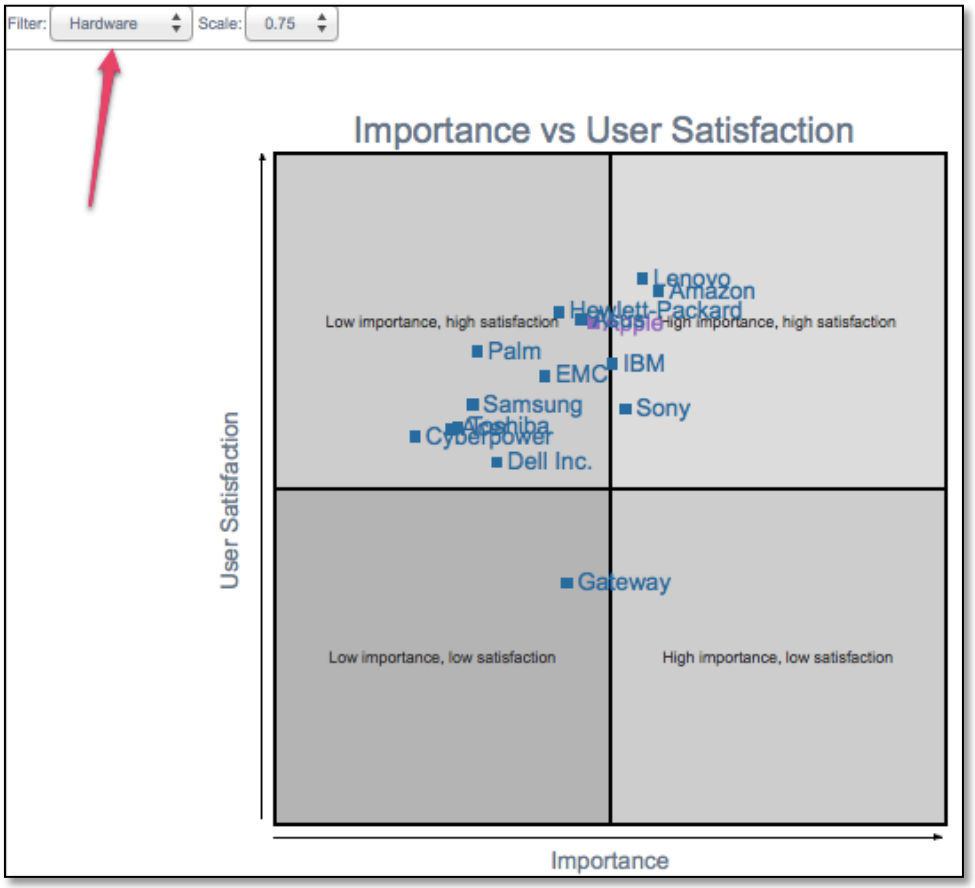


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8. The **Vendor Decision Matrix** is a two-dimensional chart of two different metrics for all vendors of the same vendor type. The default matrix if based on User Satisfaction and Importance. This view allows you to quickly identify vendors that are not providing acceptable user satisfaction and are also deemed to be unimportant to your company.

   Change the **Filter** in the top left corner of the Matrix to look at other vendor types.

   Changing the **Scale** can often make it easier to see overlapping vendors on the chart.

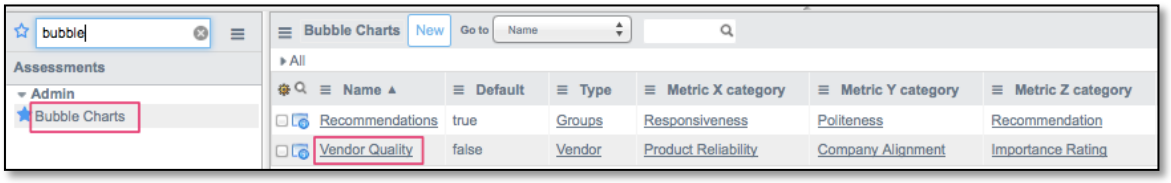


9. Additional Decision Matrices can be configured under **Vender Performance > Vendor Decision Matrix**.

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10. The final Vendor View is the Bubble Chart view. The Bubble Chart view is a new feature in the Assessment application and is available starting in the **Eureka** release of ServiceNow.

    Navigate to **Assessments > Bubble Charts**.



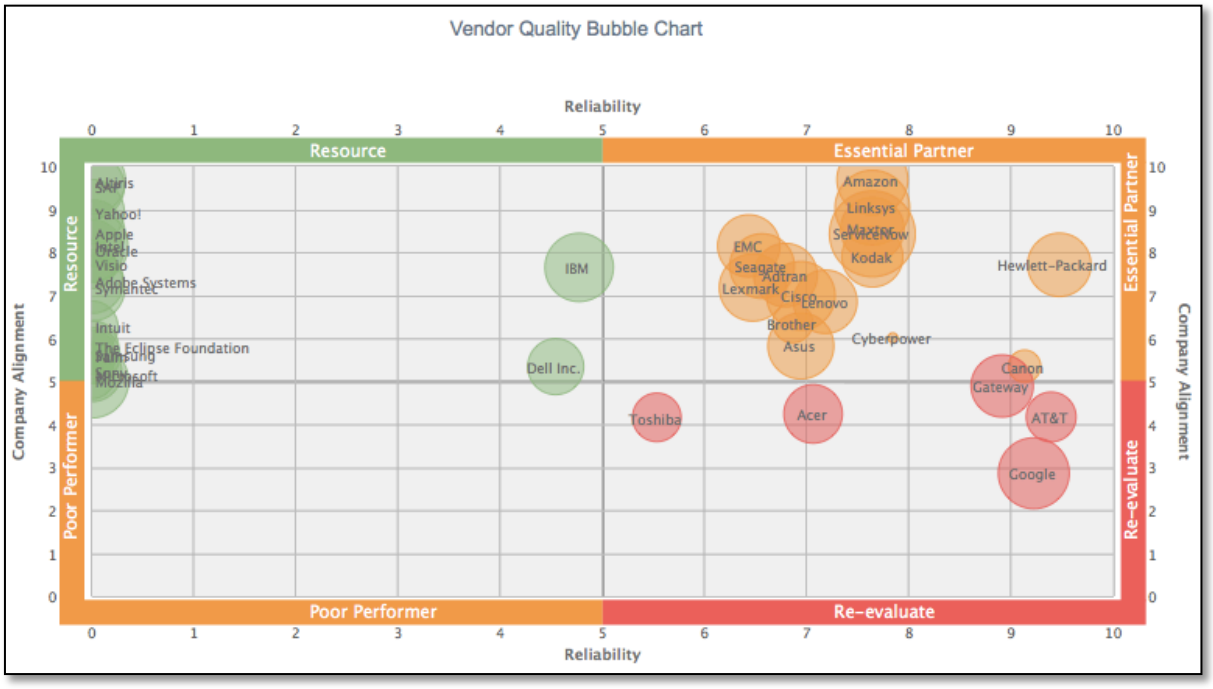
11. Select **Vendor Quality**.

    This form defines the three different vendor metrics that will be displayed on the bubble chart. The metrics are defined as X, Y & Z axis. The Z axis will be represented as the relative bubble size on the chart.

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12. Click the **View** button at the bottom of the form. A new browser window will open with a list of all your defined vendors and at the **BOTTOM of the list**, you'll see the new **Bubble Chart** view. The Bubble Chart view is very similar to the Vendor Decision Matrix, but it gives you the ability to display a third metric on the same chart. In the example Bubble Chart, we are measuring Reliability, Company Alignment and Importance.

    Additional Bubble Charts can be created at **Assessments > Bubble Charts.**



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