



YOUR COMPLETE VMS BUYER'S GUIDE

From Spreadsheets to Smart Tech:
The Modern VMS Buyer's Guide

This Smart VMS Buyer's Guide gives organizations a clear path to selecting technology that transforms how they manage staffing suppliers and their contingent workforce.

The logo for Contrax, featuring the word "contrax" in a bold, lowercase sans-serif font. A green checkmark is integrated into the letter 'o'.



WHAT'S INSIDE

Introduction	2
What is a Vendor Management System?	3
Unlock 5 critical areas of ROI with a modern Vendor Management System (VMS)	4
Finding the right VMS for smaller contingent workforce programs	7
Building the business case for a VMS – a 4-step guide	9
VMS solutions are no longer just for Enterprise companies	11
Comparison Chart – What VMS is right for you?	12
Contact Contrax	13

INTRODUCTION

Are you still managing your contingent workforce and staffing agencies with spreadsheets, outdated databases, or clunky internal tools?

Manual methods create bottlenecks, increase the risk of human error, and drain valuable time from your team.

The result?

Poor visibility into program performance, uncontrolled spend, and inconsistent hiring decisions that harm both quality and profitability.

Today, there's no reason for organizations—even those with smaller contingent workforce budgets—to rely on outdated processes.

Modern Vendor Management Systems (VMS) are now accessible, scalable, and designed to fit organizations of all sizes, offering real-time data, automated workflows, and robust reporting.

That's why we've created this VMS Buyer's Guide—to help businesses like yours select and implement the right technology to streamline staffing agency management, gain full visibility, and unlock measurable cost savings.





WHAT IS A VENDOR MANAGEMENT SYSTEM?

A Vendor Management System (VMS) is a modern, cloud-based platform that centralizes how businesses manage their staffing agencies and contingent workforce.

With a VMS, organizations can automate and streamline every stage of the process—from selecting suppliers, sourcing talent, and onboarding contingent workers, to managing time entry, approvals, invoicing, and performance reporting.

By consolidating these activities into one system, businesses gain full visibility, consistent rates, standardized processes, and the ability to make smarter, data-driven workforce decisions across the entire organization.

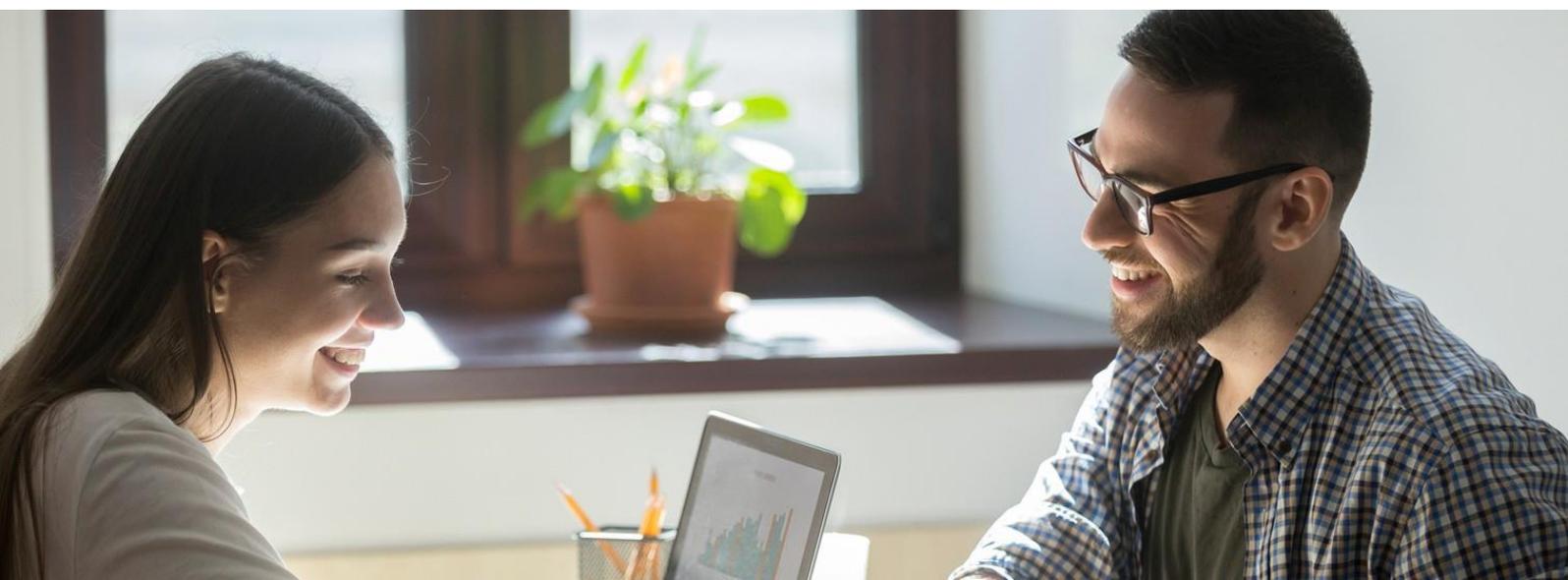
UNLOCK 5 CRITICAL AREAS OF ROI WITH A MODERN VENDOR MANAGEMENT SYSTEM (VMS)

Managing your contingent workforce without the right technology leaves your business exposed—wasted spend, compliance risks, inefficient processes, and poor visibility can silently erode profitability.

A modern Vendor Management System (VMS) transforms how your organization sources, manages, and measures your non-employee workforce and staffing suppliers.

By automating key processes, consolidating suppliers, and centralizing data, a VMS drives measurable returns in five key areas of ROI:

- ⇒ Cost control
- ⇒ Visibility
- ⇒ Quality
- ⇒ Process Efficiencies
- ⇒ Compliance





Cost Control

Contingent labor is one of the largest variable expenses for most organizations—and one of the hardest to control. Without a centralized system, rogue spend (unapproved hiring, off-contract rates, unmanaged markups) quickly spirals.

A VMS gives you complete cost visibility, standardizes rates across your enterprise, eliminates hidden fees, and enables smarter supplier negotiations.

The result: both hard savings (reduced spend) and soft savings (greater efficiency and fewer costly errors).



Visibility

“You can't manage what you can't measure.” Most organizations struggle to see how their contingent workforce is performing because their data is scattered across spreadsheets, emails, and disconnected systems.

A VMS consolidates every data point—requisitions, worker details, supplier performance, time-to-fill, turnover—into one real-time, centralized platform. This means better decision-making, faster action, and a workforce strategy backed by hard data.



Quality

Access to high-quality, skilled talent is now a competitive advantage. But without structured supplier performance management, you risk lower-quality hires, longer fill times, and higher turnover.

A VMS helps you define supplier standards, track their performance, and ensure your staffing partners deliver the right talent, faster. Expect improved time-to-fill, reduced attrition, and stronger outcomes for both short-term projects and permanent placements.



Process Efficiencies

Manual contingent workforce management is slow, fragmented, and error-prone. A modern VMS automates every step—requisitions, sourcing, onboarding, time entry, approvals, invoicing, and payments—giving HR, procurement, and hiring managers back valuable time to focus on growth initiatives.



Compliance

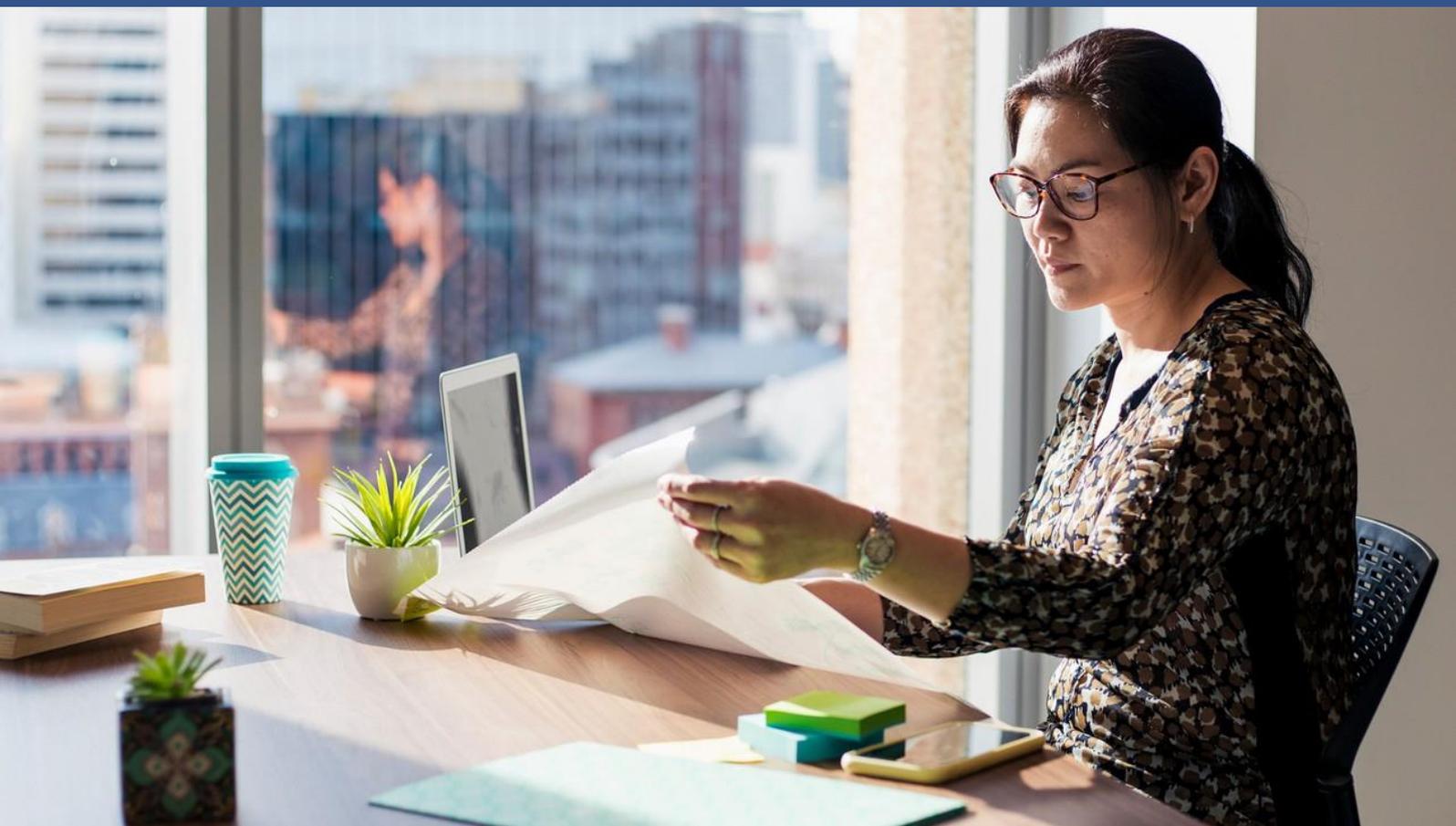
With today's evolving labor laws, classification rules, and cross-border regulations, compliance is no longer optional—it's a risk factor. Misclassification or poor documentation can cost millions in penalties or lawsuits.

A VMS ensures your non-employee workforce is properly documented, classified, and compliant across all jurisdictions, minimizing risk while keeping your hiring agile.

The Bottom Line

A modern VMS doesn't just help you manage your contingent workforce—it helps you control it, scale it, and turn it into a true driver of ROI. Whether you're looking to save costs, strengthen compliance, or access top-tier talent faster, the right VMS is your foundation for success.





FINDING THE RIGHT VMS FOR SMALLER CONTINGENT WORKFORCE PROGRAMS

Traditionally, Vendor Management Systems (VMS) were designed for large enterprises with massive contingent workforce budgets that often left mid-market organizations and businesses with smaller contingent programs relying on spreadsheets, databases, or manual processes—tools that are no longer effective in today's fast-moving world of work.

The good news? Modern VMS platforms are now built to scale—meaning even organizations with modest contingent workforce budgets can access world-class technology without paying for unnecessary, enterprise-only features.

When selecting a VMS for your business, focus on functionality that delivers real impact without overcomplication. Here are the must-have features:

Supplier Consolidation & Visibility

A modern VMS should unify all your staffing suppliers, contracts, and performance data in one centralized hub. This makes it simple to compare suppliers, evaluate performance, and make smarter decisions.

Automation of Core Processes

Manual data entry and fragmented workflows are outdated. Look for a system that automates sourcing, onboarding, time entry, approvals, invoicing, payments, and reporting—reducing errors and freeing up valuable time.

Standardization & Supplier Guidelines

To prevent rogue spend and ensure fairness, your VMS should allow you to set standardized pay rates, markups, and supplier rules across the organization. This creates consistency and cost control at every level.

Centralized Program Data

Your contingent workforce generates thousands of data points across suppliers, roles, spend, and performance. A good VMS centralizes this data, giving you real-time visibility into program performance, compliance, and ROI.

Scalability & Simplicity

Choose a system that's intuitive for hiring managers, HR, and procurement to adopt quickly, while also having the flexibility to scale as your workforce program grows.

Other Key Features to Prioritize:

- ⇒ Mobile-friendly dashboards and self-service tools
- ⇒ Streamlined requisition and approval workflows
- ⇒ Digital onboarding with compliance tracking
- ⇒ Automated invoicing and consolidated billing
- ⇒ AI-driven analytics for supplier performance and cost optimization
- ⇒ Built-in scalability for future program expansion





BUILDING THE BUSINESS CASE FOR A VMS – A 4 STEP GUIDE:

Adopting a Vendor Management System (VMS) is a transformative decision. It impacts not just procurement, but also HR, finance, IT, and executive leadership.

To gain full buy-in, you need a clear, compelling business case that shows why the shift is worth it.

Here's a streamlined four-step process to help you get the green light:

Assess your current program

1

Start by evaluating the state of your contingent workforce today. Where are the inefficiencies, hidden costs, and risks? Look at pain points like manual processes, rogue spend, compliance gaps, or poor supplier performance. Data-driven insights at this stage will help highlight the cost of not modernizing.

2

Map the ROI of a VMS

Next, align those gaps with the value a VMS brings. From cost control and visibility to automation and compliance, outline the specific benefits that would move the needle for your business. Focus on ROI areas your leadership cares about most—reduced costs, improved productivity, better talent quality, or risk mitigation.

3

Engage stakeholders early

Translate your findings into a story that resonates across functions. For executives, emphasize strategic impact. For HR, stress faster, higher-quality hiring. For procurement, focus on supplier control and savings. Framing the benefits through each stakeholder's lens ensures stronger alignment and support.

4

Select the right VMS partner

Once you've secured buy-in, it's time to evaluate providers. Look for a solution that balances functionality with ease of use, scalability, and cost-effectiveness. The right partner should offer rapid implementation, intuitive tools for all users, and proven success with businesses like yours.





VMS SOLUTIONS ARE NO LONGER JUST FOR ENTERPRISE COMPANIES

Until recently, most Vendor Management Systems (VMS) were built exclusively for enterprise-level organizations with massive non-employee spend. These platforms often required high minimum spend thresholds, making them inaccessible for mid-sized businesses or those managing smaller contingent workforces.

That's changed.

Today, organizations of all sizes—even those managing as few as 10 contingent workers—can access flexible, affordable VMS solutions tailored to their needs. Whether you're looking to reduce rogue spend, improve supplier visibility, or automate manual processes, modern VMS platforms are now designed to scale up or down with your program.

In fact, entry-level VMS platforms can start as low as \$100–\$500 per month, depending on the features your business requires. This makes advanced workforce management tools available to companies that previously had to rely on spreadsheets or manual processes.

COMPARISON CHART

TRADITIONAL ENTERPRISE VMS VS. SMALL-MEDIUM BUSINESS:

What VMS is Right for You?

Cost Category	Enterprise (Legacy VMS)	SMB (Modern VMS)
1. Setup / Implementation Fees	Tens of thousands of dollars due to heavy customization and old tech stacks.	\$0 setup – modern architecture allows quick, cost-effective onboarding.
2. Subscription Fees	% of spend (often multiple percentage points) → expensive for large budgets.	Choice of fixed monthly license OR % of spend – far more cost effective.
3. Tiered Pricing Models	Common – more features = higher cost.	Flexible, transparent tiers that scale with business needs
4. Per-User / Per-Transaction Fees	Often charged per user or per transaction (requisitions, timesheets, invoices).	Minimal or no per-user/transaction fees; pricing designed to stay predictable.
5. Training Costs	Charged separately – staff/vendor training can be expensive.	Initial training included at no cost; modern UX reduces learning curve.
6. Support & Maintenance Fees	Higher levels of support often cost extra (extended hours, faster response).	Support typically included in subscription – no hidden premium charges.
7. Customization Costs	Significant fees for tailoring workflows, reports, or dashboards.	High configurability built in; customization usually low cost or included.
8. Upgrade Fees	New versions or feature upgrades may require added fees.	Continuous upgrades included in subscription at no additional cost.
9. Integration Costs	Costly, especially with ERP/HRIS due to outdated APIs.	API-first architecture – integrations fast, easy, and lower cost.
10. Data Storage Fees	Additional charges based on usage/volume.	Generally included - scalable storage without big extra costs.
11. Cancellation / Change Fees	Early cancellation or downgrades often penalized with high fees.	Flexible contracts – no or minimal cancellation/change penalties.
12. Renewal Fees	Prices often increase at renewal; limited transparency.	Transparent renewal terms – no surprise jumps.
13. Hidden Costs	Frequent (extra reports, compliance updates, storage).	Few to none – designed with upfront, predictable pricing.

Note: thank you to Conexis VMS(Contrax's preferred VMS) for this information





CONTACT US

Contrax - USA
350 S NW Highway, Suite 300 Park
Ridge, IL, 60068

Phone: +(312) 754 -9040
Email: info@contraxworkforce.com
www.contraxworkforce.com

Contrax - Canada
100 King Street West #5600
Toronto, Ontario, M5X 1C9

Phone: + 1 (647)-957-9417
Email: info@contraxworkforce.com

contrax