

# Vendor Relations

Ron Wilhite, Don Turner

PARTNER WITH the BEST of the BEST

Expert advice on finding and keeping honest, hardworking vendors

Editor's note: RFMA had the opportunity to listen in on a recent interview between Ron Wilhite and Don Turner, two founding members of RFMA and frequent contributors to Facilitator. Wilhite has been a general contractor for more than 30 years, while Turner has a lifetime of experience as a facility manager. Their professional relationship was forged over decades of doing business with each other. Here is an excerpt from their interview, which we felt fit this issue's vendor relations focus.

Ron: Explain to us how you go about vetting a new vendor.

Don: When a key provider wants to do business with me, I do some background investigations. I call their suppliers and see how they get paid, as this speaks to integrity, financial stability and staying power. Integrity speaks for itself, but the other two are more motivated by the importance of my time. I don't want to get someone trained up only to have to start all over again because they couldn't manage their money well.

I also check references of other facility managers for whom they have done work. I ask questions about capacity, coverage, how many crews they have, etc., because I want to know they can respond when I call.

Lastly, I listen very intently for how and when they say "no." Is there work they don't feel comfortable doing? When something is out of their area of expertise, are they mature and self-aware enough to refer me to a peer? This is important, because so many potential vendors are so hungry for you to "throw them a bone" that they will say yes to everything. I do not mind a vendor who says they have never performed a particular skill. I'll help them get expert help if they are wanting to advance themselves. However, expect the price to be complete, even if the vendor makes little in the process of gaining this new marketable offering to others. I also do not allow any extra time, so they need to show me they have done off-site practice and are set for success.

Don: What are some of those areas where you say no?

Ron: The two that come to mind first, and the ones I say no to the quickest, are roofing and paving. There are some very good, well-established roofers and paving companies that serve this industry well. I've had the opportunity to get to know some of them (through my RFMA experience), and they do a great job. For me to take these projects on, and turn around and mark up the job with my overhead, wouldn't make long-term sense for the brand. Ultimately, it would come back on the facility manager when that bill went to finance.

Ron: Does all this background research and dialogue take place before you meet with them in person?

Don: Absolutely! My field time is too valuable to spend meeting with potential suppliers who may not be able to perform. This is a very demanding space, and only the best contractors survive the review to get face time.

Ron: Once they earn a meeting with you, how does that usually go? What specifics are you covering in this meeting?

Don: Typically, I set up a late lunch at one of our concepts, usually after the lunch rush and before the dinner rush. I ask them about their food. Was it good? How was the service? The facility? And, almost always they say "great." (They want my business, of course, so there is only one answer).

At this point, I speak frankly as I lay out my specific expectations that we will not allow our customers to have any sort of discounted dining experience. We will not discount the price to the guests, and the service and food will be to the same level they just experienced. I will not accept any less when it comes to level of comfort. Clutter, work tools, materials, debris, odors, unusual sounds, etc. must be kept to a minimum while they are working in/around the building. We also discuss security, respect for the restaurant staff, working relationships with management and myself, and payment terms. Then, if they are not scared off, they may be considered for a small test job.

Ron: Let's assume they pass this two-part test. How do you onboard a new contractor? Are there any specific training topics you cover?

Don: I teach my key suppliers what's expected. Several times, I have had to teach lessons about restaurant security, expectations for finishes, how material should be staged, where and how to dispose of trash, how to deal with mall management, when to call the GM—there are hundreds of little lessons, and you must be a fast learner. I am sure my contractors were overwhelmed at times, but that's the price of doing business.

Ron: You can't possibly put every single vendor through this level of scrutiny. With that in mind, what do you consider the three most important vendors to have in your FM toolbox?

Don: Plumbing, refrigeration and general contracting, with honorable mention going to an electrician. Your plumber and refrigeration contractor will be there a lot, sometimes daily, it seems, but the electrician not as frequently. However, having a good GC, who is responsive to some of your more complex issues and knows who to engage for specialty situations, is certainly worthy of my top three. These are the three I spend most of my time with, and conversely most of my work orders flow to these three types of vendors.

Ron: How do you perceive vendor relationships?

Don: The relationship is a contract, written and signed. That is required. It is also a personal relationship based upon trust. As noted above, it has to be worked on by both sides to be fruitful to both sides. If both sides are distant, the contract and pride of the work will pull a project through, but it may not be pretty.

Ron: When a problem occurs on the job, what do you do?

Don: I expect to be informed either immediately, or at least early the next day before operations knows what is happening, so I can get ahead of the communication portion and defuse the panic. This also beats the finger-pointing that will follow a slow response. If a problem arises in the middle of night, and there is an obvious answer that can be corrected quickly that will not affect operations, I require photos of the condition and the resolution, as well as a call early in the working day. If a problem involves more difficult issues, I expect to be awakened. This allows me to participate in the solution and removes some or all the blame from the contractor. I can also formulate a detailed email to all parties with the what, why, how, when and expectations of how this will affect operations, plus work-arounds being put in place.

If things really go downhill, it gives me time to pack and travel to the jobsite immediately. Thus, I expect a working relationship with strong communication—these are non-negotiable. Even with emails sent, I always talk directly with the operations general manager, chef, director of operations and higher if needed. Also, one of my first calls is my boss so they do not get blindsided in the event of not having read the email before a concept president calls them.

Ron: What happens when a contractor has a problem and violates trust?

Don: There will be a penalty depending upon the situation. Integrity issues are much more severe, usually resulting in a severed relationship. A security or theft issue will mean they are off the bid list. If a worker does something stupid with our staff, they are banned from the job and all future jobs, and the vendor may be on suspension, depending upon the case, and could be off the list for a year.

If communications are slow in getting to me, and/ or operations, and if the vendor has a good history, they will be given a chance to correct, but it must be done immediately. Any cover-up will result in being removed from the bid list. If progress on a job is slow, or work is not up to standards, there will be discussions and an immediate correction expected, or the vendor likely will suffer a penalty.

Developing vendors is an investment by both parties, and you both have to take care to keep the relationship active. If there is a problem, you must have direct conversations without rancor and with absolute transparency and honesty. I need to give the accurate impression coming out of operations, even if I know it is not all truthful, so the vendor understands what has to be overcome. They have to be truthful about what they have seen or been told. Then we must work through solutions, recognizing our joint customer (operations) will have to be satisfied. The solution may not be fully fair to all, but that is the way it goes.

Ron: When do you make a vendor change?

Don: Anytime operations demands it. When the price/value relationship is out of whack. When integrity is breached. When the vendor can no longer handle the work or the changing market conditions. When the leadership no longer values my standards. When the vendor cannot handle financial obligations. When the vendor has acted in such a way to damage my company's image. When the vendor is simply wrong about too many things. When the relationship simply does not work anymore.

Ron: Can you comment on our working relationship as vendor and FM?

Don: When you began working with restaurants, almost 20 years ago, I was with Rare Hospitality, before they were acquired. I put you through the paces of how I vet my key suppliers. You stood out when compared to the field. There was a learning curve and a feeling-out period for both of us. But once we settled in, and began to meet each other's expectations, the rest was history.

Many thanks to Ron and Don for this transparent dialogue about vendor relations.

Ron Wilhite, CRFP, is a 32-year seasoned general contractor who founded RFS Inc. in 2003 to specialize in complex restaurant and institutional kitchen facility renovation and repair services with a highly accomplished team of professionals.

Don Turner, CRFP, has invested three decades of facility management experience at more than 20 concepts, most recently at Darden Inc. In 2018, they partnered to launch the Ron & Don Show to address a wide array of topics facility managers face. Check them out at [www.ronanddonshow.com](http://www.ronanddonshow.com).