

5 Ways to Streamline Vendor Data Management



Data is the lifeblood of business, and also one of the biggest headaches any business can manage. That's particularly true with vendor data management, given how critical it is to keep necessary vendor information organized and safe.

Vendor data comes in a variety of flavors. There's the garden variety business and contact information, from names to addresses to phone numbers. There's the sensitive financial data, from bank accounts to payment preferences. And then there's historical data, which can be blend of the above that allows you to understand vendor evolution, needs, and fit for your business.

When you're managing a dense web of vendors, you don't just have an overwhelming amount of information to keep track of—you also have a security risk, a raft of likely incomplete records, and a friction point that can cause trouble in your business relationships. Without accurate, well-maintained, and secure data, fires can start (metaphorically! we hope!) that are difficult to put out.

Here are five do's and don'ts to streamline vendor data management, with a focus on business payments.



ZoomInfo estimates that bad data can cost companies a staggering

25% of their revenue annually¹

1. ZoomInfo, What is the True Cost of Bad Data for Your Business? (2024)
<https://pipeline.zoominfo.com/operations/poor-data-quality-impact>



Always Authenticate

The only thing worse than no vendor data is bad vendor data. Incomplete records create headaches and security risks, and a failure to properly authenticate can let an impersonator swipe payments.

✓ Do:

- **Authenticate via digital means and use databases to double check data**
- **Entrust bank account verification to a trusted third party, like Plaid**

✗ Don't:

- **Authenticate vendors over the phone. It's tedious and errors can easily crop up**
- **Input bank data without confirming it belongs to your vendor with multiple parties**

Keep It Central

Keeping vendor records across multiple systems is a recipe for real headaches. Duplicate records, outdated information, and conflicting records can slow or grind payments and reporting to a halt.

✓ Do:

- **Have a central system that serves as the definitive source of vendor data**
- **If possible, have that system either be or sync with your ERP**

✗ Don't:

- **Hold vendor details in spreadsheets. It's 2025, not 1985!**
- **Allow satellite offices to hold vendor data in their own systems**

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Sync It Up

Once you have a central repository of vendor data, one of the biggest mistakes you can make is treating it like a static entity. Data ages quickly; ZoomInfo says 27% of sales development reps are working with inaccurate information when making calls.



✓ Do:

- Synchronize all systems with vendor data with your master database
- If possible, have that system either be or sync with your ERP

✗ Don't:

- Manually synchronize and sort this data; it's extremely time-consuming
- Set your syncs on a year or more because the data will likely be outdated

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Hold It Securely

If your data has been authenticated and is in a central system, you've done a fair amount of the work.

✓ Do:

- Set up controls for who has access to data and how they can access it
- Secure all vendor data behind multi-factor authentication and/or biometrics

✗ Don't:

- Make this data broadly available to your entire staff; insider fraud is a real problem
- Change or surrender this data to anyone claiming to be your vendor without verification

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Optimize by Outsourcing

Sometimes, you're just better off turning to a trusted partner to take care of daunting tasks like vendor data management. You're even better off if you use a partner that enrolls and facilitates payment to your vendor population, because then they are incentivized to collect and protect that data.

✓ Do:

- **Choose a partner with a strong security track record**
- **Aim for one that handles every step of the enrollment-to-payment process**

✗ Don't:

- **Take a company's word for their fraud protection – some hype up their capabilities**
- **Sign an agreement without seeing and understanding how data is stored and syncs with your own systems**



Bottomline offers smooth, secure vendor enrollment in Paymode, a leading business payments network and a better way to manage vendor data.

Get started with better payments and bigger results.

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