

How cost-effective are your business relationships?

Traditional relationship management enforces the culture of advantage to one, rather than benefits to all. Concentration only on Time, Cost and Quality denies companies the payback of leveraging the wider opportunities of collaborative relationships.

Good contracts can conceal operational failures as poor teamwork leads to focus on the 'small print' and undermines co-operation.

47% of relationships are complacent where gaps in processes with different root causes driving the problems increase costs and customer dissatisfaction¹.

Failure to take joint responsibility results in wasteful fire-fighting.

A recent US study² of 800 companies showed that the impact of relationship disruptions are far more damaging than had been previously thought.

- 107% drop in operating income
- 7% lower sales growth
- 11% growth in costs
- 14% growth in inventories
- 13.5% higher volatility in stock price

Why develop your business relationships?

Considerable time, money, infrastructure and intellectual capital are invested in them.

They are essential to your ability to deliver value to all your stakeholders.

They allow you and your partners to maximise your joint capabilities to create something valuable you couldn't produce separately (1+1=3 or more), not just in this contract but in future ones too.

PartnerLink

At the core of our offering is the care to ensure that all parties accept objective, joint performance measurement across key relationship indicators. You and your business partners will gain:

- metrics for benchmarking, driving performance improvements and corporate governance
- diagnostics to generate detailed change programmes and continuous improvement
- insight into the relationship dynamics that once addressed, will result in mutual improvements to the way customers and suppliers interact
- our management 'know-how' that will provide a definite edge over competitors

“We substantially reduced the inventory we hold on their behalf, at this stage this is worth £90K per annum. The opportunity has been opened for more to come”

MD, Paragon plc

What is Partnerlink?

An empirical and objective management approach with proven bottom line results.

Business relationship assessments, using key relationship performance measurements that look at all sides simultaneously.

A repeatable scientific process, based upon extensive and ongoing research.

A tried and tested relationship management support system used in both public and commercial organisations.

How is it performed?

It is efficient using short, online questionnaires and telephone interviews.

It is carried out quickly, with minimal disruption and use of your resources.

The results are presented in simple, management-friendly reports.

Practical, prioritised recommendations that can be immediately used to kick-start change programme workshops. Presented face-to-face jointly to the Relationship Managers and their teams at a workshop where an immediate action plan is formulated and agreed.

When is Partnerlink used?

For day-to-day governance and management.

As the first part of a management review and performance improvement programme.

As a relationship intensification or benchmarking exercise.

As a strategic assessment of key relationships.

As a part of re-negotiation of contracts.

The Benefits

Defines opportunities to increase revenue and shareholder value (Growth).

Increases customer satisfaction from better product/service quality and delivery (CRM).

Strengthens the bond with your partner making you their first 'port of call' and locking out competitors.

Reduces administration and production costs (Margins).

Bridges the hidden gaps in teamwork, thru more cohesion, integration and fulfilment, and increased transparency (Team Spirit).

Builds joint capability to seize future business opportunities.

Impresses stakeholders with the seriousness of partner intentions.

"only 51% of companies that form alliances have any kind of formal metrics in place to assess alliance performance. Of those, only about 20% believe that the metrics they had in place were really the appropriate ones to use."³

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PARTNERLINK RELATIONSHIP APPRAISAL

Increasing the commercial value
of your business relationships



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- 1 Cranfield UK Research Project 2003
 - 2 The Effect of Supply Chain Disruption on Long-term Shareholder Value, Profitability and Share Price Volatility (Henricks & Singhal, 2005)
 - 3 How to Make Strategic Alliances Work (Dyer, Kale & Singh, MIT Sloane Management Review, 2001)