

Why does outsourcing go wrong?

- Few outsourcing mega deals have been successful in the past 10 years; at least 50% fail in the first year and 80% don't produce any savings.
- Less than 25% of those that outsourced finance and accounting functions fully achieved their goals of cost reduction, time reduction, or quality improvement.
- Only 37% of outsourced IT arrangements were viewed as successful in achieving objectives.
- Not seeing the relationship as a strategic partnership.

The roots of failure (National Manufacturers' Debate 2015):

- The buyer's unclear expectations up front compared to its objectives
- Underestimation of costs and the implications of logistics lead to unrealised benefits
- The parties' interests are aligned up front but become misaligned as the buyer's business environment or needs change – contract inflexibility
- The provider's poor performance against service level agreements
- The parties do not consider each other's interests to ensure their relationship is mutually beneficial
- Poor governance structure for managing the ongoing relationship
- Poor cultural fit compatibility of the parties
- Poor communication; the parties do not proactively share necessary information with each other
- Challenges arising because of the buyer's multi-supplier environment

PartnerLink provides:

- Metrics for driving performance, productivity 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
- Management 'know-how' that will provide a definite edge over competitors

PartnerLink is the answer to realising outsourcing benefits because:

- It allows the partners to adapt by monitoring expectations and objectives and identifying specific change actions to maintain contract alignment
- It identifies the drivers of performance so that creeping problems can be nipped in the bud and good practices can be reinforced
- It prevents misunderstanding by allowing the parties to see the relationship through each other's eyes
- It provides a system of governance to manage the on-going relationship

- It promotes cultural understanding and recognition of behaviours that need to be modified
- It uncovers the full range of relationship communication issues and their drivers
- It promotes closer, more loyal, harmonious relationships and the use of good practice

PartnerLink's Strategic Benefits

- Aligns partners into an effective, continuously improving collaboration where the value created is greater than the sum of its parts (Multiplier)
- Increases capability to satisfy end customer
- Increases cohesion of the supply chain
- Reduces administration and production costs and risk, by smarter utilisation
- Bridges the hidden gaps in teamwork (Team Spirit), thru more cohesion, integration and fulfilment, and increased transparency (Productivity)
- Recognises, encourages and enhances the ability to innovate
- Builds joint capability to seize future business opportunities
- Impresses stakeholders
- Builds collaborative capability (Positive Feedback Loop)

When is Partnerlink used?

- As a 'pre-nuptial' partnership compatibility test
- As a part of re-negotiation of contracts
- 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

What is Partnerlink?

- An empirical and objective management approach with proven bottom line results
- Business relationship appraisals, 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

To go fast, go alone. To go far, go together
African proverb



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