

## 10 Breaking-up is Hard to Do

**A concealed microphone in an office nearby picked-up the following conversation:**

CEO A: *"I have been waiting over an hour, didn't think you were going to show. Last year you forgot our annual review meeting."*

CEO B: *"Sorry but I couldn't get away from my office, I've been swamped with work."*

CEO A: *"I suppose your secretary had to remind you. You haven't been seeing a competitor, have you?"*

CEO B: *"Of course not. I wouldn't do that."* (I wonder how she found out? Must be more discreet in future).

CEO A: (I hope he hasn't noticed I have been seeing CoRes Ltd).

CEO B: *"We used to sit down often and talk about our joint interests. They were such exciting discussions about what we were going to do together, the opportunities we could snap-up, and the magic we could create together in the market. Nowadays we just seem to talk when there are problems to deal with and then we shout at each other. You don't bring me good news anymore."*

CEO A: *"I'm so busy 'fighting fires'. Every problem is a big one, especially in our alliance. I never seem to be able to catch them early enough. I notice your people used one of the contract clauses the other day to claim a full refund on a batch of goods we sent you where just one item was defective."*

CEO B: *"I have been doing the same problem-chasing too. Our customers are starting to notice and are complaining about the poor behaviour of our mini-enterprises. Can't you take them in hand; they are after all located on your sites and close by?"*

CEO A: *"They seem to have become rebellious lately and take less notice of what I have to say. I think they see we are not getting on and are trying to make a point. You are the senior partner in this alliance; can't you instil some discipline into them?"*

CEO B: *"I wish I could but they notice our problems and these undermine my authority. For instance, the other evening you gave a lame excuse (a tax headache or something) to get out of going to the big trade association convention. You know we always give a presentation together. In the end I had to do it on my own and felt a right twit making excuses for your absence. I think our industry members are starting to notice, too. They have been giving me funny looks lately."*

**Continuing our overheard conversation picked-up by concealed microphone:**

Counsellor Cecily: *"I'm pleased that you've decided to come to PartnerLink Guidance Services to try and understand what's going on in your relationship. I know you were on the point of calling in the lawyers. There was 'magic' when you first got together and as far as I can tell the original promise is still there. It's pointless hashing over all the old chestnuts, you need to find a way forward."*

CEO B: *"We still don't seem to have time to talk to each other anymore except to grumble about problems, especially with our offshoots."*

CEO A: *"I'm forever rushing round trying to correct mistakes to keep things running. I don't have time think about anything new far less talk about it. We used to go out once a month to dinner"*

*when we would discuss the exciting things that were happening and our hopes for the future. This seems to have fallen by the wayside. Sometimes I wonder if you still care."*

*CEO B: "We aren't getting the exciting returns we originally thought we would so I haven't felt like talking about it. Besides I've also been completely snowed under and I haven't even taken a day off for over a year and a half. Lately I've been weighed down by increased complaints from those around us - they say we are letting them down."*

*Counsellor Cecily: "So don't you trust each other anymore?"*

*CEO B: "Course we do but we are overwhelmed by the pressure and it's inevitable that things will go wrong. I try not to make promises that I know I can't keep but more and more it happens. I'm not deliberately trying to spoil this relationship."*

*CEO A: "I'll admit there have been some attractive temptations outside of our relationship but I haven't had time to pursue them!"*

*Counsellor Cecily: "So what's the root cause of all of this then?"*

*CEO B: "We started out so well. It was a new, exciting enterprise that we launched with much ceremony. Unfortunately realising our dreams has taken a lot more time and effort than we ever anticipated."*

*CEO A: "Having to do things together brought its own stresses and strains too. Do you remember at the end of last year's exhibition you went off with your mates a day early to celebrate? I was left to give your excuses and do the clearing up?"*

*CEO B: "Didn't I tell you, I got us a bonus from that party?"*

*Counsellor Cecily: "What can you both do to improve the situation?"*

*CEO A: "Hmm I've recently taken on a bright young MSc from Cranfield. He can take the humdrum load off of my shoulders and manage the day-to-day part of our relationship. This will allow me to concentrate re-building our plans."*

*CEO B: "That's a good idea, I've just taken on first class MBA from Warwick, and she could do the same for me. We can get out and face our public together like we used to do."*

A couple of months later in another office across town.

*CEO CoRes: "Curses! My dastardly plot to secretly court each side and cause their break up has failed. Now they are together again they are making in-roads into my market."*

### **Business Relationship Lessons:**

1. Appoint RMs (Relationship Managers) who are experienced, knowledgeable, high integrity people.
2. Give RMs strategic status.
3. Keep RMs in post for reasonable periods.
4. Use RM advice to draft the framework contract that focuses on the partner not the small print.
5. Make them 'sew together' the parent company functions that service its relationships.
6. Allow them to jointly chair the main relationship management meetings.

7. They will involve other supply chain partners so they can optimise channel efficiency.
8. The RMs will measure and monitor relationship performance.
9. They will scan ahead to quickly deal with problems and seek out joint opportunities.



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