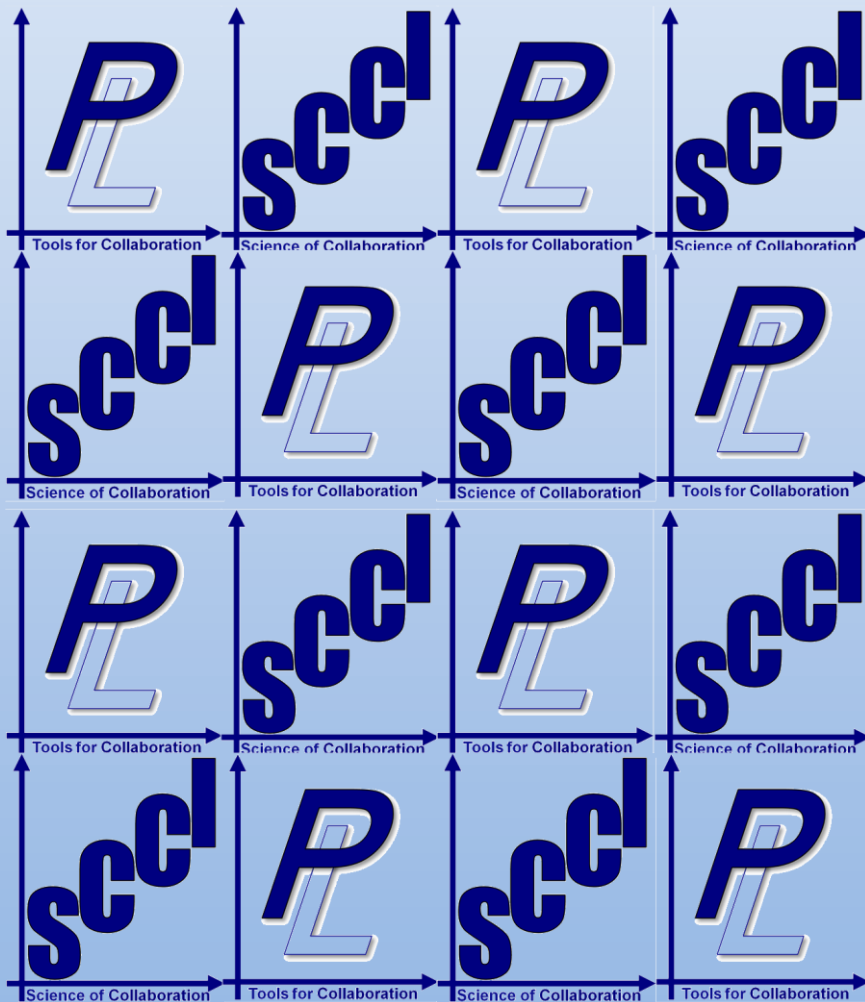


Enterprise Relationship Management: Making collaborative performance certain



Andrew Humphries & Linda McComie



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Enterprise Relationship Management: Making collaborative performance certain

By Andrew Humphries & Linda McComie

What is Enterprise Relationship Management?

Where organisations work together using their specialised resources innovatively to achieve aims and objectives that could not be realised on their own, collaborative relationship management principles will apply.

ERM is the formal discipline for co-ordinating all the business activities that are essential to the success of a joint/multi-party endeavour. It defines the fundamental differences in managing an operation that is partially out of your control. Thus, it brings partnership management into sharp focus and makes it proactive and accountable.

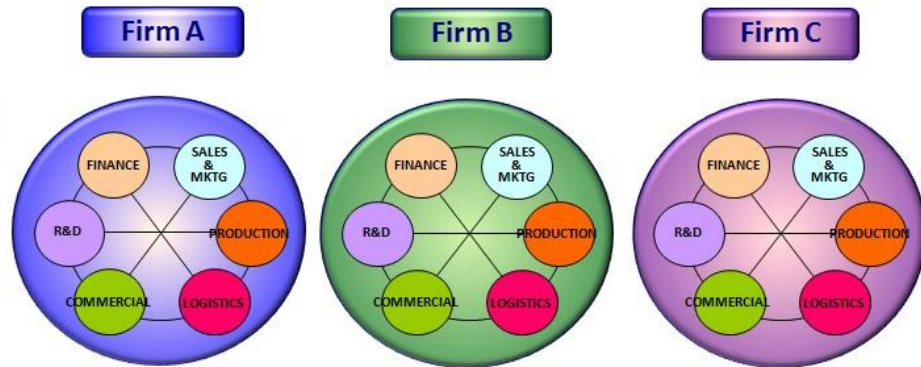
It is comprised of formal organisational arrangements in three distinct phases over the life of alliances, the Decision Phase, the Operations Phase and the Exit Phase, that ensure all activities are jointly managed at all levels. ERM should include an objective performance measurement system that allows creation of a clear, joint understanding amongst the partners and enables them to implement an enterprise business plan to time, cost and quality.

Moreover, it puts in place a management system that has the ability to always create and capture the maximum joint value possible within the relationship. Its success is dependent upon the commitment of dedicated resources but it will become a valuable capability in its own right as expertise grows in the management of complex, collaborative relationships. In addition, over time it will become a core competence supporting sustainable competitive advantage. The way that organisations working together can be managed as a single enterprise using the ERMP as the joint information focus under the supervision of operational and strategic management is encapsulated in the diagram below.

Enterprise Relationship Management



Company Management



Deciding To Collaborate

When an opportunity presents where greater benefits would be achieved by working closely with one or more partners then decisions need to be made. Choosing the right partner is critical to success. Furthermore, they need to be able to realise value in line with their objectives. All the participants must be able to work together and create a joint business case and management structure. Failure to address any of these major decision points will lead to less than optimum operations, unrealised benefits and in extreme cases acrimonious dissolution.

The Relationship Manager

A recognisable joint organisation needs to be put in place to manage the joint enterprise. Each company must appoint a senior executive, a Relationship Manager (RM) who is responsible for coordinating all the relevant business processes and activities within their own organisation and across the boundaries with the partners that are essential to its success. They provide commitment from the top to collaborative working for the joint enterprise. They must have appropriate seniority and leadership qualities. They play a pivotal part in ensuring the smooth running and therefore the performance of business-to-business relationships. In the smaller organisations the role may well be an additional task of the owner or CEO. Where you find strong relationship management there is less friction and scattering of resources which allows the partner organisations to move forward and achieve their aims.

What is the Enterprise Relationship Management Plan?

The idea of a relationship management plan that helps an organisation to keep track of the activities that support a business relationship is not a new one. It may go by a number of names including Relationship Management Plan (ISO 44001), Alliance Project Plan, Partnering Plan and Inter-Agency Working Protocol. We use the term Enterprise Relationship Management Plan (ERMP) specifically to indicate that it covers the entire, joint enterprise and is the key document used to support our proposed management system.

The ERMP is a living document. It is the framework for co-ordinating all the business processes and activities that are essential to the success of a collaborative enterprise. It is a lens through which the joint enterprise can be brought into focus. It is the body of knowledge where all plans, activities, decisions, changes and performance will be recorded. It allows progress to be monitored, risks and issues to be managed and opportunities to be exploited. It is available to all participants and thus forms a communication hub. It is also a valuable resource for inducting new team members and for briefing stakeholders.

The ERMP should be appropriate to the size of the relationship. It must be simple, clear and available to the partners and the joint enterprise team. For a simple relationship the ERMP might be a single document with the entries listed as headings. In a more complex relationship, the ERMP would consist of a 'folder' containing documents and could be in paper/electronic/web-based format. More sophisticated systems might link diaries and databases.

It will include static information such as the objectives, contract/agreement(s), organisational and management arrangements and policies, and contact details. It will also include dynamic information such as changes to contract schedules, regularly updated plans, performance and continuous improvement records and minutes of management meetings including actions.

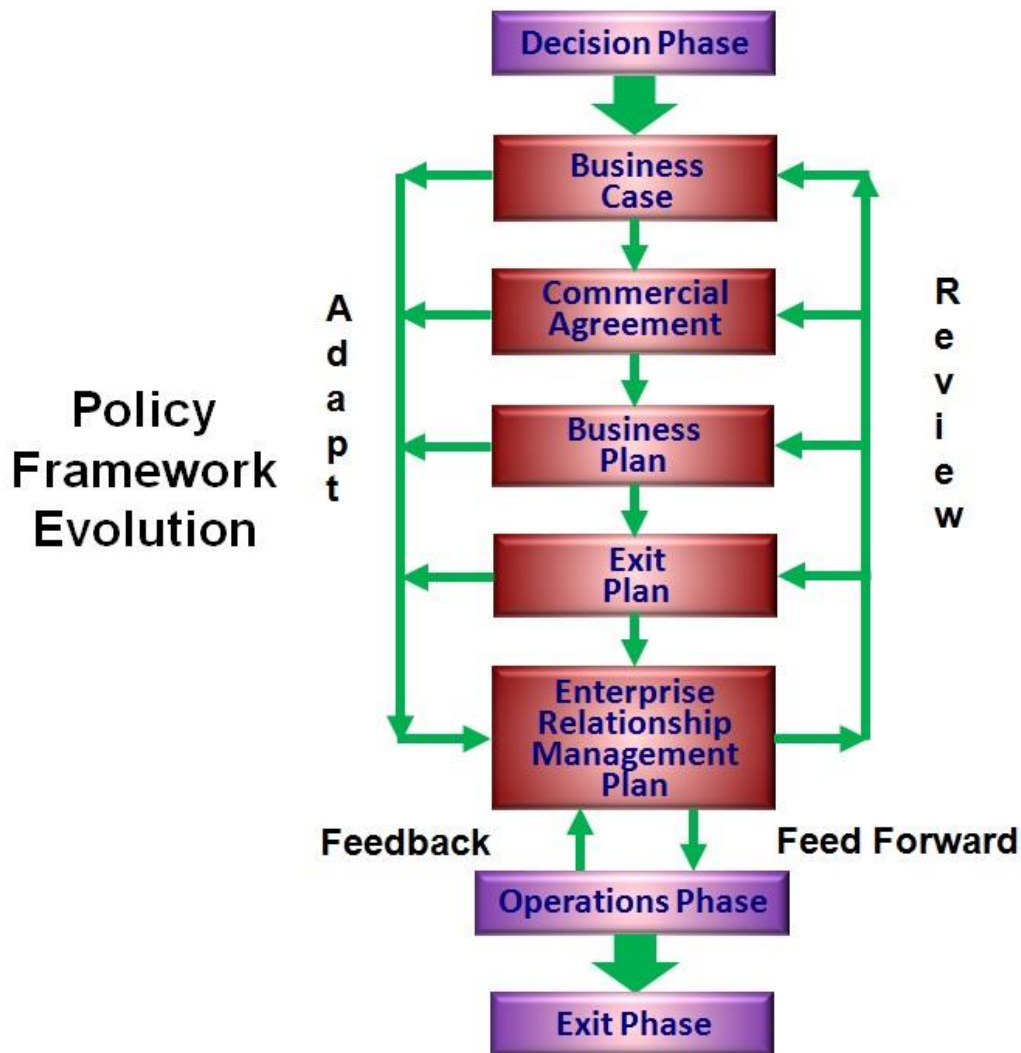
At a minimum the ERMP contains or refers to the following:

1. Organisational and Governance Structure
2. The Business Case
3. Relationship Assets Register
4. Risk Assessment
5. Commercial Agreement
6. Managing Performance
7. Continuous Improvement and Innovation
8. Knowledge Management
9. Communications
10. Personnel and Team Development
11. Exit Arrangements

How is the Enterprise Relationship Management Plan used?

The organisations will hold regular strategic reviews and operations management meetings using the ERMP as a key source of information on progress. This management discipline drives innovation and continuous performance improvement leading to higher productivity. It will also continuously review and adapt the policy framework as collaboration evolves, new opportunities emerge and in response to internal and external changes in the environment.

The policy review cycle is illustrated in the diagram below.



Further Reading:

Andrew Humphries & Linda McComie (2022), **Implementing and Managing Collaborative Relationships – A Practical Guide for Managers**

Routledge, New York, ISBN 978-1032-1173-86

155 pages

Andrew Humphries & Richard Gibbs (2015), **Enterprise Relationship Management A Paradigm for Alliance Success**

Gower, Farnham, England, ISBN 978-1-4724-2908-7

215 pages



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