



GETTING BETTER COMMERCIAL VALUE FROM BUSINESS PARTNERSHIPS & ALLIANCES

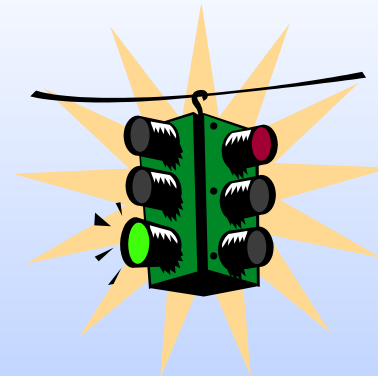
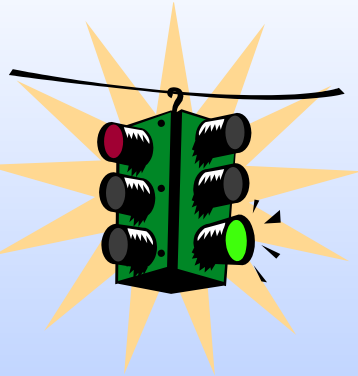
SCCI Ltd
sales@sccindex.com
+44(0)1908-561892

Relationship Management Challenges

Managing contract relationships is often surrounded by folk lore and many fail without clear reason. You might know what happened but, you don't know why

- **Traditional approaches have focussed on numbers, milestone charts and contracts, the management of suppliers (Time, Cost and Quality) and customers (Sales and Revenue)**
- **Insufficient attention has been paid to the underlying causes of difficulty which often occur insidiously and which often result in increased fire-fighting, the threat of, or use of penalty clauses and inevitable diminishing performance or even fracture**
- **Failure to manage the relationship as a joint enterprise denies companies the benefits of leveraging the wider opportunities of collaborative relationships**

The Relationship Management Challenge



Supplier Management
(Time, Cost, Quality)

Key Account Management
(Sales & Revenue)

Complacency

Opportunism

Distrust

Quality Failures

Poor Communication

Cost Over-runs

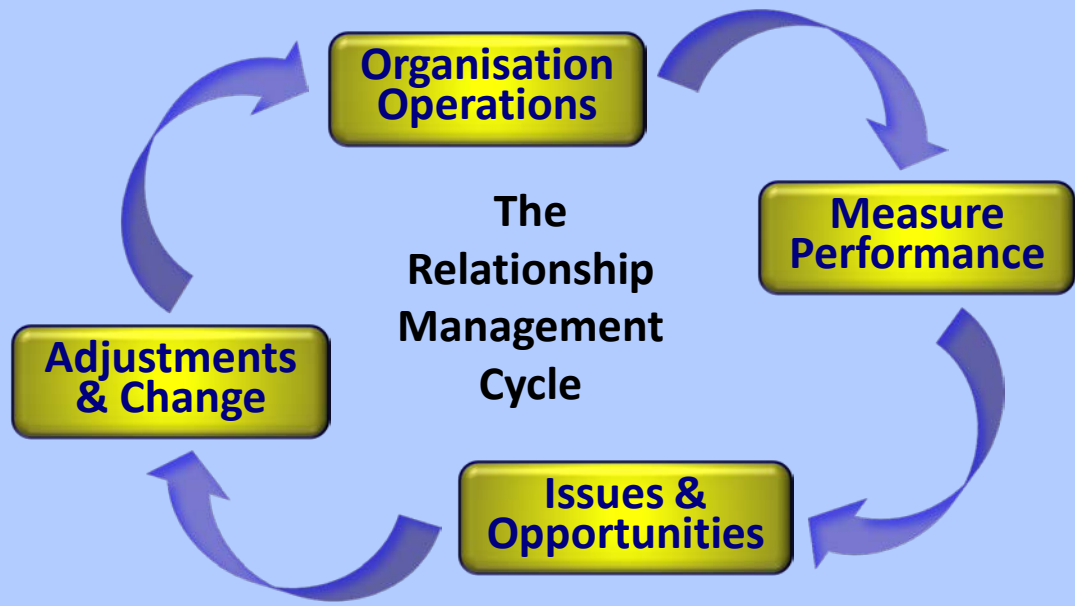
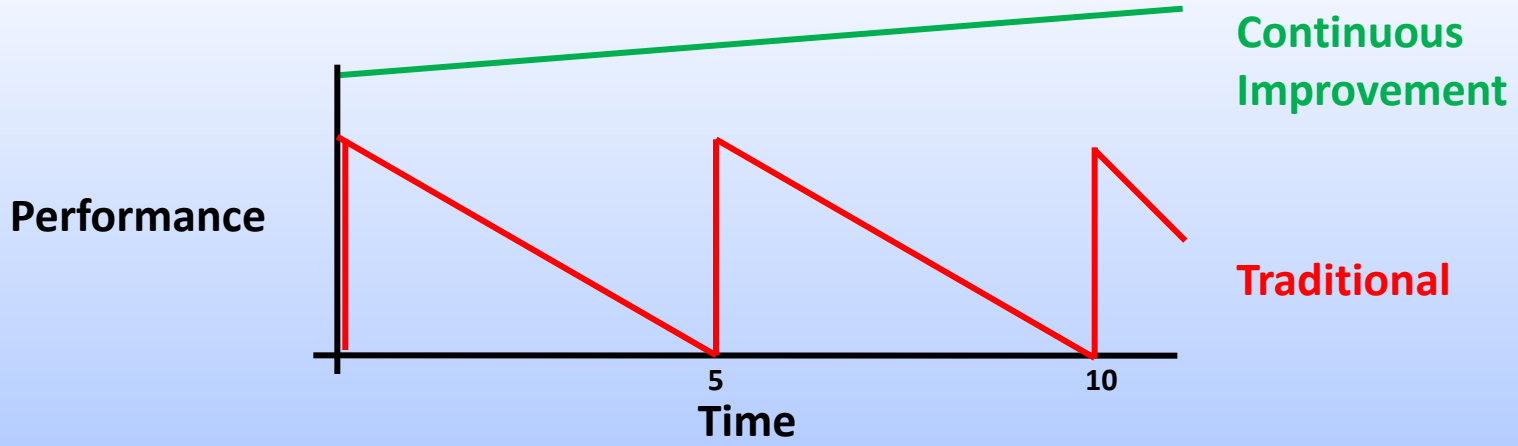
Complex Relationship Management

Late Deliveries

The Traditional Way

- Do you throw money at the problem; bring in consultants to achieve ‘big bang’ restructuring, BPR, down-sizing, right-sizing etc, etc?
- Do you repeat this process every few years; do you have problems retaining experienced staff?
- What about your partners; do you really understand what they bring to the table; do you always blame them when things go wrong; do you regularly ‘beat’ them up over the contract fine print; do you ever ask them for their opinion?
- How often do you go through the costly process of changing partners; are you running out of people who want to work with you?
- Wouldn’t it be better to do more through performance-based analysis looking for root causes and root solutions and implementing a professional, joint relationship management approach that gives you both/all continuous improvement?

Changing for the Better



The Solution

SCCI will support you to overcome these difficulties using its Enterprise Relationship Management discipline

- Objective based management techniques
- Performance measurement and understanding
- Change programmes leading to proven bottom-line benefits

ERM

- Ensures that you select the most appropriate partner and avoid costly mistakes
- Provides a single agreed vision for the enterprise with a single view of the operations and their performance allowing clear, unambiguous control so that the result will be greater than the sum of the parts.
- Promotes team working that brings together the many parts of the joint enterprise into an efficient 'machine' for delivering high quality goods, services and projects.
- Creates an environment in which innovation will thrive based upon trust, commitment, co-operation and quantified achievements.
- Terminates a collaborative relationship efficiently to the benefit of the stakeholders

The Solution

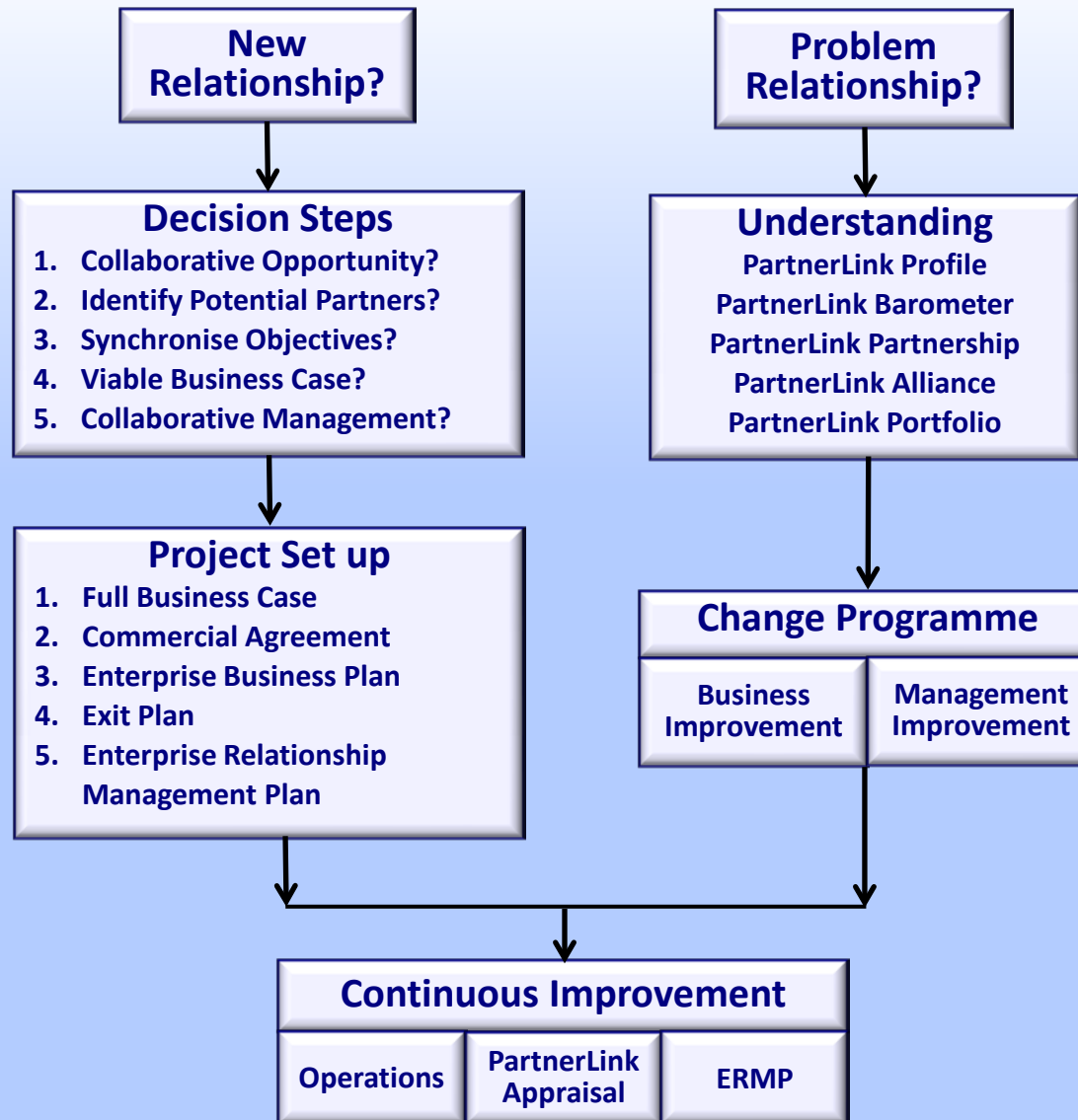
Understanding Relationship Dynamics

- 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
- Management 'know-how' that will provide a definite edge over competitors

Implementing Change and Continuous Improvement

- The ERM Plan is a framework for co-ordinating all the business processes and activities that are essential to the success of the collaborative enterprise
- 'A body of knowledge' where all plans, activities, decisions, changes and performance are maintained
- Allows progress to be monitored, risks and issues to be managed and opportunities to be exploited
- Mobilises support from all partners

A Framework for Enterprise Relationship Management



Invest In Professional Relationship Managers

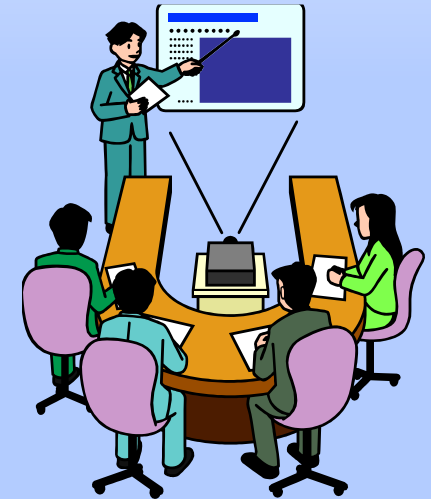
The minimum requirement is a person in an organisation seen to be responsible for ERM

- **Appoint experienced, knowledgeable, high integrity people**
- **Give the RM strategic status**
- **Keep the RM in post for reasonable periods**
- **Use RM advice to draft the framework contract that focuses on the customer not the small print**
- **The RM ‘sews together’ the parent company functions that service its relationships**
- **RMs jointly chair the main relationship management meetings**
- **RMs measure and monitor relationship performance**



ERM requires a disciplined approach is taken to managing the activities that are key to the success of the joint enterprise

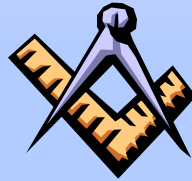
- Review performance targets in last period and issue statistics
- Review work/orders in progress
- Review forecasted work, sales and orders in next period
- Consider and solve problems.
- Actively seek out and initiate process improvements
- Review future plans (including new products) and initiate preparation
- Review and update ERMP, Commercial Agreement and Exit Plan
- Review industry and technology updates
- Identify policy issues to refer to senior management
- Involve other supply chain partners



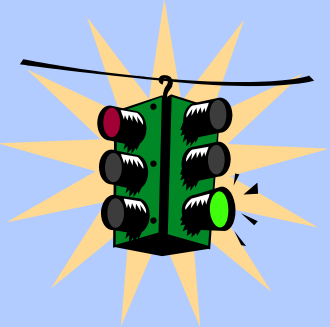
Conclusion



Relationship
Performance
Measurements



Create clear Joint
understanding



Sustained
Bottom
Line/VFM
Benefits



ERM - The management process for co-ordinating the 'business' activities that are essential to the success of a joint endeavour

BAE SYSTEMS

WHITBREAD

Sainsbury's

Rolls-Royce

IBM

**edf
ENERGY**

KUEHNE+NAGEL

Halcrow

**JUNIPER
NETWORKS**

SIEMENS

Magna

**AWE
MANAGEMENT LIMITED**

**Check Point
SOFTWARE TECHNOLOGIES LTD.**

BT

**MOLSON
Coors**

FUJITSU

amec

**Food Chain Centre
Safeguarding the Supply Chain**

PARAGON

BPEX

SONATEST
- Sound Solutions -

CISCO

WIPRO

**Bernard
Matthews
farms**

MARS

Warburtons
FAMILY Since 1870 BAKERS

MINISTRY OF DEFENCE

CRANSWICK plc

Imtech

BP

Dr Andrew S Humphries
andrew.humphries@sccindex.com
+44(0)1908-664119
+44(0)7963-241872

Mrs Linda McComie, MBA
linda.mccomie@sccindex.com
+44(0)1908-561892
+44(0)7778-555412