



What Colour is Your Hammer?

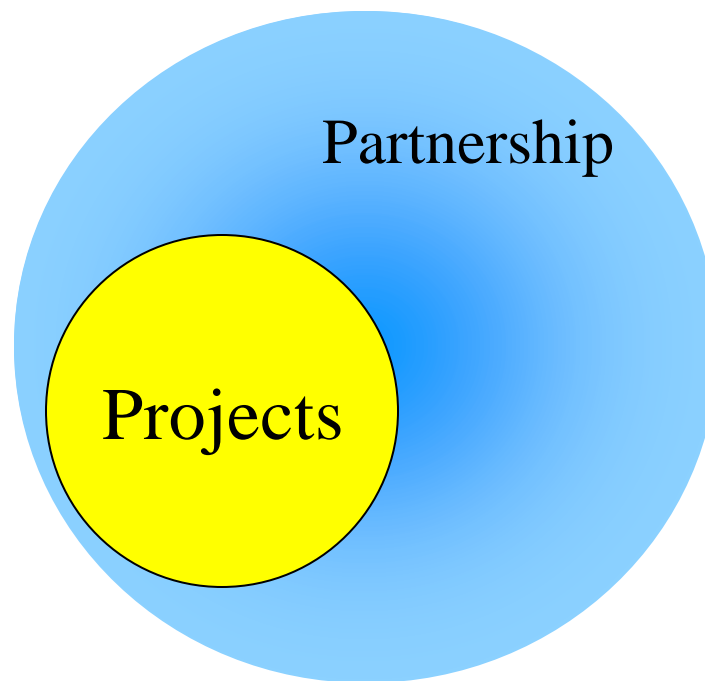
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“If the only tool you have is a hammer, you tend to see every problem as a nail.” Abraham Maslow





From Projects to Partnerships





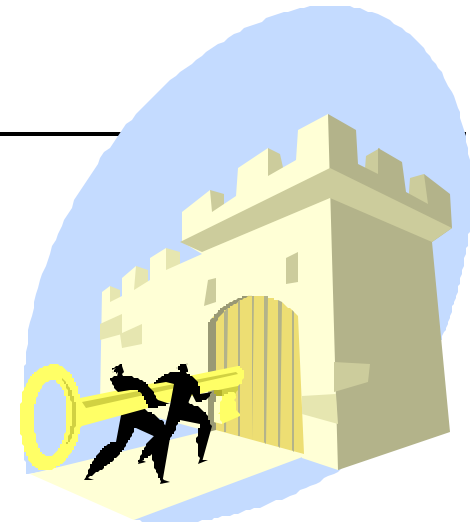
Dr. Phil says.....

- Partnerships are fragile - you have to protect the relationship



Introduction

- What is a partnership?
- What are the benefits?
- How do you find the right partner?
- What are the risks?
- How do you document the partnership?
- How do you keep the partnership going?
- Do you need an exit strategy?





Types of Partnerships

- joint venture
- collaboration
- strategic alliance
- partnering - it's about change and opening your organization to another



- Are partnerships different from out-sourcing?



Are partnerships different from outsourcing?

Partnerships:

- share ownership
- keep control
- indeterminate
- flexibility
- negotiating
- manage projects together

Outsourcing:

- lose ownership
- lose control
- determinate
- formal
- dictating
- project manage contracts

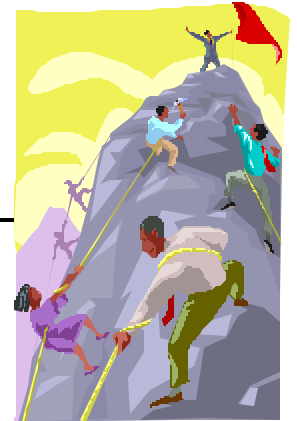


Partnerships

- really only about people and relationships
- easier to improve than to save



Success Factors



- structure based on needs and objectives
- trust, openness and transparency
- willingness to solve problems together
- commitment is shared by all key people
- each has something unique to offer that is valued by others
- presents an image of quality and stability
- regular reporting and feedback



Drivers for Partnerships?

Client:

- fresh perspective
- joint investment in success
- win win
- reduces overhead
- education
- faster response

Service Provider:

- recognition of value for service
- reduces marketing overhead
- flexibility in contracting
- share best practices

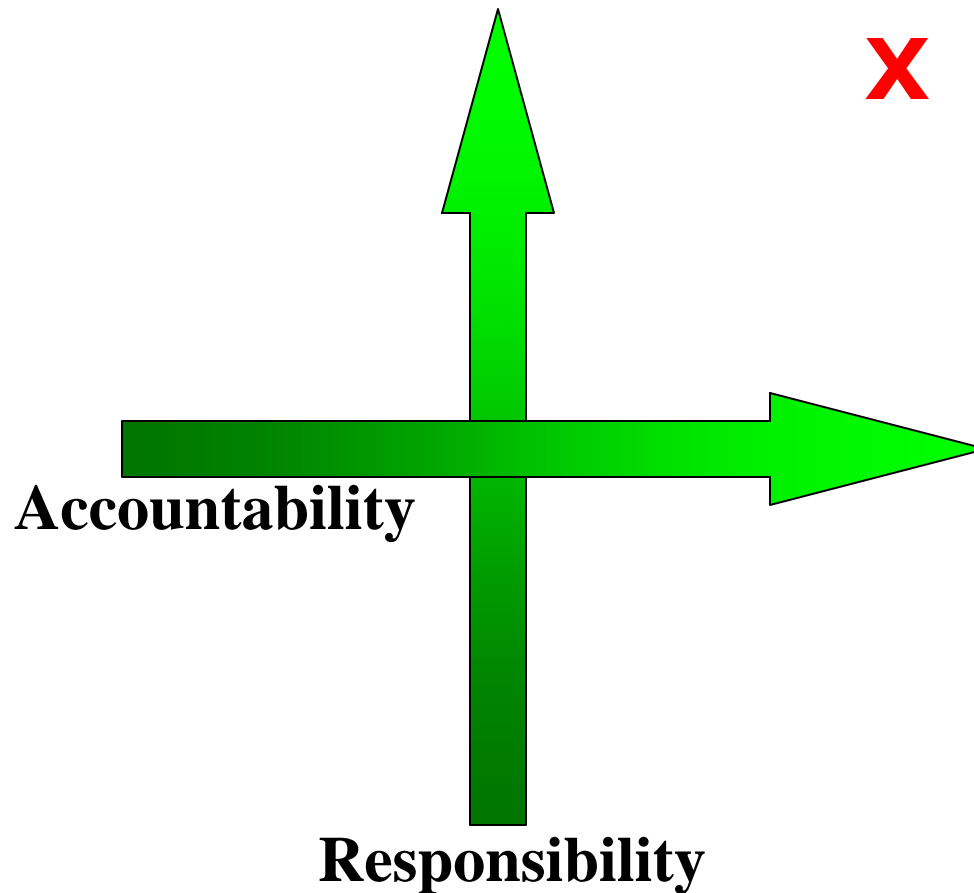


Profiling partners

- strengths and weaknesses
- organizational structures, finances, decision processes
- similarities and differences in corporate cultures
- leaders or followers in their industry
- previous partnerships - successful?



And, what's really important






Why do clients partner?

- your product/service is not their core business
- provide superior client service
- manage service delivery costs
- difficult to stay up-to-date with all the skills, expertise and knowledge necessary to be innovative



Why do service providers partner?

- revenue growth
- more stable work load
- it costs 5 times as much to win a new client as it does to keep an existing client
- more billable time
- long term opportunity
- new service opportunities



What are the objectives of a partnership?

Client:

- business expertise
- do not have to be jack-of-all-trades
- mutually beneficial, like a marriage

Service Provider:

- trust
- speed
- efficiency
- not reinventing the wheel
- growth
- streamline service delivery



Partnership success

- communication
- trust - benevolence and competence
- enough common ground to understand each other
- enough differences to make it interesting



Partnership lessons

- Finding a partner
 - find people with similar corporate culture
 - find friends in the business
 - start small and learn to work together
 - understand your strengths and weaknesses



Partnership lessons

- Before you start...
 - get to know each other very well
 - get the staff talking directly
 - document expectations
 - set rules and define roles
 - agree about the money



How long does it take?

Client:

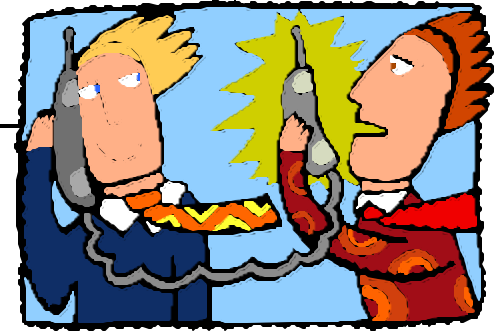
- depending on the business
- likely over 1 year
- 1 to 2 years

Service Provider:

- 1 to 2 years
- until trust is established
- high level of vulnerability - so a year or more



Partnership lessons



- During the projects....
 - share knowledge
 - exchange specific skills
 - find tools and processes - real or virtual
 - be open with each other



How are fees calculated?

Client:

- negotiated and very formal
- up-front and formal
- informal
- no commitment for amount of work

Service Provider:

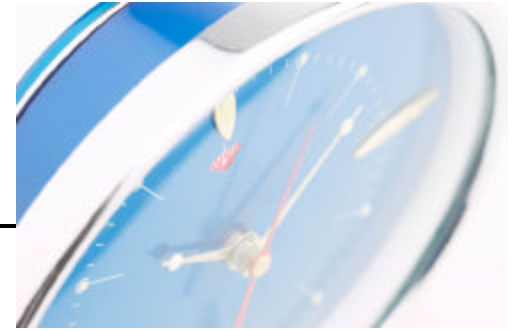
- standard per diem rates
- provide freebies
- adjusted as necessary
- market sets the fees





Partnership lessons

- Ongoing....
 - make sure you review the collaboration
 - share the credit and share the blame
 - recognize hidden benefits and financial rewards
 - try working with different partners
 - remember - not all partnerships need to be formalized



How long does a partnership typically last?

Client:

- as long as mutual interest
- over 16 years
- partnerships moved with me to new organization

Service Provider:

- over 19 years
- over 15 years
- transcends generations
- even through change of client



Risks for client

- lack of corporate support
- service provider without appropriate skills
- knowledge loss
- staff loss
- procurement policy changes
- service provider has limiting contract with another organization





Risks for service provider

- partnership with someone about to retire
- loss of your staff
- conflict with client staff
- insurance
- intellectual property
- due diligence required



How do you determine value?

Client:

- comfort level
- phone's not ringing
- creativity
- trust
- instant response
- risk management
- cost savings/
containment

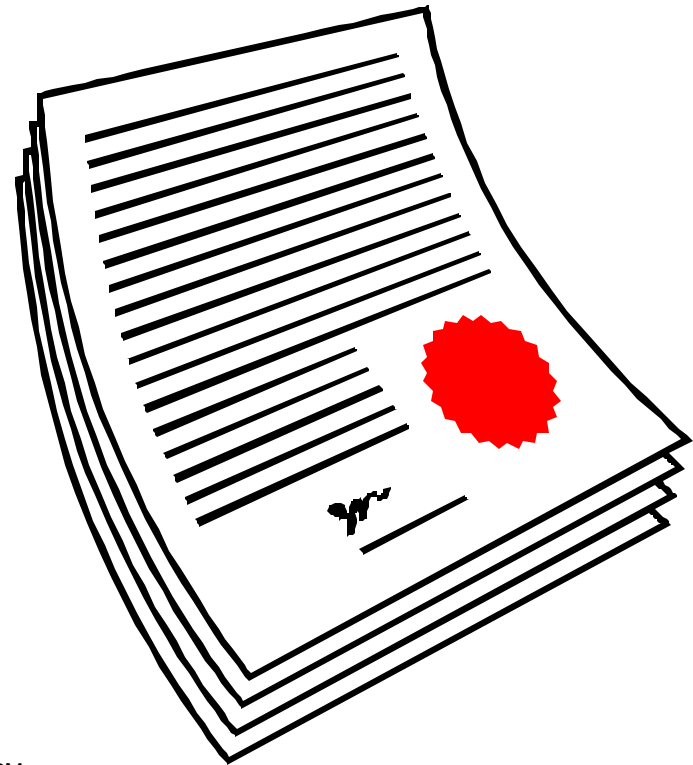
Service Provider:

- cultural fit
- respect
- champion exists
- embedded with client
- client asks you to solve problems (even outside your area of expertise)
- receive advice



Documenting the partnership

- Memorandum of understanding
- Letter of intent
- Final agreement





Does the agreement have to be in writing?

Client:

- no
- sort of
- yes

Service Provider:

- If it HAS to be in writing, then it's not a partnership
- no
- yes



Key elements of an agreement

- services - options
- change management
- personnel
- cost management and reporting
- performance reviews
- ownership of intellectual property
- provision of tools and space
- dispute resolution
- exit strategy



What are the contracting issues?

Client:

- vulnerability and trust
- KISS principle
- flexibility
- service level
- commitment to joint success

Service Provider:

- boundaries of work (if any)
- freedom
- less restrictive
- prescriptive vs. performance
- confidentiality



What are the important elements in the contract?

Client:

- typical boiler plate but must have:
 - parachute clause
 - exit strategy
 - termination options

Service Provider:

- flexibility
- what's not in -
deadlines, fixed fees, performance standards



Keeping it alive

- commitment to making it work
- all staff are informed and committed
- it is a long-term investment
- build in flexibility and capacity for change
- **COMMUNICATE**





How often are the reviews?

Client:

- depends on length of contract
- daily - informal
- quarterly - formal

Service Provider:

- depends on contract
- both informal and formal
- daily, quarterly, annually





How do you defend ongoing partnerships?

Client:

- they 'know' us
- put partner in front of senior management
- cost savings
- service level improvement

Service Provider:

- little marketing effort
- bottom line
- time invested
- experience



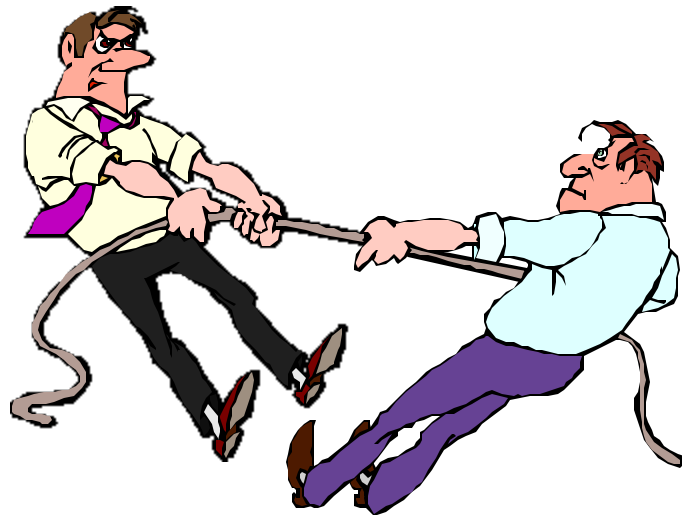
Exit Strategy



- discuss it when times are good
- include it in the agreement
- understand the obligations
- what happens to people, facilities, tools?
- what are the notice periods?




Partnership breakdown





Signs of going off-track

- communication problems
- lack of trust
- reconciliation under duress
- expectations not being met
- hidden agendas
- 'we' vs 'them'



What are the symptoms of the partnership going off the rails?

Client:

- inkling of deceit
- not a priority
- taken advantage of
- invoicing not proper
- bad-mouthing client or others
- nickel and diming
- failure to look after each other

Service Provider:

- speaking negatively about the other partner
- lack of trust
- suspicion
- side deals
- assumptions
- staff departures
- general confusion




What you are taking home

- Checklists
- An understanding that partnerships come from the heart!



The FMer challenge



It takes a new corporate
mindset and culture to turn
suppliers from
'them' into 'us'. *Bill Gates*



Thank you

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