

Supplier / Partner Relations Maturity Model



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Agenda Topics


- Definition of Partner Relations Management
- Why Partner
- Partner Relationship Management
 - 7 Step Process
 - Core Concepts
 - Business Results
- Developing a Partner Relations Program
- Management Maturity Model Ratings
- Maturity Model Integration
- Operational Interaction

Definition of Partner Relations Management

Management processes which provide the ability to develop or maintain a **sourcing** relationship with another business entity, which is mutually beneficial (**revenue producing**) to both companies.

Why Partner?

Expand existing
capability



Many times it is important to partner with other companies to successfully win work that is broader than your existing capability. When expanding beyond your existing comfort zone a good partner relationship can offer an approach that reduces risks.

Expand existing
capacity



In some industries opportunities are consolidated and packaged in large quantities. Partnering, many times with competitors, becomes necessary to win work that requires more resources than you can afford.

Why Partner?

Meet regulatory requirements



Some industries have regulatory requirements that demands partnering, others have regulatory requirements that partnering provides a solution. VDOT has federal requirements that make DBEs a viable business partner for larger organizations who do not have DBE designations.

Competitive Pricing



Large and small organizations often partner to establish competitive pricing that helps them win work over the competition or provides a more appealing offer to customers. DBE and SWaM companies offer a viable solution to large companies who have the overhead and infrastructure costs in a low margin industry.

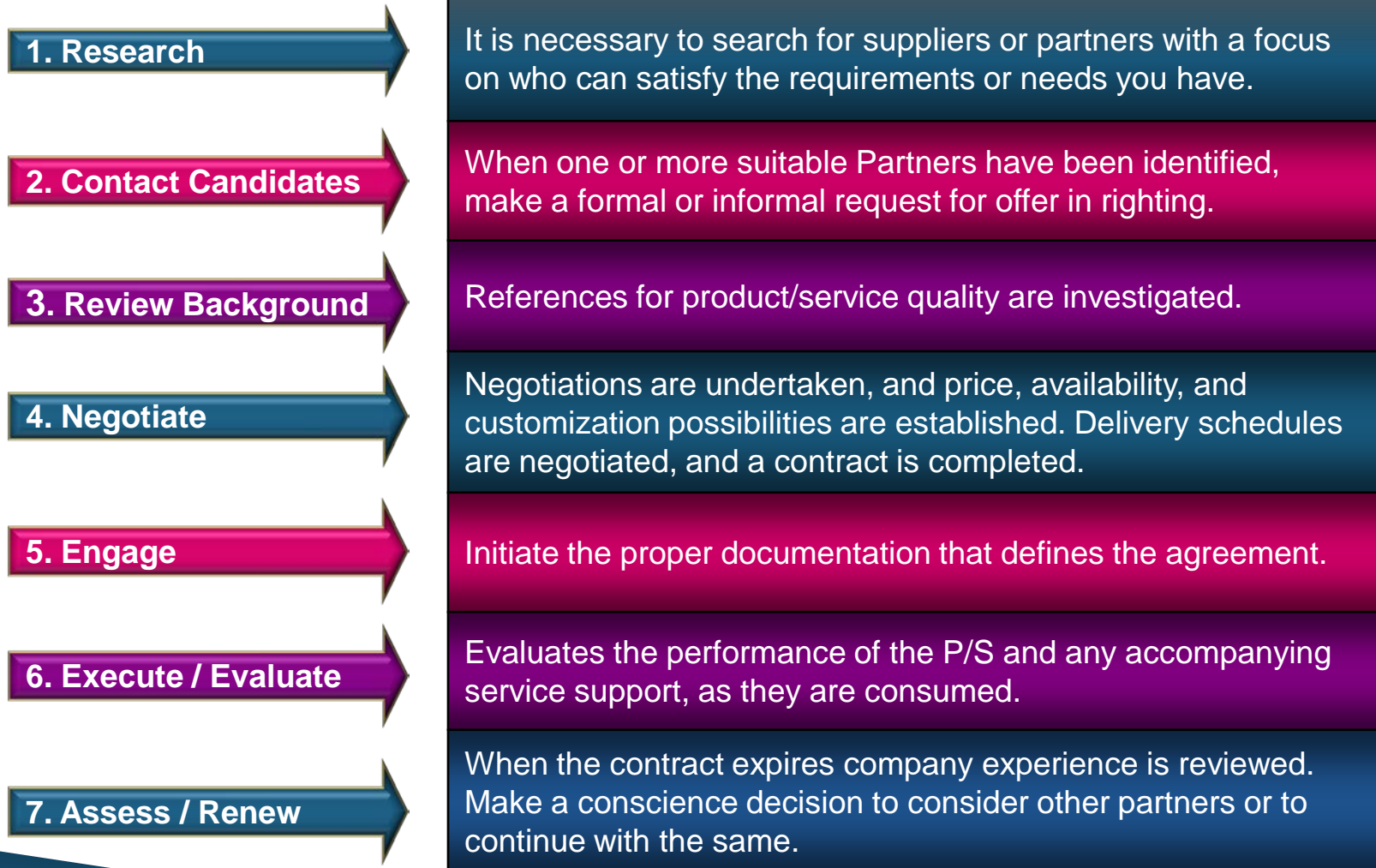
Establish new qualifications



Partnering can offer an approach to learn. Working with others who have a broader service offering and the methods and skills to deliver the services provides your company an opportunity to learn how to develop your own. Using this approach to partnering is risky for both partners and should be done above board and with an intended strategy.

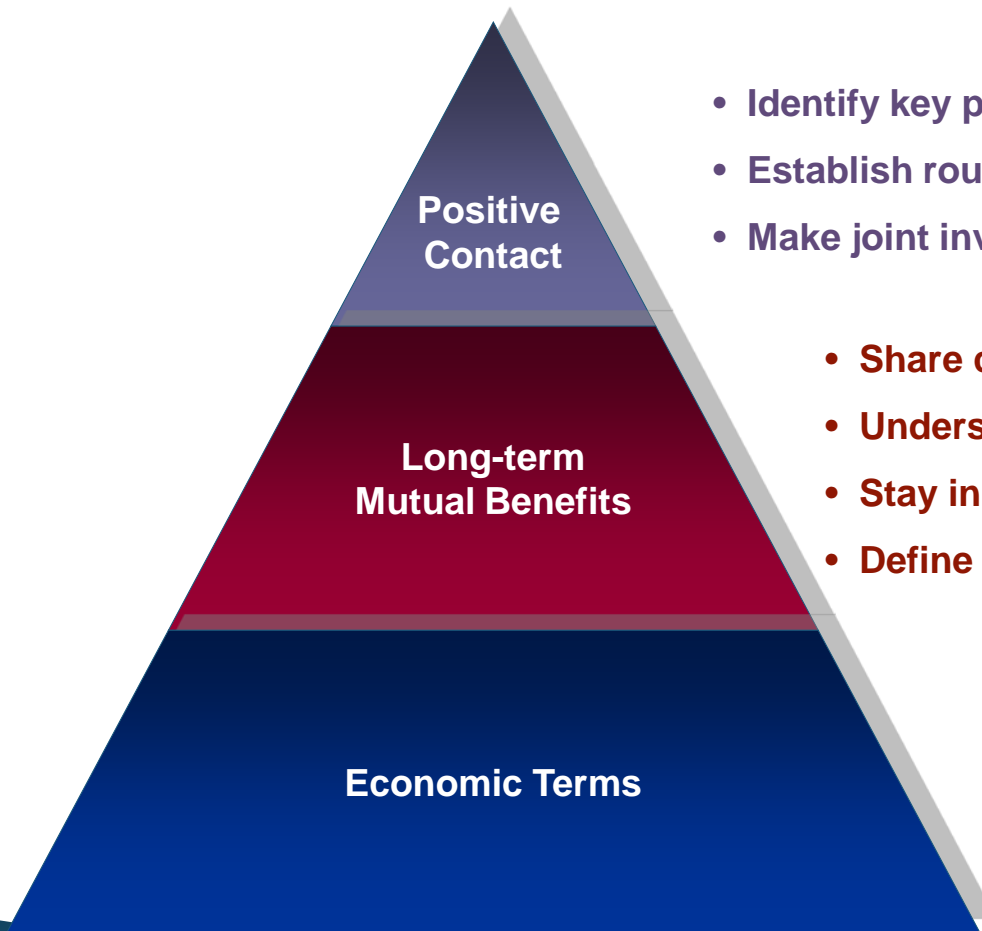
Partner Relationship Management

7 Step Partner Relations Management Process



Partner Relationship Management

Developing “Partner Relations Management” as a Core Concept



- Identify key points of contact
- Establish routine touch points
- Make joint investments

- Share company goals with partners
- Understand your partner's long-term goals
- Stay in touch with your partner's markets
- Define how you can help each other grow

- Contract negotiations
- Profitability
- Project management terms

Partner Relationship Management

Using “Partner Relations Management” to Produce Business Results

BTG Partner Relations Maturity Scale	Programs	Expected Results
Level 1 - Enterprise	Maintaining Positive Contact	<ul style="list-style-type: none">• Partner related annualized revenue growth• Assistance in resource and capability development• Wins with project scopes broader than experience base• Marketing and other infrastructure support
Level 2 - Mature	Finding Long-term Benefits	<ul style="list-style-type: none">• Improved partner alignment• Gain higher level of trust• Increased number of mutually beneficial projects
Level 3 - Foundational	Getting the Right Economic Terms	<ul style="list-style-type: none">• Reduced legal risk• Improved, visible profit• Increased customer satisfaction

Developing a Partner Relations Program

Getting the Right “Economic Terms”

Contract Negotiations	Profitability	Project Management
<ul style="list-style-type: none"> • Develop terms of the contract that address issues related to the following measures: • Contract Risks (flow downs, warranties, guarantees, Indemnification, Limit liability) • Cost Estimation (Management and overhead, Risk pricing) • Understand Overall project objective (Project goals, Project delivery terms, Your roll and impact on overall objective) 	<ul style="list-style-type: none"> • Defining the scope • Identifying materials • Pricing the job • Pricing risk • Building a cost model 	<ul style="list-style-type: none"> • Clearly defined scope of work • Agreed upon process for change orders and monetary conditions • Project management team and process • Project sponsorship and responsibility • Issue tracking and resolution process • Billing and payment approach • Team meetings and communications
<p>SAMPLE Business Documents: Teaming Agreements, Letter of Intent (LOI), Memorandum of Understanding (MOU), Contracts Project Estimating and Profit projections Development of project management plan</p>		

Developing a Partner Relations Program

Establish Clear “Mutual Benefits”

Share Company Goals	Understand Partner Goals	Understanding Partners Position in Market	Define Mutual Benefit to Revenue Generation
<ul style="list-style-type: none"> • Evaluate or develop company goals • Determine approaches to reach those goals • Identify how Partners can assist in reaching goals • Research partners that meet needs • Establish plan of action to engage partners 	<ul style="list-style-type: none"> • Understand partner goals and areas of need • Evaluate personality cultural fit • Successfully Engage in 1st joint project • Evaluate results 	<ul style="list-style-type: none"> • Understand relationship of potential partner with VDOT • Understand work backlog and client satisfaction • Evaluate their long-term stability in the market 	<ul style="list-style-type: none"> • Develop an MOU • Establish key roles • Assign responsibilities • Determine the measure(s) of success
<p>SAMPLE Business Documents: Business Plan development Benefit/Risk Analysis worksheet Industry Market Research</p>			

Developing a Partner Relations Program

Maintain Positive Contact

Identify Partner Key POC	Establish Routine Touch Points	Make Joint Investments
<ul style="list-style-type: none"> • Understand who in the Partner organization can benefit most by a relationship with you • Establish your long-term value proposition around their success in working with you • Establish an organizational unit and individual who serve as the responsible contact to both of your success 	<ul style="list-style-type: none"> • Follow-through on routine touch points in MOU • Create other opportunities to touch base with right contacts • Establish “client like” relationship – understand and manage expectations they are seeking out of the relationship • Manage call list and schedule 	<ul style="list-style-type: none"> • Establish joint investments with equitable return • Clearly define target market and services • Assigning responsibility • Establishing decision criteria • Establish affordable and expected costs • Building in milestones and check-points for evaluation • Plan for program management and leadership support
<p>SAMPLE Business Documents: Business Plan development Benefit/Risk Analysis worksheet Developing a Join Venture entity</p>		

Operational Interaction



Partner Relations has valuable impact on the business planning process. Your business plans should consider how you will manage and maintain a profitable relationship with your partners.

Partner Relations causes adjustment to be made in the operations management process. Your operations and your people have to integrate with your partners operations, people, capabilities and technology to be successful.