



BUILDING BETTER RELATIONSHIPS

BY SARAH BEGG

Ever wondered if your suppliers value you as highly as you value them? Discover the secrets to forming lasting business relationships and what elements can make (or break) a partnership.

In today's business world, positive business relationships between companies can often be a defining factor in securing a deal. Through developing positive relationships with clients, a company can secure an abundance of future work. Ensuring relationships with suppliers and subcontractors are also kept strong means that loyalty and quality will be constantly achieved. So the question is: what makes a great relationship and how can this be achieved?

Liam McFadden, Partner at Better Business Relationships (BBR), explains why building strong relationships with business partners is so important. "A company's greatest asset is its people," he

says. "Therefore, a company's performance in the marketplace comes down to its people and the relationships they form with employees from other organisations. This applies to both external relationships with customers and suppliers, as well as internal relationships formed within one company."

When forming business relationships, the same techniques one would use for everyday relationships should be utilised. "Business relationships are a lot like personal relationships," Liam explains. "People only get better at managing relationships with good friends and life partners through experience and practice – lots of practice. Many of the same

qualities you value and the techniques you apply in managing your personal-life relationships can also be applied to dealing with business partners – for example, learning to engage with people and really listen to them, as well as being brave enough to be honest even when Murphy's Law is making itself felt."

The relationships companies build with their suppliers and subcontractors are also critical to any successful business. While many of these relationships may be seen as necessary, the difference having a good partnership in comparison to a mediocre one can warrant significantly different results. "Your own suppliers and subcontractors probably have a different

idea than you do about the commercial and strategic importance of your business relationship, and this is reflected in the nature and performance of your arrangement with them," notes Liam. "Keep in mind the possibility that whatever the relationship is, there is always scope for improvement. Identify the subcontractors and suppliers who are of strategic and financial importance to you; work out where they are in terms of current relationship levels compared to where you would like them to be, and note what this is telling you."

It is essential to watch out for a number of mistakes that are easy to make and very common among people when trying to build better relationships. As Liam says, "The most common mistake by far is making assumptions with respect to the willingness and capability to change at both an organisational and individual level. When more than one person is involved, what seems obvious usually isn't. Relationship management is not easy and it is not for everyone. Changing people is a process and journey, not an event, and sometimes you might have to 'change' the people to create the right environment of willingness and capability to change business relationships for the better."

Better Business Relationships was formed as a means to aid and train companies in the necessary techniques needed to establish and maintain great partnerships and working relationships. Liam notes that not all relationships are the same, nor do they need to be. "We have identified three common relationship types, each of which needs to be established and managed

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differently in terms of the key organisational components of strategy, structure, process, people and culture." The three types include:

- vendor relationships – combative, tribal, trading and transactional
- supplier relationships – basic, major and key
- partner relationships – partnering and alliances, pioneering and community.

BBR is licensed and accredited by Tony Lendrum, a pioneer of relationship management, to use his theories and methods of relationship building. With a range of impressive clients, the company partners boast a plethora of experience and expertise and have helped clients with a range of different relationship challenges and dynamics. The following strategies to build high-performance relationships are based on tools and processes developed by Tony Lendrum, and are among the range of strategies utilised by BBR:

- High customer focus and supplier engagement: continuous and breakthrough improvement, transparent engagement, early collaboration and involvement in information sharing and long-term strategy development
- Principle-based relationships: relationships based on integrity, reputation, trust and keeping your word

- Compelling value propositions: looking for opportunities beyond cheap price and low cost
- Value adding: where the delivered products and services positively impact on aspects such as market share, margin, price premiums, additional volumes or level of differentiation
- Total cost reducing: takes into account aspects such as total cost of ownership, removal of waste and duplication, and lower operational costs
- Performance-based relationships: where revenues and profits are linked directly and indirectly to performance expectations, key performance indicators (KPIs) and remuneration
- Mutual-benefit focused: looks for win-win outcomes, joint strategy documents, shared visions, common goals and mutually accountable KPIs
- World class or best practice: where standards and/or performance levels are benchmarked
- Innovation-driven relationships: based on the number and impact of new ideas, products and services
- Vehicle for internal transformation: views the relationships as best-practice benchmarks and centres of excellence, learning and development.

Throughout all these different relationship models, the most important thing to remember is that they all come down to people. BBR utilises a concept known as 0-10 Relationship Management (0 to 10RM®), formulated by Tony Lendrum. As Liam notes, "The 0 to 10RM principles are straightforward and grounded in common sense. They are:

- You can't be all things to all people, but you can have the right relationship with the right people.
- Business relationships are first a choice and then a responsibility.
- Customers are the reason suppliers exist. ▶



- The right people, doing the right thing, in the right way, at the right time, for the right reasons will deliver the best possible outcomes.
- Insanity is doing the same things and expecting different results.
- High-performance business relationships are a process, not an event, and a journey, not a destination.”

By focusing on these ideas, companies will be able to alter the level of involvement with business partners for the better. “The application of these principles, through the tools and processes that underpin them, can provide an organisational change-management framework to change the nature and improve the performance of your relationships with customers and suppliers,” mentions Liam. “The benefits of this can be measured in terms of financial success, customer/stakeholder satisfaction, sustainable competitive advantage, world class/best practice, innovation and improved attitude.”

In order to help clients develop the techniques and knowledge needed to aid in relationship building, BBR facilitates a number of courses. “BBR offers a suite of workshops in which participants build their capacity to improve the quality and performance of their business relationships,” explains Liam. “The workshops are designed to help businesses at a variety of stages on their journey of development.”

The company also offers other services to help facilitate relationship improvement among business partners. “BBR provides clients with a simple set of tools and processes that can be understood by all levels within an organisation from board members to shop-floor workers,” reports Liam. “Having a common language, understanding and practice around relationship management is critical for success. Organisations that manage relationships well are fun and enjoyable, generating higher levels of work satisfaction. This provides greater opportunities for learning and growth as well as improving the employability of people involved. Practising organisations are fast becoming the employers of choice for high-calibre professional people.”

By utilising the principles of Tony Lendrum, the company is able to offer tried and tested training tools that have proved to work for countless organisations. “BBR, through its relationship with Tony Lendrum,

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offers training courses that allow selected participants from client organisations – and their customers and suppliers – to become trained and accredited in the use of these 0 to 10RM tools and processes,” says Liam. “This means companies’ employees can become licensed ‘Elite Trainer Facilitators’ in their own right, reducing the dependence on consultants over time.”

The benefits of implementing this training for employees are immeasurable, while the cost implications are similar to other essential business tools. As Liam claims, “Introducing relationship management at this integrated level is comparable to the time, cost and effort required to make safety a core organisational and individual competency.”

As a growing tool in relationship management, the 0 to 10RM, community, led by Tony Lendrum, has just launched an online electronic relationship alignment diagnostic (eRAD) on a new website. “Based on the 0 to 10RM, this online tool has true business-intelligence functionality,” explains Liam. “People are given a simple questionnaire, and then a 25-page report is generated immediately on completion. It is possible to do a single eRAD, multiple one-party eRADs or two-party eRADs. The first eRAD is free for people as a demonstration of how it works. This is a useful vehicle to demonstrate the value and functionality of this approach.”

As more and more companies realise the benefits and importance of strengthening their relationships with business partners and suppliers, the need for employees to strengthen their communication techniques becomes apparent. By utilising a training program for employees, such as Better Business Relationship’s workshops and training tools, companies can ensure they are investing in the future of the business and taking a positive step towards building a strong network of business partners. 🍷

For more information, visit bbrs.com.au or 0to10rm.com

