



Building Winning Relationships With Suppliers and Partners

Bob Altizer
BASYS Consulting
Phoenix, AZ

Dear BASYS ...

I have a problem:

My business relationships with suppliers, subcontractors, strategic partners, and firms in which I've invested, just aren't as successful as I'd like them to be. My suppliers and partners can't seem to deliver products or revenue like they've promised. Or if they do, they're late, their quality is low, or the margins just aren't good enough.

I'm tired of always being on the edge of failure, and afraid I'm being used. Can you help me find a way to succeed?

Yours truly,
Wallflower

Wallflower's Challenge: Get better results from business relationships

- Problem: Wallflower's subcontractors, suppliers, strategic partners, or investment recipients don't meet commitments to deliver promised products or revenue
- Goal: Increase the probability of success in Wallflower's external business relationships
- Strategy: Improve Wallflower's decisions and reduce risk by means of a thorough knowledge of the relationship partner's engineering and business process capability

The relationship life cycle and the Critical Front End (CFE)

Relationship phases

- Selection period (CFE): 5% to 20% of total life
- On-going management period (after commitment): 80% to 95%

Critical problem:

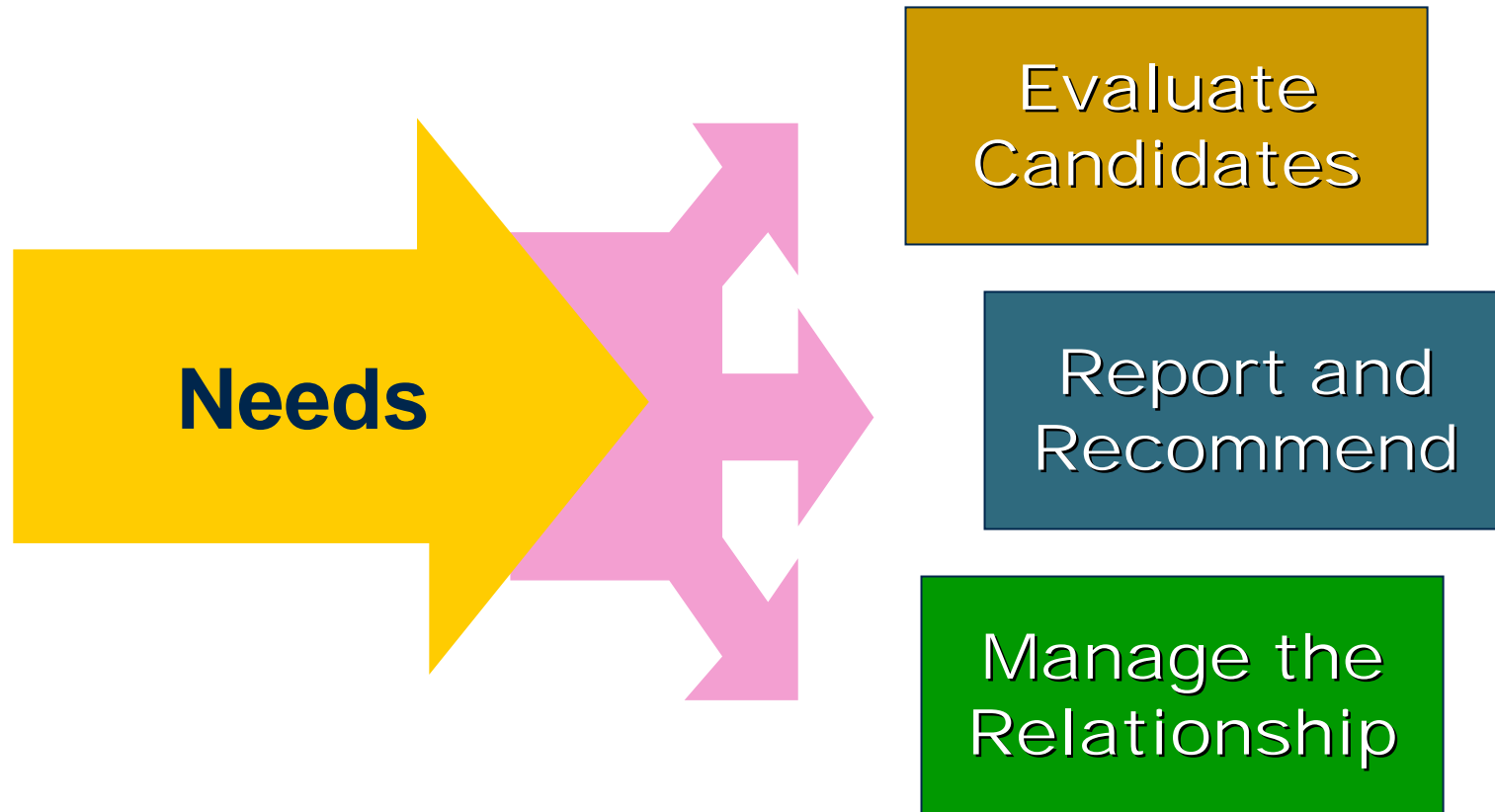
- “Our evaluations are not always consistent, not always performed, not always useful, leading to frequent use of poor suppliers”

Critical needs for the CFE

- Evaluate potential partners rigorously and consistently
- Lay the foundation for the relationship as early as possible

***No amount of management skill
can make up for a bad initial selection***

The BASYS Three-Step Approach to Relationship Management



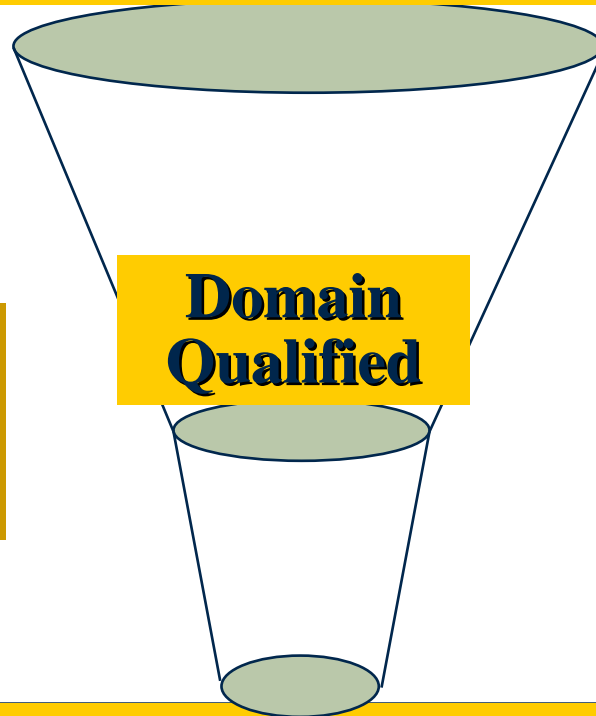
The Critical Front End: Selection Process

Evaluations:

- Domain Expertise

- Systems/Software
- Financial
- Program & Project Management

**Potential Suppliers or
Funding Seeker**



**Qualified Supplier, Strategic
Partner, or Investment Target**
On-going Relationship Management

Documents:

**Non-Disclosure
Agreement**

**Evaluation Report
and
Recommendations**

**Decision
Matrix**

Conclusions (for the impatient)

- # Evaluations **are** a reliable predictor of success
- # ***High capability*** found in the evaluation strongly correlates with ***high performance*** on the job
- # The BASYS Three-Step Approach is a complete, rigorous evaluation and relationship management processes
 - It's ***appropriate for any discipline***:
 - Software/system product developers
 - Publishing and training suppliers
 - Deployment and installation suppliers
 - It's ***scalable*** to use with any scope of target company (subcontractor, supplier, strategic partner, investment target)
 - It's ***ready for use today***