

Toolkit 50 - Partnering with Suppliers and Customers

Partnering builds long term mutually beneficial relationships with key customers and suppliers. It has been used by many businesses, keen to move beyond short term transactional deals, based on cost and price. It provides certainty, reduces risks and creates new opportunities.

Think of Partnering as building long relationships with your best friends. How would you go about doing that?

Partnering with customers helps build a pipeline of future business. Customers become much more helpful, supporting your business in a whole range of ways.

Partnering with suppliers can lead to obtaining better prices and collaborative working on stock, deliveries, certainty of supply and many other benefits.

Here is how to build partnering relationships with customers and suppliers:

Step 1 Decide which customers or suppliers are worth partnering with. This can be the scope and scale of business you currently do with them and their potential for the future. For example this may be your top ten customers or suppliers.

Other criteria include do you want to do business with them in the future; will they be amenable to partnering, how critical are they as part of your future business plan?

Step 2 Identify the key people in their business that you need to build strong relationships with, in order to partner with them. This could include their CEO, finance officer, operations person, sales lead etc

Step 3 Working with your team identify your current level of relationships with the people identified in Step 2.

Use the scale:

RED We don't really know them personally. Met them occasionally and know what they look like. Maybe done a bit of business in the past. Never visited them in their office. No real relationship. May be not provided a great service to them in the past. Cool.

AMBER Done some business with them. Very transactional relationship. We meet them occasionally at events. We get on okay. We have exchanged details. Cool not warm relationship. Lukewarm.

GREEN Very strong relationship. Done business with them. They like us, we value them. A satisfied customer/ supplier. They contact us and invite us to events. We count them as friends. We get a good share of their business but there is scope for much more. Hot.

Be brutally honest in your assessments of your teams' relationships with your selected customers or suppliers. You should find you have a mix of red, amber and greens.

Step 4 Your aim over the next X months is to turn your relationships GREEN. This task should be shared out amongst your team. For example CEO with CEO is a good start and operations with operations etc

People who have developed strong partnering relationships have often started by calling their target contact by telephone to fix a meeting. It sounds a bit direct but done in the right way it has been very effective. I suggest you avoid emails as this get lost in the deluge of emails that bombard people these days.

Other opportunities are to meet up at an event or send them some useful information and follow it up. Ask a sign poster (somebody who knows them well) to introduce you.

If it's important you then you will find a way of connecting with them.

When you do meet them ask questions don't oversell. Demonstrate genuine interest in them and their business. Try to find something you can help them with, a problem, an introduction to someone, information, anything that you can impress them with.

One client built his Partnering relationship with one of the world's leading watch brand by being brutally honest about his own business's strengths and weaknesses as well as his hopes for the future,

'They told me they really liked my honesty and as a result they said they trusted me. Two weeks later they awarded me a contract to sell their prestigious brand'.

If you promise to help then make sure you do it at lightning speed- a bit like Amazons next day delivery,

Once you have broken the ice with them call them regularly and start to build a trusting relationship with them.

One clue that you are making progress is your client shares confidential information with you that they are talking to non your competitors about; another is they invite you to participate in some of their own internal business meetings.

Step 5 Meet with your own team regularly to review progress towards GREEN. One business placed the Red, Amber, Green chart on the inner office wall so everybody could follow the progress being made. Once you have greens in some clients, start to work on joint collaborative projects that will benefit both partners. A clue that you are succeeding is that they refer to you as their partners.

Boom!

