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Unpacking the Utility of Relationships

Unpacking the Utility of Relationships

Factors that Boost Trust and Compatibility in Supplier Relationships

A Report By Kate Vitasek & Karl Manrodt:

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EXECUTIVE SUMMARY

Trust is essential for all strong business relationships. Intuitively, business partners understand the importance of trust in commercial relationships – especially for strategic business relationships.

Researchers from the University of Tennessee (UT), Georgia College & State University and the University of Texas Health Science Center have been teaming for over a decade to study compatibility and trust in trading partner relationships. Our work to provide a simple yet powerful *Compatibility and Trust* (CaT) assessment has been featured in Harvard Business Review and has been used to help hundreds of companies improve their trading partner relationships.

This white paper – in collaboration with SAP – is the latest wave of UT's research. This paper takes a deep dive into trading partner trust *within the utilities industry* comparing the differences in compatibility and trust between an organization's "Good" suppliers and their "Typical" suppliers.

The results? Trust matters. But just how much? Our research shows compelling evidence a buying organization's Good supplier relationships are much healthier than their Typical supplier relationships.

- A deeper dive shows the biggest gaps between Good and Typical supplier relationships stem from a lack of trust and innovation – with Typical suppliers relationships scoring 9% less than Good supplier relationships on UT's CaT Index.
- When asked to describe the relationships using adjectives, team members use positive words to describe Good supplier relationships 98.6% of the time while only using positive adjectives for Typical supplier relationships 64.1% of the time.
- The contrast is even more emphasized when you consider team members used negative words to describe Typical supplier relationships 5.2% of the time versus only 1.1% of the time for Good supplier relationships.

In addition to measuring trading partner trust, our research wanted to explore whether technology positively or negatively impacted trading partner trust. Overwhelmingly respondents had positive statements to share about the use of technology, with 53% of responses being positive, 20% being neutral and 28% being negative in nature. The key reasons? Respondents are encouraged about the efficiencies technology can bring. However, respondents believe technology has reduced their face-to-face interaction and view this as a negative aspect of technology.

We trust you will find this research both insightful and practical. If you found this paper valuable, please share it with your colleagues and trading partners. We hope what is next for you is a quest to improve trust with your trading partners.

INTRODUCTION

Over the years, there has been significant research into the benefits of trust in business relationships. However, more research needs to be done to help trading partners measure their trust levels and provide insights into how to improve trust. To close this much-needed gap in research, University of Tennessee (UT) researchers collaborated with researchers from Georgia College & State University and the University of Texas Health Science Center to provide a simple yet powerful ***Compatibility and Trust*** (CaT) assessment.[1] The goal? To not just measure trust from the perspectives of business partners but to provide essential insights to help trading partners have tangible insights to help them increase their trust in their relationship.

The result was a white paper titled ***Unpacking Trading Partner Trust: Research and Insights into the Building Blocks for Boosting Compatibility and Trust in Trading Partner Relationships,*** which was followed by a *Harvard Business Review* article.

This white paper represents the next crucial wave of UT's research to do a deep dive look at trading partner trust within the *utilities industry*.

Overview of the Research

As part of this deep dive into the utilities industry, we studied 10 trading partner relationships. We asked companies that purchase services (referred to as Buyers) to identify two suppliers (referred to as Suppliers). Each Buyer picked a Supplier relationship that was considered healthy (noted as a Good relationship) as well as a Supplier relationship that was considered average (noted as a Typical relationship).

Each pair of Buyer and Supplier pairing then completed the UT CaT Assessment. We then compared Good vs Typical trading partner relationships on an aggregate scale to determine if there were gaps in trust levels between Good and Typical relationships.

Overview of the Insights Shared

The detailed CaT reports for each Buyer-Supplier relationship consist of seven analyses with five analyses being quantitative in nature and two being qualitative in nature, as shown in **Figure 1**

Figure 1 – CaT Analyses

Quantitative Insights	Qualitative Insights
1. ***Self-Grades***	5. CaT Alignment Map
2. ***Self-view vs. Perception***	6. ***Adjectives to Describe the***
3. ***CaT Index Score***	***Relationship***
4. Absolute Gap Size	7. ***Open-Ended Questions***

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[1] *For detailed information on the CaT Assessment and the research behind it, please reference our White Paper titled "Unpacking Trading Partner Trust." This is available in our Vested Library at www.vestedway.com/vested-library/. Also, to learn more about the Compatibility and Trust assessment, please visit the University of Tennessee's dedicated website at www.vestedway.com/CaTAssessment.*

This industry benchmark report provides insights from five of the analyses: self-grades, self-views vs perception, CaT Index score, adjectives and open-ended questions (noted in ***bold italics*** above).

The CaT Assessment looks at five dimensions of a relationship between Buyer and Supplier. These dimensions are detailed in **Figure 2**.

Figure 2: An Overview of Each Dimension

• ***Trust*** is the consistency of performing to promise and meeting commitments. Without performance, trust cannot exist.
• ***Focus*** is the ability to combine individual roles into a corporate direction to benefit all stakeholders. There is a common purpose and direction and clarity around that direction.
• ***Communication*** is the efficient and effective transfer of meaning through words and actions to achieve and grow mutually beneficial outcomes. It includes open and timely sharing of relevant information to a partner's decision-making ability.
• ***Team Orientation*** is the ability to focus and direct individual goals and objectives into a cohesive group strategy. Team orientation is a key indicator of how well trading partners work together.
• ***Innovation*** is an organization's ability to dynamically deal with change and its tolerance for risk and trying out new ideas and solutions. Strong and trusting relationships allow the parties to share risks and rewards, invest in each other's capabilities, and embrace continuous improvement and transformation efforts.

The CaT is designed to help organizations understand their current compatibility and trust levels and identify opportunities to improve their relationship. It does this by providing an overall "raw score" and highlighting "perception gaps" between the parties and then interweaving the qualitative information from the respondents to provide additional insight. Once organizations know where they have gaps, they can use the information to consciously close the gaps and proactively work to build stronger relationships. Understanding and closing gaps across each of the five dimensions of compatibility and trust is essential for a healthy relationship.

INSIGHTS FROM THE ANALYSIS

Our research provides excellent insight into the compatibility and trust levels between "Good" and "Typical" suppliers in the Utilities industry. Below we share several insights from the study.

Analysis: Self-Views

Our first analysis is to look at the aggregate data of the self-assessments for Buyers and Suppliers for both Good and Typical supplier relationships. The results are shown in **Figure 3**.

Figure 3: Buyer and Supplier Self-Assessments
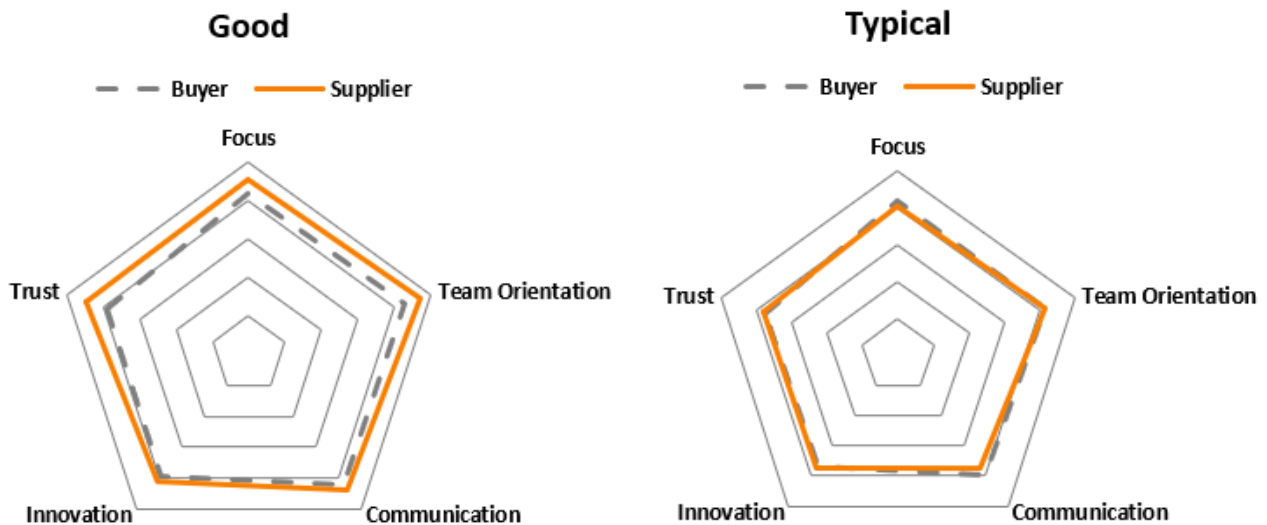
A key observation - regardless of whether organizations are in a Good or Typical relationship – is that both buyers and suppliers typically view themselves fairly positively (the scores are higher/closer to the outer range of the spider chart). This makes sense when you think about the vast psychological research on what is known as the self-serving bias which states that most individuals see themselves as being fairly good. The reason? It's hard for people (or organizations) to view themselves as not being good. Simply put, the tendency is to view yourself through rose-colored glasses.

The study results show that both Buyers and Suppliers in Good relationships believe their organizations are demonstrating slightly more mature behavioral patterns across all five dimensions compared to those operating in a Typical supplier relationship.

> ### Finding:
>
> *Individuals view their organization are demonstrating relatively positive behavior patterns regardless of whether they are a Buyer, Good Supplier or Typical Supplier.*

Analysis: Self-View vs. Perception

A key analysis of a CaT assessment is a comparison of a partner's "self-view" relative to their partner's *perception* of them.. Here, the CaT uses quantitative questions to help the parties realize their biases revealed in the self-score. The goal is to show differences between what one thinks of themselves versus how their trading partner perceives them.

The CaT looks at the collective data across four views:
- The Buyer's self-view
- The Buyer's perception of the Supplier
- The Supplier's self-view
- The Supplier's perception of the Buyer

These views are presented using spider charts to make it easy to compare an organization's self-view with its partner's perceived view. In addition, the data is shown using 'stoplight charts' to help organizations understand whether they should be concerned (e.g., do any gaps fall into yellow or red stoplights due to large gaps?).

In **Figure 4** we compare the aggregate data of Buyers' self-assessments and the Suppliers' perception of their Buyers.

Figure 4: Buyer Self-Assessment & Supplier Perception of Buyer
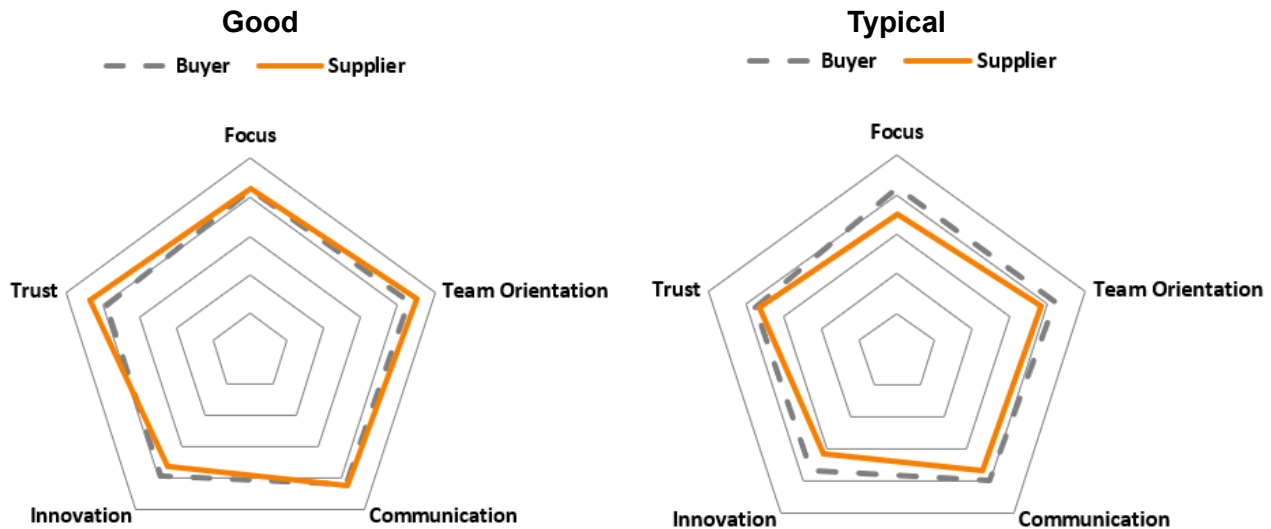
The first observation is that Good Suppliers think more highly of the Buyers when they feel they are working in a Good relationship (the orange Supplier line scores higher than the grey Buyer line for Good relationships in 4 out of 5 dimensions). Compare this to the Typical relationship where the Suppliers score their perception of their Buyers' behavior patterns as not as mature (the orange Supplier line scores below the grey Buyer line for Typical relationships across all five dimensions). The data suggests that Good relationships are likely stronger than Typical relationships.

A second observation is that Typical relationships tend to have larger gaps between self-scores and perception scores. Larger gaps are a potential signal there could be friction because one

party perceives they are demonstrating more mature behavior patterns (e.g., Buyers view themselves as having more Focus than Supplier reports Buyers have in the Typical relationship). This is often frustrating for Suppliers because they view their customers as always changing things but never keeping the suppliers in the loop. For example, one Supplier stated in the open-ended questions their Buyer "Sometimes pushes too much back for us to resolve rather than the client taking ownership and providing a solution – all the risk sits with us sometimes."

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Finding:

Suppliers in Good relationships indicate their Buyers are demonstrating more mature behavioral patterns than when dealing with Buyers in Typical relationships.

There are also smaller differences between self-scores and perception scores for Good supplier relationships.

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Next, **Figure 5** looks at aggregate data of Suppliers' self-assessments and the Buyers' assessment of the Suppliers. In both Good and Typical supplier relationships, Buyers score Suppliers as demonstrating behavioral patterns below what Suppliers score themselves across all five dimensions. This is illustrated with the grey Buyer line scoring their Suppliers as lower than the Supplier's orange self-score line.

Figure 5: Supplier Self-Assessment & Buyer Perception of Supplier
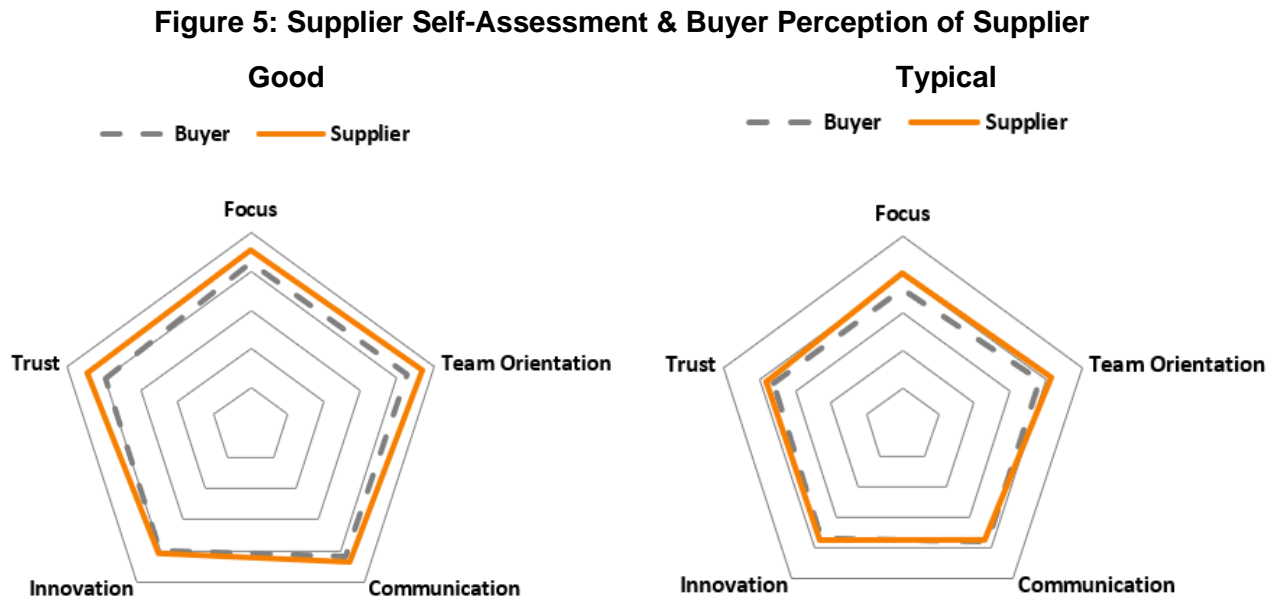
A second observation is the overall scores are lower for Typical supplier relationships which indicates the trading parties report behavioral patterns that are not as healthy as in Good supplier relationships. While this is not a surprise, it is a potential signal there could be friction. For example, take Team Orientation. In the Typical relationships, the Buyers give their Suppliers a score of .77, while in a Good relationship, Buyers give their Suppliers a score of .85.

> ***Finding:***
>
> ***In both Good and Typical relationships, Buyers view that Suppliers are not demonstrating behavioral patterns as healthy as the Suppliers believe they are. In addition, Buyers perceive their Typical supplier's performance across each of the five dimensions as worse than Suppliers view their own performance.***

Analysis: CaT Index Score

A key diagnostic of the CaT assessment is the CaT Index score. This analysis helps more clearly show the differences between Good and Typical supplier relationships.

The CaT Index is calculated by penalizing a trading partner relationship when there are large perception gaps between the parties. In essence, the larger the perception gap, the more the CaT Index score is reduced.

Figure 6 compares the CaT Index scores for Good vs. Typical across the five dimensions. The green bar represents the CaT Index for Good supplier relationships, and the yellow bar represents the CaT Index for Typical supplier relationships.

Figure 6 – CaT Index Scores
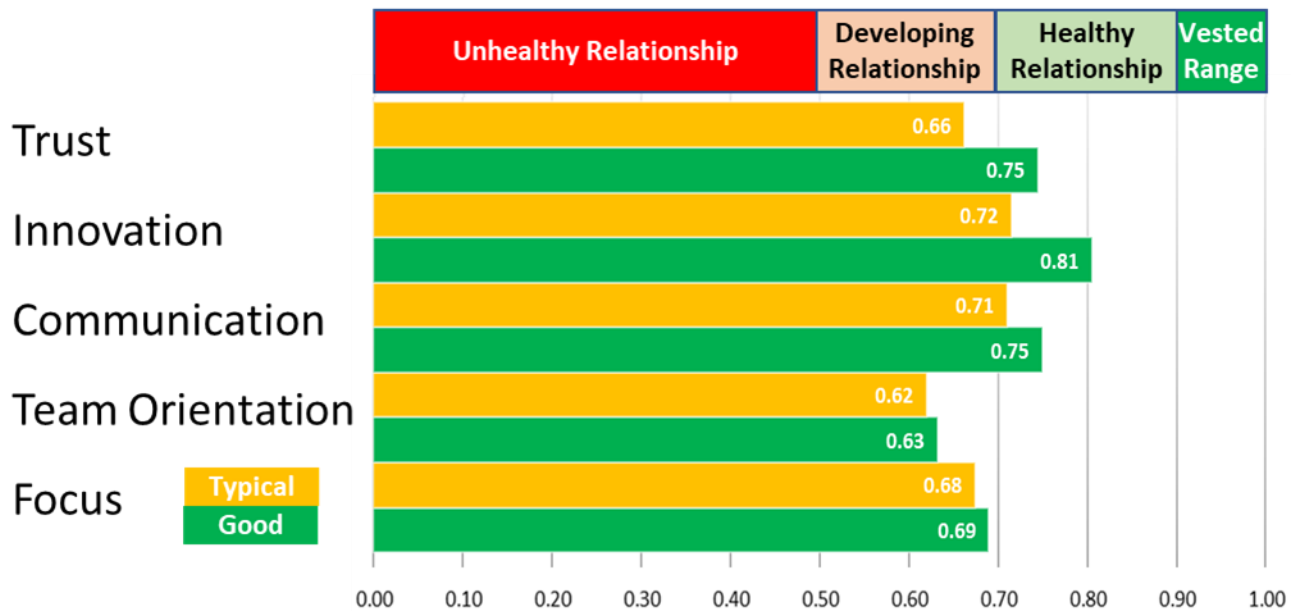
As you can see, Good suppliers outscored Typical suppliers across all five dimensions. The aggregate scores for Good relationships fall into the Healthy Range, whereas the aggregate score for the Typical suppliers falls into the Developing Range.

Findings:

Good Suppliers outperform Typical Suppliers across every dimension in compatibility and trust by an average of 6.6%.

Good Suppliers score in the "Healthy" range across 3 of 5 dimensions while Typical Suppliers score in the "Developing" range in 3 of the 5 dimensions.

Trust and Innovation have the highest gaps (9% for each).

Analysis: Adjectives

One of the most revealing analyses of the CaT is how trading partners describe the health of their relationship using adjectives. Each respondent is asked to pick three adjectives to describe the relationship. They are also asked to assign a value to their adjectives, segmenting each adjective into positive, negative and neutral.

In **Figure 7** we compare the adjectives from Good Suppliers relationships and Typical Suppliers relationships. One can easily see a significant difference with Good relationships being much more positive.

Figure 7: A Comparison of Adjectives
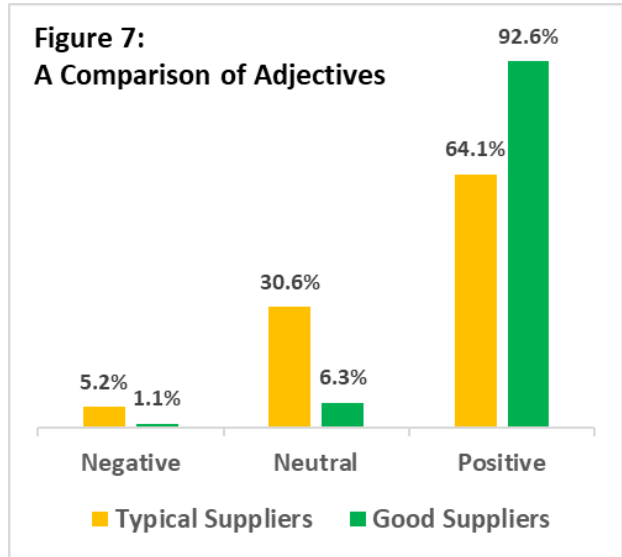
The numbers are compelling. Individuals use positive adjectives to describe their Good relationships 92.6% of the time while they only use positive adjectives to describe their Typical relationships 64.1% of the time. In addition, Typical relationships have significantly more negativity with 5.2% of the adjectives are negative versus only 1,1% negative adjectives for Good Suppliers.

Finding:

There is a significant difference in the positive (and negative) nature of Good Supplier relationships and Typical Supplier Relationships. Team members use positive words to describe a Good relationship 92.6% of the time while only using positive adjectives for Typical relationships 64.1% of the time. Not surprisingly, team members use negative words to describe Typical Supplier relationships 5.2% of the time versus only 1.1% for Good Supplier relationships.

A deeper dive look into the actual words individuals used shows a striking difference in the sentiment between Good and Typical relationships. The table on the following page illustrates the most cited positive, negative and neutral adjectives used by respondents to describe the trading partner relationships.

Comparison of Adjectives

Negative Adjectives	Neutral Adjectives	Positive Adjectives
• Combative • Difficult • Transitional	• Frustrating • Distant • Challenging	• Collaborative • Trustworthy • Cooperative

Analysis: Open-Ended Questions

Open-ended questions provide additional insight for the parties to see how behaviors support or erode trust. The CaT Assessment included nine open-ended questions falling into two broad categories.

The first category of open-ended questions focused on what organizations did to strengthen or weaken trust and asked respondents to provide examples from their relationships. The second category included three questions focusing on the impact of technology on the Buyer and Supplier relationships. Below we share insights from each of the open-ended questions.

Questions Related to What Buyers and Suppliers do to Strengthen or Weaken Trust

The CaT Assessment included six open-ended questions individuals at both the Buyer and Supplier answered regarding actions that were either strengthening or weakening the relationship. These six questions are asked as part of all CaT Assessments and include the following questions.

- What does your company do to improve the relationship?
- What does your company do that weakens the relationship?
- What does your partner do to improve the relationship?
- What does your partner do to weaken the relationship?
- What would you like to see your partner do to build a more compatible, trust-based relationship?
- Do you have any other comments or suggestions about the relationship?

Below we share more detailed insights from the open-ended questions by showing example comments. For each question, we provide typical example comments from a Buyer and Supplier,

What does your company do to improve the relationship?

Good Supplier	Buyer	Have open and transparent objectives – engage through working groups and meetings
	Supplier	Keep a close watch on the project costs and schedule so projects come in under budget and on schedule. Pay very close attention to safety.
Typical Supplier	Buyer	Communicate and provide opportunity to discuss any issues or help with guidance on process and procedures.
	Supplier	Regular meetings and contact with various stakeholders in Buyer to build relationships, understanding and trust.

What does your company do that weakens the relationship?

Good Supplier	Buyer	Inconsistent approach with regards to expectations from different stakeholders
	Supplier	We are often driven by outputs and budgets where the Buyer is driven by service and P&L. This can cause minor conflict at times.
Typical Supplier	Buyer	Whenever follow-up to questions and issues needing resolution are not timely, relationships weaken
	Supplier	We don't convey what we do to assist very well, i.e., we do more than we tell the Buyer.

What does your partner do to improve the relationship?

Good Supplier	Buyer	Continuous communication – open discussions on plans, issues, and variances to the plan – provide options to resolve issues / problems
	Supplier	Invest time with us. Are very inclusive and have senior members of our leadership team as permanent members of the drumbeat of leadership meetings. Ask for our views and opinions. Balanced with feedback on performance.
Typical Supplier	Buyer	Engage in a largely transparent manner and genuinely try to make the relationship mutually beneficial, recognizing the need for give and take.
	Supplier	Very dependent on the team members; ranges from very poor to excellent

What does your partner do to weaken the relationship?

Good Supplier	Buyer	Offers resources sometimes without agreement over price / commercial aspects
	Supplier	Delays in engineering, information and material which hinders progress on the project.
Typical Supplier	Buyer	Slow communication, up to 3 months to reply to questions regarding quality of work and why it occurred. When requesting information, a response is not provided until asked again multiple times.
	Supplier	Sometimes pushes too much back for us to resolve rather than the client taking ownership and providing a solution – all the risk sits with us sometimes

What would you like to see your partner do to build a more compatible, trust-based relationship?

Good Supplier	Buyer	Set out clear goals for the partnership, engage on continuous improvement, work with us on our improvement areas, and drive to hit KPI's rather than challenge them
	Supplier	Include us even more in the front end. Let us completely understand their challenges and let us help them come up with the solutions. We are often told what the plan is rather than letting us help them build the plan.
Typical Supplier	Buyer	Be more proactive in scheduling and delivering the work – communicate the issues and troubles to get assistance early.
	Supplier	Set out very clear and unambiguous requirements at the beginning of the project, improve intra-company communication so that everyone is on the same page at all times.

Do you have any other comments or suggestions about the relationship?

Good Supplier	Buyer	Need to build a new relationship based on the opportunity that exists rather than what has been lost
	Supplier	My comments should be taken in the context of the starting point is a strong relationship. My view point is to take this from good to great.
Typical Supplier	Buyer	Strictly a formal business relationship. There is no personality in the communication from most employees unlike other contractors.
	Supplier	I think while we, as a whole, work very well together, there is always room for improvement, but the improvement will be incremental.

> ***Finding:***
>
> ***Both Good and Typical partners are seeking to improve their relationships. However, in Typical relationships, the wants and needs are more basic in nature versus aspirational improvements. For example, Good relationships tend to focus more on maximizing the opportunities "my viewpoint is to take this from good to great" vs. voicing concerns that both companies have about their partner "improvement will be incremental".***

**Open-Ended Questions Related to Technology**

As a technology leader, SAP was keen to understand if technology affected trust levels between Buyers and Suppliers. For this particular study, we added three questions focused on the impact of technology on their relationships.

- How does technology improve the relationship?
- How does technology weaken the relationship?
- How could technology improve the way you interact with your partner?

In analyzing the technology-focused open-ended questions we focused on exploring causes organizations cited for why technology either strengthens or weakens a trading partner relationship. In analyzing these open-ended questions, we separated the responses according to the five dimensions of a CaT Assessment.

Figure 8 shows how these open-ended questions related to the Five Dimensions of compatibility and Trust. Team Orientation was the leading theme, followed by Innovation and Communication.

Figure 8: Five Dimensions of Compatibility & Trust

- Trust
- Innovation
- Communication
- Team Orientation
- Focus
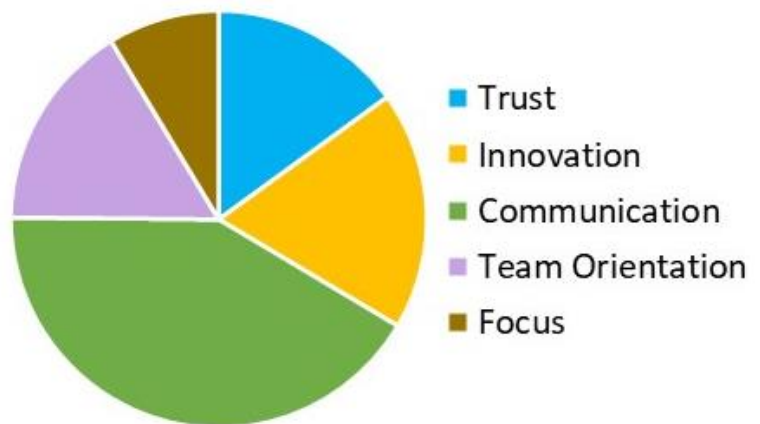
How does technology improve the relationship?

Respondents were overwhelmingly positive about how technology benefits relationships with 74% of respondents indicating that technology improves their trading partner relationship. Most comments cited efficiency-related causes for how technology improves their relationship. A caution to keep in mind is that technology can negatively affect communications and teaming because technology often replaces face-to-face opportunities to connect.

Below are insights from the open-ended questions. Typical comments included things like:

- Technology has made some tasks and processes more timely and streamlined
- The speed at which information is shared has aided in issues being solved quickly.
- Technology helps - there is a lot of information and documentation going back and forth between both companies. Helps with communication.
- Technology will continue to develop and will assist us in getting better.
- Technology is a tool to assist in enhancing business outcomes, but the building blocks is the relationship - the communication, shared goals and partnership
- shared data from our system is a huge benefit to our teams working together.
- Capturing and sharing accurate, reliable and timely data is paramount to having a transparent relationship and everyone understands where the program is at.
- Increases communication and transparency across business.
- One of the huge successes of the relationship between YW and MWS is that we operate on the same IT platform. We all use the same data and the same systems, so it is absolutely clear at what stage all work is at on both sides.
- Technology is great as long as all parties can see a benefit and it provides efficiency.
- Shared Dashboards allow information live sharing.
- When used properly it can be massive. There have been far too many instances where a lot of money has been wasted on improving systems, new systems etc. This is vitally important so more focus is needed on planning this. The people who use these systems need to be involved and consulted more before anything is implemented. IT tends to have tunnel vision and sometimes lacks understanding of what the user requires.
- Better inspection technology will improve the ability of crews to complete work faster and help ensure there are no billing issues around late arriving data.
- Technology allows partners to share and analyze data, leading to more informed decision-making and improved problem-solving.

How does technology weaken the relationship?

The responses to how technology weakens their relationship were far more mixed. Once again, we segmented the comments into "positive," "negative," and "neutral." When analyzing responses, 73% of responses shared that technology had a negative impact on their trading partner relationship.

Of the negative responses, over 40% believed technology reduces their face-to-face interactions with their trading partner. While this may drive efficiencies (viewed as a positive), the lack of face-to-face human interaction was seen as a negative. For example, virtual meetings have limited

relationship development and, in some recent cases, have allowed either party to avoid/defer some of the more difficult discussions that need to occur.

The following open-ended responses provide insight into what people are saying regarding why technology limits their ability to interact with their trading partner.

- Technology weakens the relationship by removing face-to-face interaction.
- Technology can weaken an existing relationship if it becomes impersonal.
- If we rely solely on technology and let the building blocks of the relationship, the communication, shared goals and partnership the relationship will become transactional and will decline.
- Reduces F2F communications and, in turn, decreases relationship-building opportunities
- Overuse of MS teams as opposed to face-to-face meetings
- We rely upon technology too often as a means to communicate, i.e., email and teams. We have more productive conversations face to face.
- It cannot replace face-to-face meetings, so do not over use Teams meetings.
- Technology can sometimes remove the face value of having meetings or chats.

The second biggest reason why technology weakens a relationship stems from frustration with outages and poor access to systems and data. The following open-ended responses provide insight into the reasons respondents shared.

- Continual IT outages impacting productivity
- Problems attaching dig packs to jobs.
- The technology that we have to access to upload files and documents is slow and out of date, there are far better document management systems available. This adds hours to our workloads using their outdated systems.

How could technology improve the way you interact with your partner?

The last technology question was, "How could technology improve the way you interact with your partner?" Overwhelmingly, respondents had positive statements to share, with 80% of responses being positive, 15% being neutral, and less than 5% being negative in nature.

The responses were broken down by the Five Dimensions with Communication and Innovation comprising over 60% of the comments. Key themes included further ways to improve efficiency and transparency. Typical responses included comments such as the ones below:

- The faster transfer of information, searching for information and having it available quickly, and the enhanced communication,
- Communication is key – share information and keep all parties involved in a task or project on the same page
- Has the ability to assist and improve the partnership but as a support tool. The strength is measured by the relationship and the outcomes - technology assists with this but cannot replace the relationship.
- It could show the full end-to-end process of what we're trying to achieve so pain points can be easily and unarguably identified.

- It could assist with reducing wasted time spent trying to rectify IT issues out of their control and improve workflow.
- Get some better tools and systems that work seamlessly together - would allow the contractor to concentrate on what they are engaged for
- Technology enables real-time and seamless communication through various channels such as email, instant messaging, video conferencing, and collaboration platforms. This facilitates quick and efficient information exchange, leading to better understanding and reduced communication barriers.

> ### *Finding:*
>
> *Overall, respondents are encouraged about the efficiencies technology can have.*
>
> *However, they believe technology has reduced their face-to-face interaction and view this as a negative aspect of technology.*
>
> *They also are very frustrated when technology does not work properly.*

CONCLUSION AND NEXT STEPS

A little over a decade ago, a trio of academics from the University of Tennessee, Georgia College & State University and the University of Texas Health Science Center set out to develop the Compatibility and Trust (CaT) assessment to measure trust levels within business relationships.

This latest phase of our research set out to do a deep dive into the utility industry to determine if there are gaps in compatibility and trust between an organization's "Good" suppliers and their "Typical" suppliers. Key findings include:

- Organizations view their own organization relatively positively regardless of whether they are a Buyer, Good Supplier or Typical Supplier.
- Good relationships outperform Typical relationships across every dimension in compatibility and trust by a combined average of 6.6% with Trust and Innovation having the highest gaps (9% each).
- Buyers perceive their Typical supplier's performance across each of the five compatibility and trust dimensions as much worse than Supplier view their own performance. While the gaps might not appear that high, the impact is significant in terms of the culture it creates in trading partner relationships. For example,
- Team members use positive words to describe Good relationship 92.6% of the time while they only use positive adjectives for Typical 64.1% of the time.
- More strikingly, team members use negative words to describe Typical Supplier relationships 5.2% of the time versus only 1.1% of the time for Good Supplier relationships.

Across the board, there is a desire to improve the relationship in both Good and Typical supplier relationships. However, in Typical relationships the wants and needs seem more basic versus aspirational improvements. For example, Good relationships tend to focus more on maximizing the opportunities "my viewpoint is to take this from good to great" vs. voicing concerns that both companies have about their partner "improvement will be incremental".

Overwhelmingly respondents had positive statements to share about the use of technology.

- 74% of respondents viewed technology to have a positive impact on their trading partner relationships, with 20% viewing technology as being "neutral" and 6% being "negative" in nature.
- Respondents were most encouraged about the efficiencies technology can bring.
- However, respondents also believed technology had reduced their face-to-face interaction and viewed this as a negative aspect of technology.

The bottom line? It is your bottom line.

Our research shows compelling evidence that even when there is a small difference in trust levels between Good relationships and Typical relationships it can lead to a culture of friction in trading partner relationships that leads to significant negative energy in the relationship. Lastly, while technology can provide significant efficiencies, it is important to maintain healthy interpersonal relationships between a Buyer and Supplier.

ACKNOWLEDGMENTS

ABOUT SAP

Supplier relationships have never been as important as they are today. Forward-thinking organizations have always seen the need to improve supplier relationships to gain access to innovation, to share costs, and to potentially open new markets and increase competition. But lack of supply, inflation, and disruption are prompting organizations to work even harder, to become the customer of choice just to get supplies.

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ABOUT THE AUTHORS

Kate Vitasek is an international authority for her award-winning research and Vested® business model for highly-collaborative relationships. She is the faculty member at the University of Tennessee's where she leads the UT's Certified Deal Architect program. She has written seven books and over 300 articles in publications including *Harvard Business Review*, *Forbes, Chief Executive Magazine*, *Information Week*, *CIO Magazine* and *World Financial Review*. She has also appeared on *CNN International*, *Bloomberg*, *NPR*, and *Fox Business News.*

Karl Manrodt, Ph.D., is a Professor of Logistics at Georgia College & State University. Manrodt has co-authored eight books and over 70 scholarly articles, including *Strategic Sourcing in the New Economy: Harnessing the Potential of Sourcing Business Models for Modern Procurement* and *Vested: How P&G, McDonald's and Microsoft are Redefining Winning in Business Relationships*. He is a popular speaker and has traveled around the world, sharing his insights and advice on how to create a world-class supply chain.

FOR MORE INFORMATION

The University of Tennessee is highly regarded for its Graduate and Executive Education programs. Ranked #1 in the world in supply chain management research, researchers have authored seven books on the Vested business model and its application in strategic sourcing.

| WHY | WHAT | HOW | WHEN | NEGOTIATE THE RELATIONSHIP | TELLS THE REAL STORIES |

We encourage you to read the books on Vested, which can be found at most online book retailers (e.g., Amazon, Barnes and Noble) or at www.vestedway.com/books.

For those wanting to dig deeper, visit the University of Tennessee's website dedicated to the Vested business model at http://www.vestedway.com/ where you can learn more about our Executive Education courses in the Certified Deal Architect program. You can also visit our research library and download case studies, white papers and resources. For more information, contact kvitasek@utk.edu.

* Prerequisites for *Creating a Vested Agreement* class are:

Five Rules, *Is Vested Right?*, *Getting Ready*, and the *Vested 3-Day Executive Education Course* **OR** Be working with a **Vested Center of Excellence**

Ask a Faculty Member About How to Conduct a CaT Assessment

Learn first-hand the value of a CaT Assessment with one or more of your suppliers.
CaT assessments cost $2500 per supplier relationship and are typically split between the buyer and supplier. For more information, contact kvitasek@utk.edu.

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Unpacking the Utility of Relationships [white paper]. The University of Tennessee, Haslam College of Business. Spring 2024.

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