

Relational Audit Case Study

Improving customer–supplier relationships

Results from an intervention by Sandhams

This global company supplies services to a European manufacturer. The relationship was a long-standing one and both parties had been broadly happy with the transactional service arrangements in the past.

The challenge

Immediately prior to our involvement there were signs of increasing frustration from both sides. A number of staff on the supplier's team said they didn't want to work on the account and the customer was experiencing some concerns about the overall direction in the relationship. The customer was a large values driven business and didn't want to simply use its power to demand change from the supplier. The supplier didn't know how best to approach the sensitive topic of why his team didn't want to work on the customer's business.

The brief

To come up with an appropriate intervention that would sensitively uncover the difficult issues in the relationship and provide a constructive way to move things forward for both sides.

The intervention

We met with both 'sides' and conducted confidential interviews with the key people who are involved with the day-to-day relationship. Also we met with the senior managers in the customer and the supplier so as to gauge their commitment to a mutually beneficial outcome. Having gained some sense of where the issues lay, we needed to create a forum where both sides could voice the issues directly. To do this we designed a Relationship Review Process and which included the Relational Proximity Auditing Methodology. This comprised a 1-day workshop and audit followed 6 weeks later with a follow-up workshop and review.

At the first workshop each side used the language of Relational Proximity to voice their concerns. For the supplier the main issue was around 'fair conduct'. They were able to describe how some of the ways a particular customer behaved was experienced by them as abrasive and intimidating. They said some hard things that the customer was unaware of. From the customer's side, they shared how they felt they were continually been 'sold' a strategic partnership style of relationship whereas they in fact wanted them to deliver more of a 'commodity service'. The issue was around 'shared objectives'. This mismatch in expectation had led to much misunderstanding.

The outcome

The outcomes of this intervention included:

- The 'intimidating' behaviour of the person concerned was addressed by their Line manager
- New working practices were agreed including working in each others offices for one day a week
- A new vision for the longer term relationship was articulated that embraced the 'strategic partner' and 'commodity supplier' needs of each side
- A new climate of openness was created in which both sides could voice their concerns more directly
- New contract discussions included relationship issues as a topic
- The tone of the working relationship improved considerably such that people were happy to work on the team / account.

Sandhams is an organisation working in partnership with Relationships Foundation to deliver relational consultancy.

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