

Case Study: Getting a vendor relationship back on track

Derailment

A division at "Huge Company" was at its wits end and they needed help fast. It seemed to them that "Trusted Vendor", who had provided outsourced services for years, had performed so poorly in 2005 that Trusted Vendor might lose its contract to provide services in 2006. What was so alarming to Huge Company was that 2004 ended on a high note with Huge Company and Trusted Vendor congratulating themselves on a spectacular year.

What had happened to make 2005 go so wrong? Repeated conference calls and emails between Huge Company and Trusted Vendor throughout the autumn of 2005, left Huge Company feeling snowed by vague promises to "fix" the problems and those calls left Trusted Vendor feeling like it was taking the blame for internal problems at Huge Company. Executives at both companies could no longer see eye to eye and conversations were turning hostile.

An executive at Huge Company called me to request that I facilitate a meeting between the executives at Huge Company and Trusted Vendor. With an expertise in negotiating difficult deals, mediating disputes, and a law degree, the executive felt confident that I could mediate discussions with Trusted Vendor, minimize the risk of a face to face meeting getting "out of control" and avoid getting the legal department involved. Huge Company had several goals for the meeting, **with the most important being getting the relationship back on track.**

Corporate Diplomacy

The first and most important function I served was as confidante to each and every person involved with this relationship. Before the meeting was convened, I spent more than 8 hours privately talking to people on both sides of the issue. During these conversations, I began to get a picture of what was really at issue and what had to be addressed if these two companies were going to continue working together.

The real problem: *Trusted Vendor feared telling Huge Company that Huge Company was partially to blame for the service failures and Huge Company literally had no idea that their own software program and personnel changes contributed to the service failures.* It was obvious to me that with this dynamic in place, previous conversations just went around in circles.

The Titanic was not sunk by the part of the iceberg everyone saw coming. The Titanic was sunk by the part of the iceberg that lay beneath the surface.

Jeanette Nyden

Wheels Back On Track

By setting the right tone for the meeting, I was instrumental in **lessening the emotional component** at the meeting, allowing **everyone to talk openly, honestly and objectively** about what had gone wrong. Having quickly changed the old, unworkable dynamic, everyone set to work to identify the performance failures and devise protocols for eliminating them 2006. **At the end of the meeting, executives from both companies felt relieved that the relationship was back on track, meaning no one had to tap dance around difficult issues, or fear speaking their mind to one another.**

What Clients Can Expect

My clients have come to expect three things from me: A clear methodology for uncovering the issues that threaten to sink vendor relationships, a highly confidential setting to discretely discuss concerns and full disclosure of the real issues threatening the vendor relationship.

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