

BUILDING STRATEGIC PARTNERSHIPS



A MASTER AGREEMENT IS NOT A STRATEGIC RELATIONSHIP

Often, a customer and supplier will spend several months negotiating what is envisioned as a partnership agreement. But in reality, it is only a unified set of terms and conditions. The negotiations are usually between Procurement and the Vendor Sales & Contract teams. While both teams may believe there is value in forming a strategic relationship, agreements often do not go beyond commercial terms and conditions.

In discussions with teams that have recently completed the negotiations of their agreements, we asked what do they want from the relationship long term? A common response is *“We have a Master Purchasing Agreement, what more is there?”* We would counter that this is only the beginning and the real value of a strategic agreement comes from parties defining a framework for innovating and achieving mutual business goals.

KEY BUSINESS NEEDS NOT ADDRESSED BY MASTER AGREEMENTS

- Technical debt continues to expand
- OT value disconnected from business
- No global automation strategy or design standards
- Unable to quantify value of relationship
- Response and support vary by region
- Obsolete & unsupported platforms
- No relationship owners or executive engagement
- Poorly defined lifecycle strategy
- Inconsistent or insufficient training

WHY YOU SHOULD BE CONCERNED?

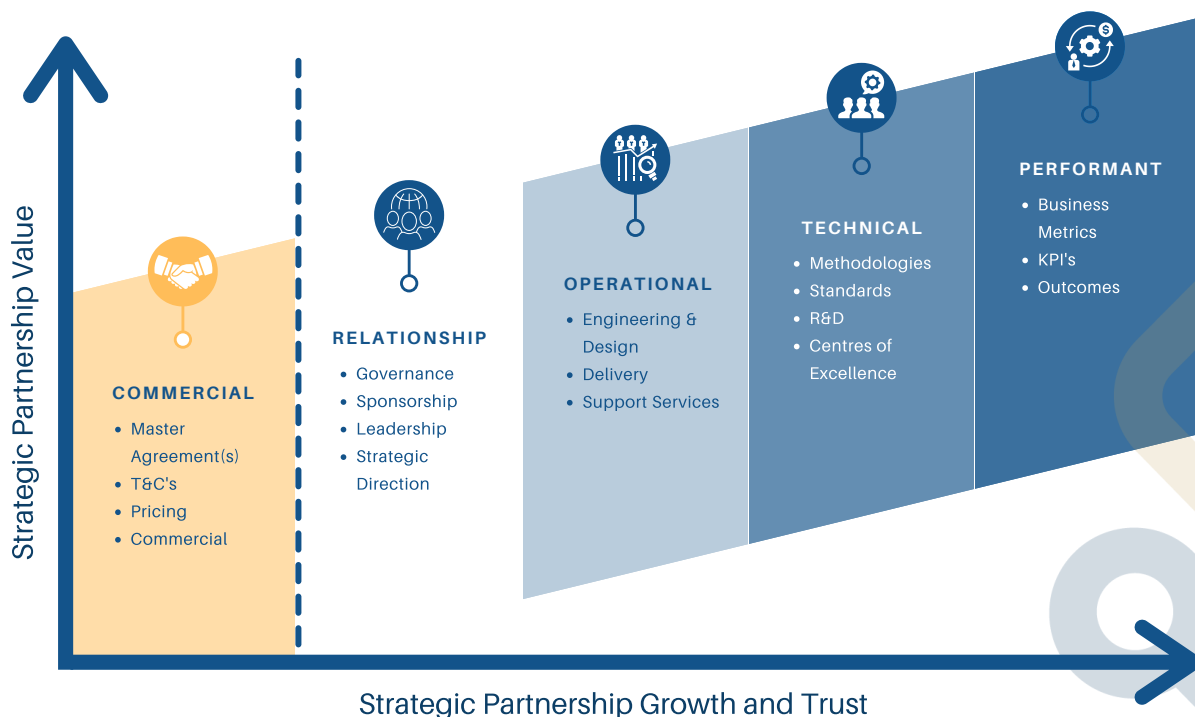
- Maintaining the status quo of a vendor – buyer relationship limits the ability for companies to respond to current or future business needs.
- Limiting the relationship restricts access to subject matter expertise that can bring industry knowledge and experience to your business.
- Restricting the relationship limits knowledge transfer and exposure to new ideas, new technology and new strategies to improve your business performance and reduce your technical debt.

OPTIMAL'S APPROACH

We believe that in the complex process industry OT space customers and suppliers need to modify and expand their relationship to innovate and create competitive advantage. As shown below, the value to the partners continues to increase as the relationship and level of trust continues to grow.

At Optimal, our team members have defined, developed, established, and maintained several long-term partnerships, each unique to the specific business needs of the customer and supplier. Value creation is built on open communications, trust and clear understanding of each other's objectives. We are able to evolve your company's supplier relationships into strategic partnerships that are aligned to business drivers that expand benefits to both parties.

STRATEGIC PARTNERSHIP VALUE INCREASES AS TRUST AND RELATIONSHIP GROWS



WHO IS OPTIMAL?

Optimal is a consulting business working with industrial process clients. We act as your embedded partner to effect change and help transform the business from an operational perspective. Our approach takes a bottoms-up review of opportunities to identify the business and operational improvement areas. We then define what it takes to design, implement, and support the work. This results in new and sustained business value throughout your operations.

For additional information on how we can help you with your OT Digital Transformation concerns, please contact us at info@optimalot.com.