

STRATEGIC SUPPLIERS

*Contract
Extensions*



*Break
Clauses*



*Additional
Projects*



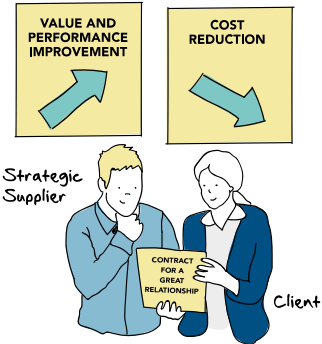
Drive maximum value and assure fitness for purpose

- ✓ Martin McCloskey, Specialist Senior Commercial Advisor
- ✓ Stephen James, Operations Manager
- ✓ Allan Watton, CEO

Strategic Supplier Contract Extensions, Break Clauses, New Projects

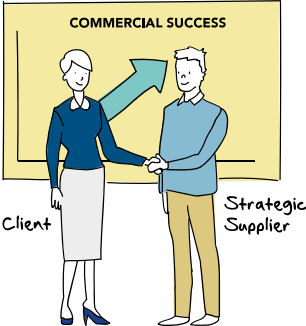
New Relationships

You're procuring or contracting and you need it to **work really well**.



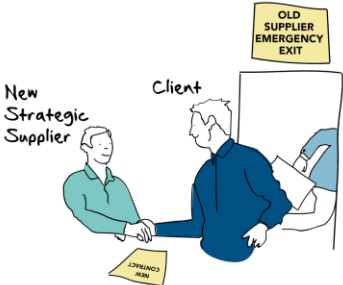
Existing Relationships

You're in a partnership that could be **working better**.



Broken Relationships

It's gone wrong. You need help to exit a relationship early and **safely transition to another**.



LESSONS LEARNED FROM THIS EXPERIENCE INFORMS 'WHAT GOOD LOOKS LIKE'

STRATEGIC PARTNERSHIP REVIEWS

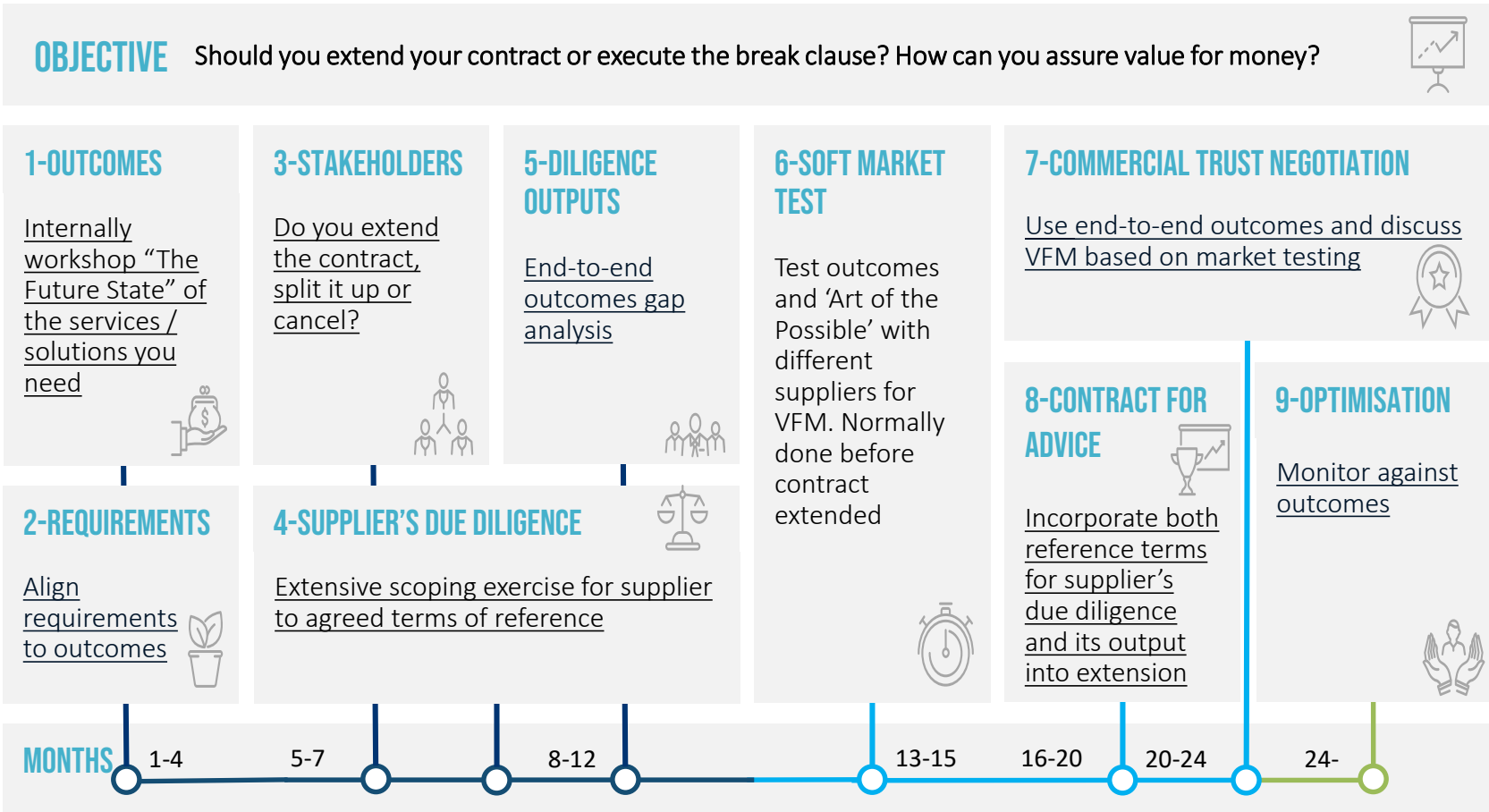
DAY TO DAY MANAGEMENT OF STRATEGIC PARTNERSHIPS

EXPERT WITNESS COURT EXPERIENCE OF FAILED RELATIONSHIPS

EXPERIENCE OF 500+ STRATEGIC PARTNERSHIPS

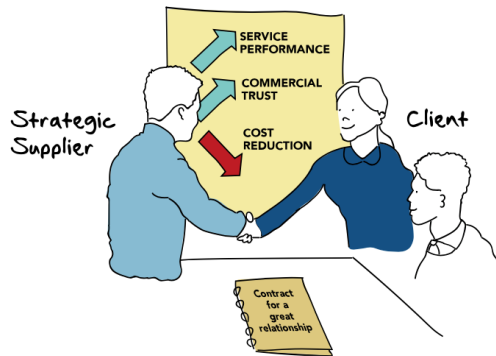
Strategic Supplier Contract Extensions, Break Clauses, New Projects

Contract Extensions and Additional Projects; drive maximum value / fitness for purpose



The 10 characteristics of an optimised strategic supplier relationship

To drive maximum value



- ✔ Objectives being met
- ✔ High reputation with your peers
- ✔ Critical friend supplier
- ✔ Internal team aligned
- ✔ Inherent commercial trust
- ✔ Services always aligned to outcomes
- ✔ Sustained collaboration and innovation
- ✔ Flexible/agile contract structure
- ✔ Reduced service cost
- ✔ Evidenced based results

Strategic Supplier Contract Extensions, Break Clauses, New Projects

The Eight Key Components Found in Every Fit for Purpose Strategic Supplier Relationship

The OPTIMISE Process

ARTICULATED BUSINESS VISION

SUPPLIER "EXPERT RESPONSIBILITIES"

AN INTELLIGENT CLIENT TEAM

FIT-FOR-PURPOSE CONTRACT

AN INTELLIGENT SUPPLIER

BUYING GOVERNANCE

CLEAR SERVICE REQUIREMENTS

RELATIONSHIP MANAGEMENT



Strategic Supplier Contract Extensions, Break Clauses, New Projects

Diagnosing crises in enough time – honest conversations with your strategic suppliers

MARKET OF VALUE / STOCK OF IDEAS	9	Market still of value? New business ideas?	<input type="radio"/>	<input checked="" type="radio"/>	Risk level 1
INNOVATIONS	8	New or innovative products or services?	<input checked="" type="radio"/>	<input type="radio"/>	
CUSTOMERS	7	Winning enough new customers?	<input type="radio"/>	<input checked="" type="radio"/>	
OPERATIONAL RESULTS	6	How strong are their on-going operational results?	<input checked="" type="radio"/>	<input type="radio"/>	Risk level 2
REVENUE	5	What do you know about their contracted revenue stream?	<input checked="" type="radio"/>	<input type="radio"/>	
COSTS	4	Can they evidence their costs are under control?	<input checked="" type="radio"/>	<input type="radio"/>	Risk level 3 (Crisis)
LIQUIDITY	3	Do they have sufficient liquidity?	<input checked="" type="radio"/>	<input type="radio"/>	
CREDITWORTHINESS	2	Will their bank still offer them credit?	<input checked="" type="radio"/>	<input type="radio"/>	
INSOLVENCY	1	Cashflow is king; can they avoid bankruptcy if you and other clients support them?	<input checked="" type="radio"/>	<input type="radio"/>	

Strategic Supplier Contract Extensions, Break Clauses, New Projects

Re-Building Commercial Trust – five key steps to lead by example

STEP 1 : CHOOSE TO BELIEVE YOUR SUPPLIER HAS BEST INTENTIONS

STEP 2 : START WITH YOUR OWN BEHAVIOURS

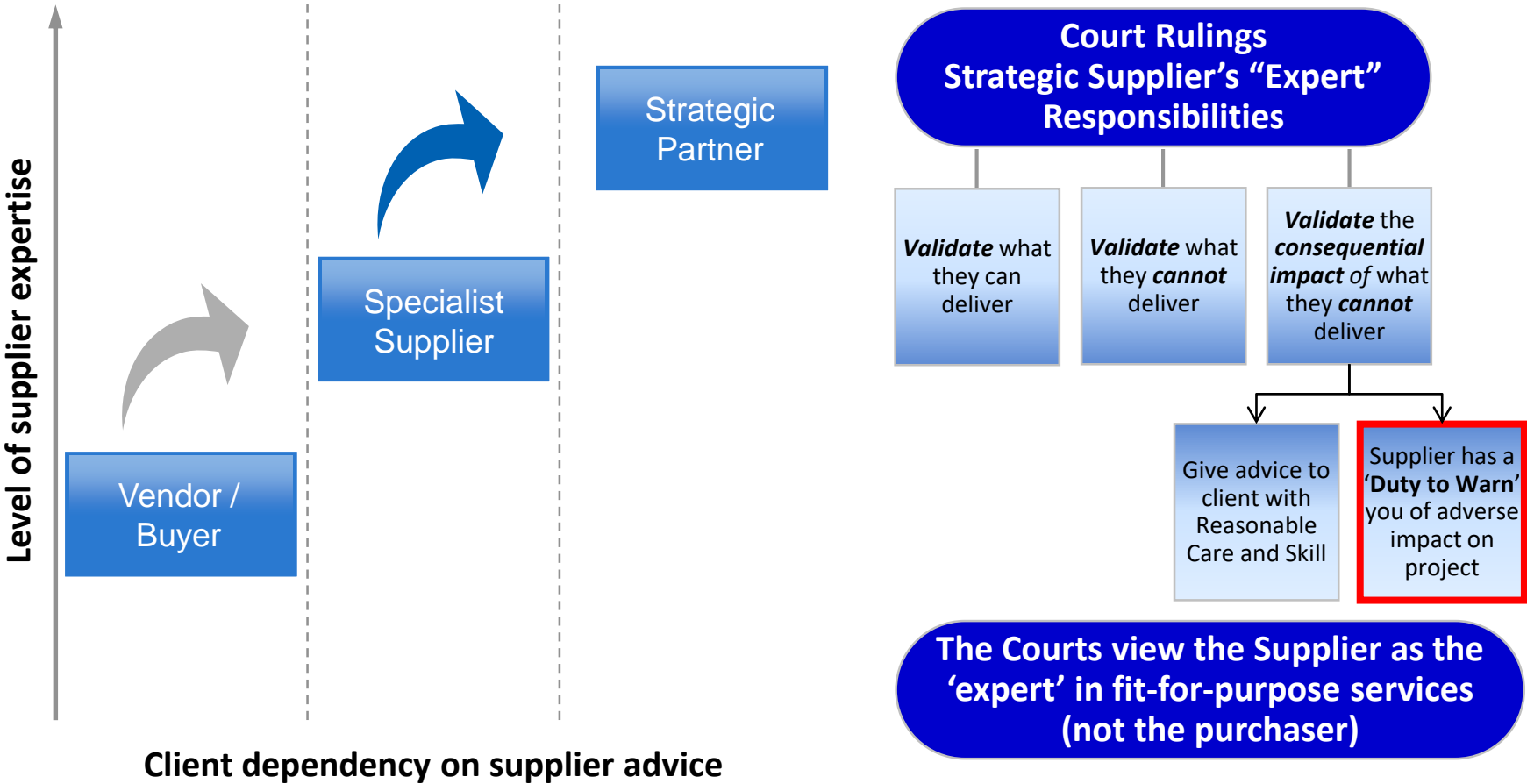
STEP 3 : DECLARE YOUR INTENT AND ASSUME THEY WILL FOLLOW

STEP 4 : SUPPLIER WILL (EVENTUALLY) START TO FOLLOW

STEP 5 : VIRTUOUS CIRCLE OF TRUST PERMEATES TO OTHERS

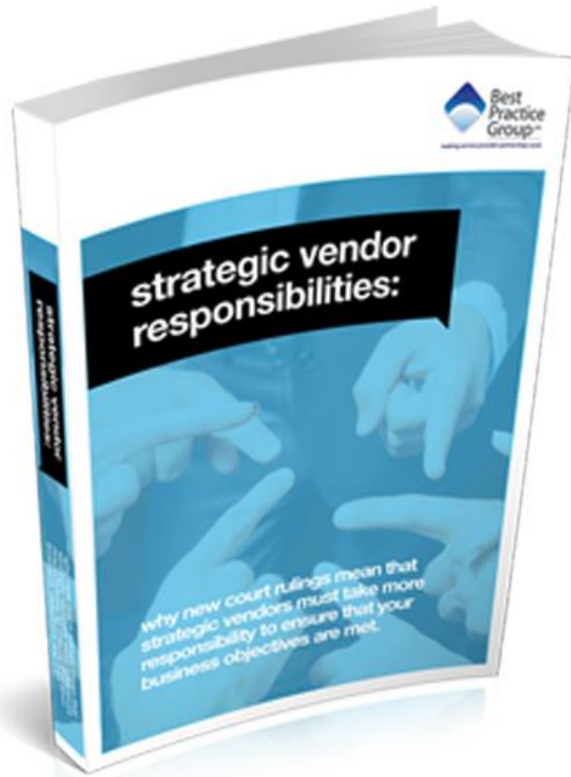
Strategic Supplier Contract Extensions, Break Clauses, New Projects

Strategic Supplier's "Expert Responsibilities" can be implied in law



Strategic Supplier Contract Extensions, Break Clauses, New Projects

Strategic Supplier's "Expert Responsibilities" can be implied in law



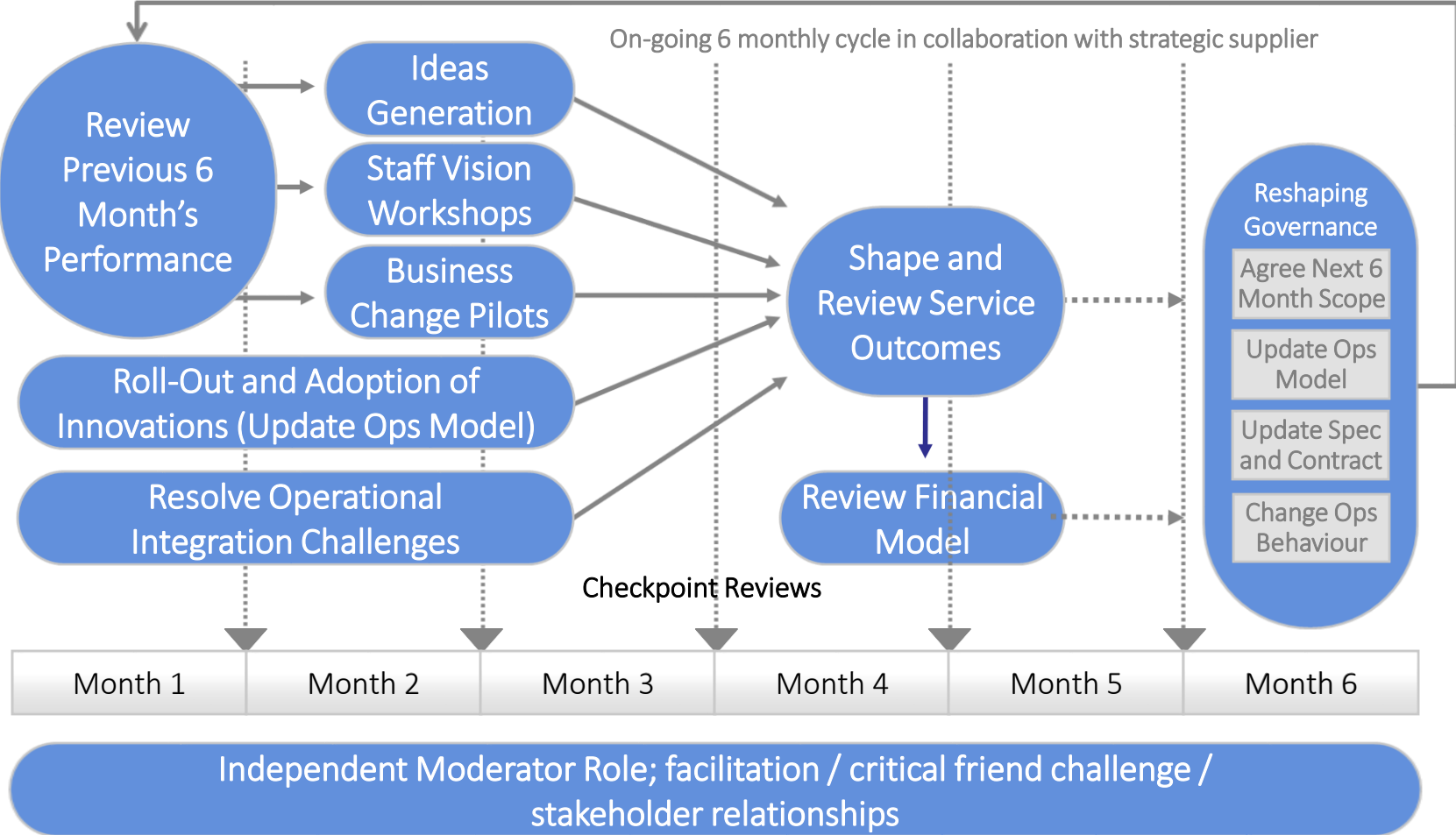
Free paper

The strategic supplier's "Duty to Warn"; how to assure fitness for purpose.

Enter 'VR' into the questions box for your copy

Strategic Supplier Contract Extensions, Break Clauses, New Projects

Driving Collaborative Innovation – 6 monthly ‘re-shaping’ process



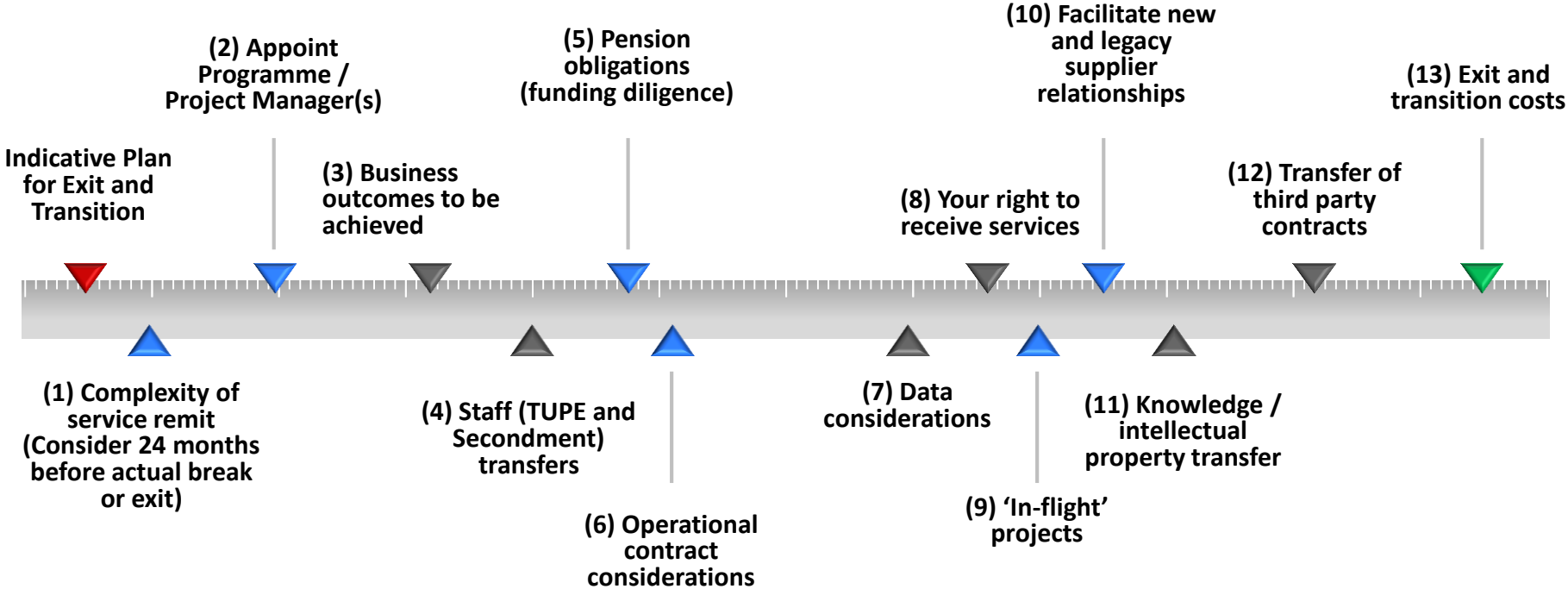
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The Key Strategy Process to Achieve Fit for Purpose Strategic Supplier Contract Structures



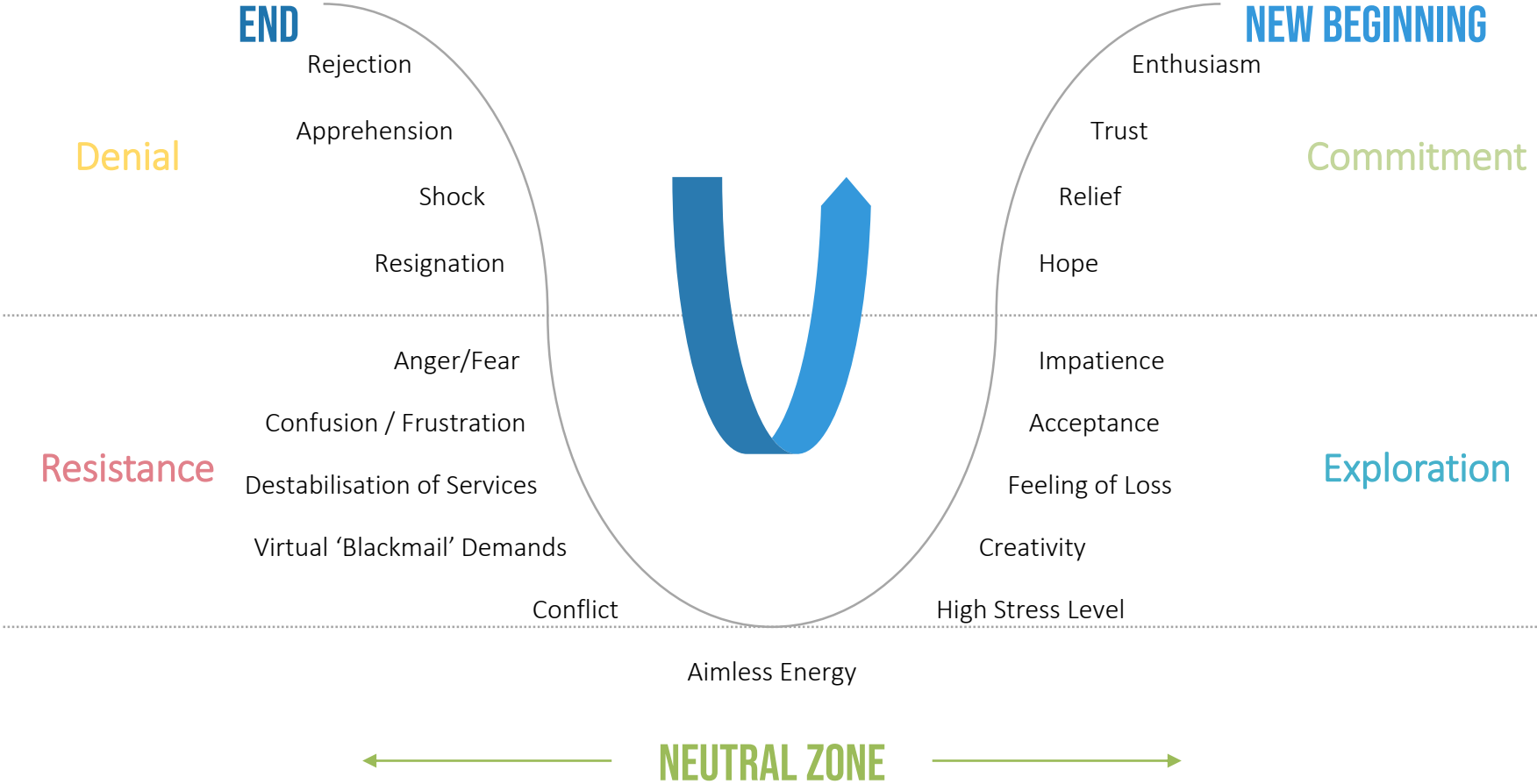
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Not extending? Going to break? 13 Key Exit and Transition Considerations



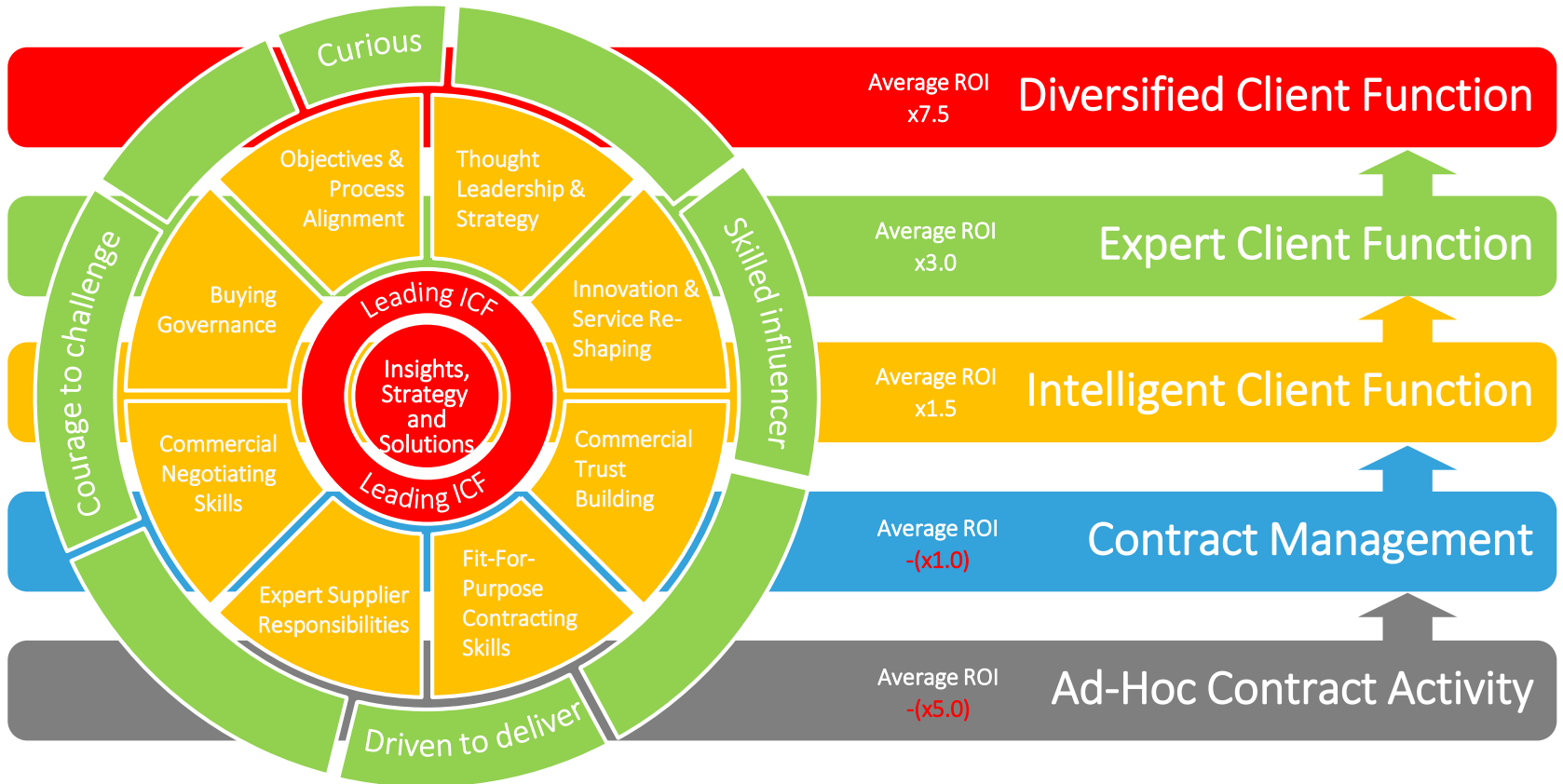
Strategic Supplier Contract Extensions, Break Clauses, New Projects

Not extending? Going to break? The behavior to watch for from your strategic partners



Strategic Supplier Contract Extensions, Break Clauses, New Projects

Intelligent Client Function – What ‘Good’ Looks Like



Eight behaviors

Ten professional areas

Five bands of professional competence

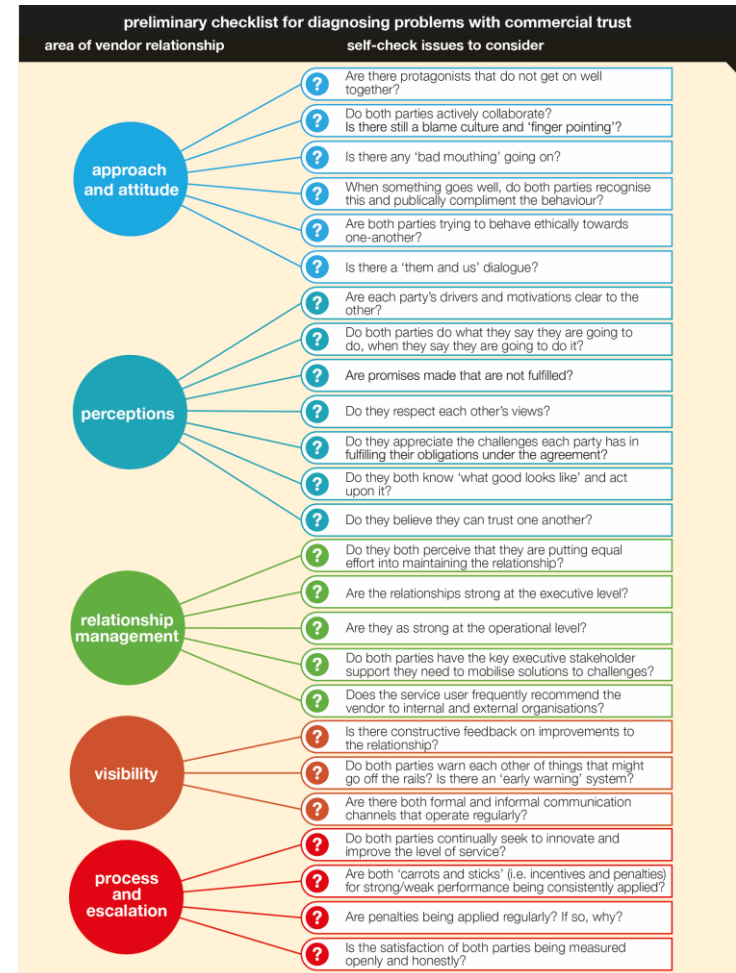
Strategic Supplier Contract Extensions, Break Clauses, New Projects

Assess the Commercial Trust in your Strategic Supplier Relationship



Building Commercial Trust for open and honest conversations (pages 18-29)

Enter 'IOR' into questions box for a free copy



Strategic Supplier Contract Extensions, Break Clauses, New Projects

How to get started

Would you like an informal and confidential chat about whether you extend your contract or exercise your break clause?

You'll finish the call knowing specifically what to look for and the key principles of what actions to take.

We'll cover:

1. **Contract** : What principles are likely to work for you and against you?
2. **Outcomes and Requirements** : Are some aspects clearer than others to avoid misunderstandings?
3. **Timing** : Is there a better time window to consider leverage?
4. **Relationship** : Is the trust in the relationship likely to provide good value for you?
5. **Driving maximum value** : Whether your internal client team is driving the best value for you?

Just type **'IC'** into the questions box and we'll arrange an informal chat at a time that works for you.

Strategic Supplier Contract Extensions, Break Clauses, New Projects

ANY QUESTIONS?

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<https://bestpracticegroup.com>