

NEWS RELEASE
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Downturn forcing organisations to find value in partnering rather than cost cutting

Cutting costs and damaging relationships with key service providers is not the only way to tackle the recession, according to the Global Business Partnership Alliance (GBPA). As the recession bites, many organisations are inevitably seeking to reduce costs to weather the storm. Some have put suppliers under intense pressure to reduce their charges. But a more sustainable and potentially value-adding approach is emerging, reports GBPA (www.gbpalette.com).

The initial reaction to the downturn for many businesses was “cut costs” - and this inevitably puts not just supplier relationships under stress but their business, too. But there is evidence that the trend is starting to change.

GBPA chairman Philip Anderson says: “Initially, many large corporate clients said that they had no choice other than to pressure their service providers to reduce their charges. Since the beginning of this year we've seen a change in that approach. There is recognition that a short-term cost-out fix is not the answer.”

GBPA is now seeing indications that senior executives are thinking of new ways to weather a deep and prolonged recession. "Organisations are looking not only to find the optimum way to drive out costs but how to get the most out of their key external relationships through the next two or three years of anticipated, and unprecedented, economic turmoil. They are developing their key service provider relationships into something far more collaborative, seeking ways to create value, rather than just focusing on the series of transactions," states Anderson.

GBPA claims it has never been busier with more new clients turning to GBPA for help with their critical relationships than in any other previous quarter. GBPA has been asked by a wide range of organisations in the private and public sector, in the UK and overseas, to assess the current status of their critical business relationships. They are looking for an objective assessment based on best practice in business partnering. Anderson comments: "We are working with organisations to address damaging issues as well as agreeing the future desired state of these relationships, and support them on their agreed collaborative journey to get there."

Anderson believes that this recession may prove to be a turning point in changing the mindset of major corporations to their key service providers. "There has been a tendency, at its worst, to operate in what we call a 'master-slave' mode. Both parties are now recognising that they can't survive on their own, and that they can achieve much more through a more open and balanced relationship."

Anderson concludes: "It is clear that there has never been a time when it has been more critical for both customer and service provider organisations to ensure that their key relationships are in the best possible state and equipped to deliver the greatest possible value."

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NOTES TO EDITORS:

About GBPA

The Global Business Partnership Alliance helps organisations deliver superior business results and reduce risk through the development of improved collaboration in their key internal and external relationships.

Through accessing GBPA's exclusive research-based *Discovery* programme and advisory services, and participating in GBPA facilitated events, senior executives access best practice, independent advice and practical solutions to their partnering and collaboration challenges - with particular focus on inter-functional, outsourcing and critical customer/supplier relationships.

About GBPA's Relationship Healthcheck

GBPA's Relationship Healthcheck provides an objective assessment based on best practice in business partnering identifies areas for potential greater value realisation, minimises the risk of exposure to relational failure, reduces management time spent on issue resolution and enables focus on delivering value.

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