



eraneos

Whitepaper

Collaboration in customer-supplier relationships

December 2022



Content

Success is determined by the quality of collaboration	3
Governance & Management of collaboration	4
Research shows that significant culture differences still exist	5
Forms of collaboration	6
Eraneos Collaboration Assessment Model	7
The eight aspects	9
Strategy	9
Agility	10
Results	11
Resilience	12
Processes and systems	13
Structure	14
People	15
Communication	16
The four quadrants	17
Using the assessment model	19
Conclusions	22
References	23



Success is determined by the quality of collaboration

The quality of collaboration within and outside an organization determines its success. Whether it involves the delivery of IT services by external parties (external collaboration) or the collaboration between the business and IT (internal collaboration), organizations are increasingly realizing that their success is largely determined by the quality of the Governance & Management of this collaboration.

In this whitepaper we address the following questions, among others:

- Why is good collaboration needed?
- What are the most important aspects of good collaboration?
- How does the collaboration model work in practice?

At the start of a collaborative relationship with external parties, a lot of time is spent on partner selection and the contract. Next, a transition plan is drawn up in which all sorts of things are arranged. However, it is remarkable that virtually no attention is paid to the manner of collaboration throughout this entire process. During the performance of a contract, explicit attention is rarely paid to how collaboration takes place. And even in internal collaborations between customers and suppliers (such as between the business and IT), the focus is usually more on output than on the manner of collaboration.

Sometimes, there is a realization that structural attention should be paid to governing collaborative relationships. Even more so, people might actually be aware that substantial investments should be made in the collaborative relationship. This involves important questions like: what are the mutual expectations, what are the goals for the organization and individuals, what are the values and norms that form the basis for taking actions, and how are documents (contracts, SLAs, reports) read and interpreted? It should be kept in mind that during the lifecycle of a collaboration, different people are always involved on both sides (Lorenzoni & Baden-Fuller, 1995).

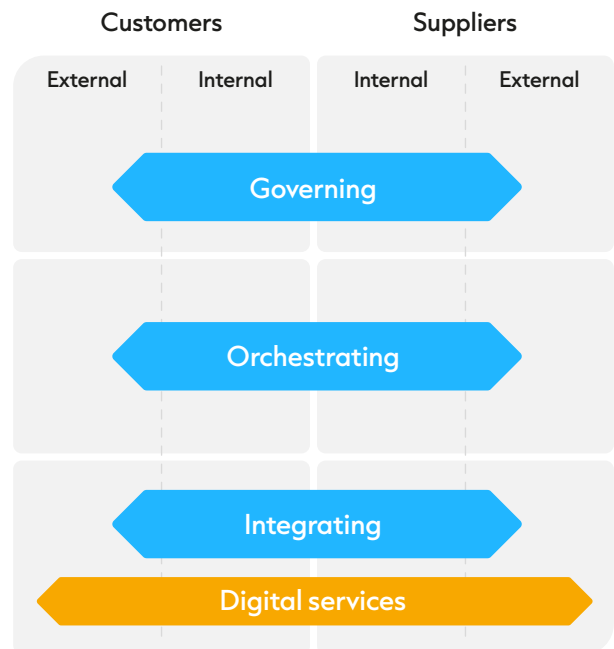
Governance & Management of collaboration

In recent years, many organizations have set up a Governance & Management function after outsourcing services which means there is no longer any discussion about the usefulness and necessity of this function. In fact, the delivery of digital services produced internally (or through co-sourcing) is also increasingly being placed under the watchful eye of the Governance & Management function. Internal delivery and hybrid delivery have become sourcing options. There is an explicit separation of the governance of services and their delivery to facilitate control of these services and to keep the right focus.

Governance & Management of digital services means governing, orchestrating and integrating the resources and people of both internal and external suppliers (Israels, 2022). The purpose of Governance & Management is to ensure that services are delivered in a controlled manner that allows the internal and external customers of these services to use them optimally. Governance & Management consists of the following components:

- **Governing/governance:** planning, as well as setting, disseminating and enforcing rules for orchestrating and integrating services. Monitoring compliance with these rules also falls under governance. Also known as plan in the plan-build-run model.
- **Orchestrating/orchestration:** having services set up and allowing them to be changed. This can be done either through projects or, more incrementally, based on scrums. Also known as build or change management.
- **Integrating/integration:** putting together services and delivering operational services (or having them delivered). Also known as operate or run management.

Figure 1. Essential components of Governance & Management



The context in which Governance & Management takes place is a complex one. If, for example, we focus on the developments in IT, we see that IT has developed from a tool into a strategic production factor, from administrative support into a competitive advantage enabler and into the driving force behind new business models. Not for nothing are we increasingly talking about digital services instead of IT. Add to this the fact that at the same time there is a demand for working in a customer-focused, flexible and efficient way that enables the fast introduction of services and above all doesn't cost too much money...and it then becomes clear that Governance & Management is the terrain of real professionals. In terms of the successful performance of Governance & Management tasks and roles, unique differences can be seen between organizations. Enterprises are successful in part thanks to Governance & Management.

Governance & Management is not just about processes. Those engaged in it are primarily concerned with communication. The degree of success is partly determined by the way in which communication with the business, users and customers is set up.

How interactions take place, for example, the attitude with which the dialog is entered into, is an important factor in the success of the Governance & Management function.

Research shows that significant culture differences still exist

We know from research and experience that collaborating with suppliers is often experienced as difficult. And vice versa, many suppliers experience collaborating with their customers as difficult. Expectations about the collaboration that existed at the outset are often not met. The business case for sourcing is then not met, there is dissatisfaction about the services delivered and the promised strategic collaboration is not realized to anyone's satisfaction. It's also striking that collaborating with a supplier at the operational level generally goes well – or at least reasonably well – while collaborating at the strategic level falls below zero. But the exact opposite also frequently occurs.

However, one's own organization also has an important task in making the collaboration a success. Those involved often realize that they need to be more alert – when selecting a supplier (selecting based on appearances or selecting based on past experiences), when transitioning services to a new or existing supplier and in daily management at all levels. Common concrete areas for improvement include:

- Implementing clear and unambiguous supplier management (tighter control).
- Ensuring the supplier has its services in order and making sure it fulfills its responsibility (no stepping in or taking things over).
- Working with the supplier to identify possible improvements to the services or service portfolio. Then accepting (and communicating!) that this standardization will also lead to changes in your own organization which will only yield improvements for the organization in the longer term.
- Amending supplier contracts to accommodate changes in demand based on developments on the business side.
- Reducing the number of suppliers with whom a framework agreement is in place, in order to counteract fragmentation of the digital landscape. This brings true strategic collaboration within reach.
- Adding specific suppliers to bring in missing capabilities that the existing suppliers lack.
- Knowing what type of collaboration has been entered into and naming it: not everything falls under "strategic partnership" or needs to fall under it.

Finally, it is striking that many parties, despite extensive selection procedures, still regard culture differences as a major obstacle to improving collaboration.

The "soft" aspects are often ignored somewhat or even completely overshadowed by the "hard" aspects. There is still too much focus on processes, contracts and SLAs, while the relationship with the business is much more about developments on the customer side and the way you deal with them in the collaboration. How do you ensure that the "DNA" matches that of the organization? And how do you prevent costs and revenues from becoming the most important factors in the collaboration?

Forms of collaboration

In every collaboration, it's important to first clearly define what form of collaboration is being pursued. It's common to speak of "partnership", but unfortunately that term has often turned out to be an empty shell. In this paper we distinguish between two extremes of collaboration between parties:

- "partnership", in which all goals and results are shared, and
- "profiteering", in which one party allows the other party to work entirely for its own benefit.

We define a neutral form of collaboration, with the obvious but (strangely) less common term "suppliership". In this form of collaboration, services are delivered as agreed. There are no surprises, but above all no unrealistic expectations either way. A service is delivered with the right quality and at the right cost and nothing more is expected from the collaboration.

We want these terms to run in parallel with the biological collaboration model, where at one end of the spectrum there is mutualism (interaction between two or more species where each species benefits), and at the other, parasitism (one species lives at the expense of the other, sometimes even resulting in death). Nature also has a neutral form of collaboration: commensalism. This is when two different species live in close association and one species benefits without harming the other.

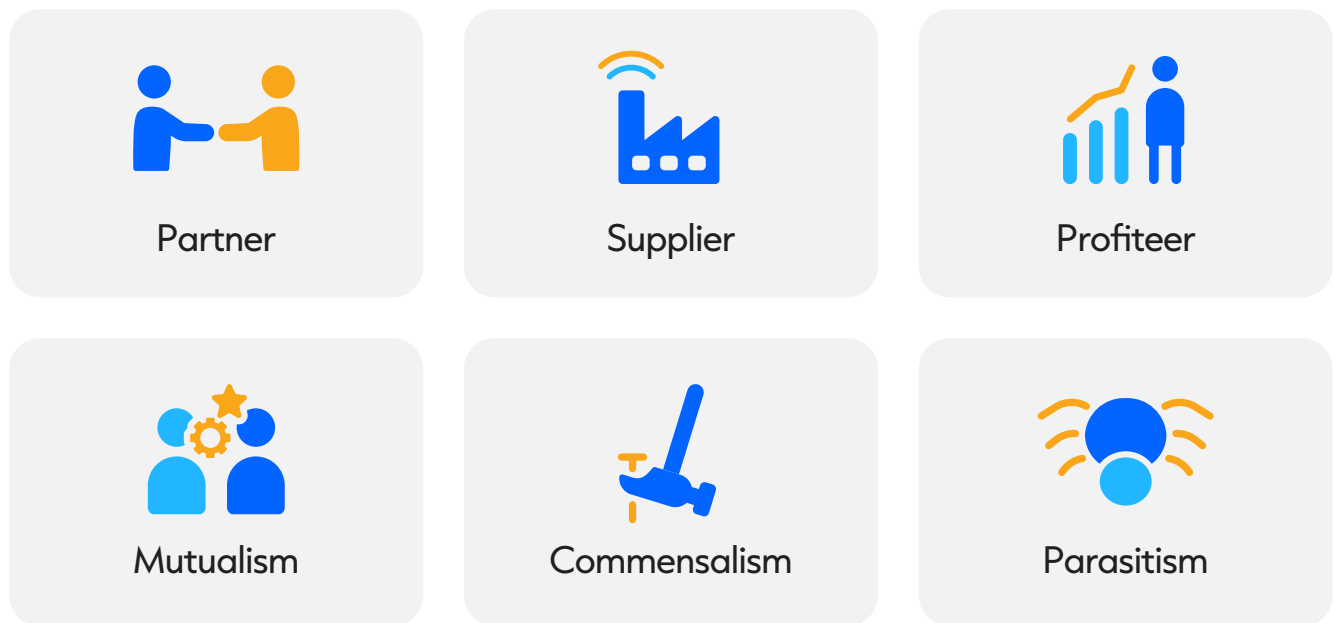
No form of collaboration can be labeled by definition as good or bad¹. However, the intentions and actions of one party may not match those of the other, resulting in annoyance and a bad relationship. Furthermore, the consequence of such a mismatch may be that the services don't match what the customer would like to have. Having a good understanding of the collaborative relationship as well as knowledge of what drives the other party are therefore of great importance.

¹ Many will feel that parasitism is a bad form of collaboration. However, that only applies to its most extreme form: one party continues to exist at the expense of the other. There's no problem as long as the host is not substantially affected by the parasite.



Eraneos Collaboration Assessment Model

Figure 2. Forms of collaboration between organizations vs. the biological variant

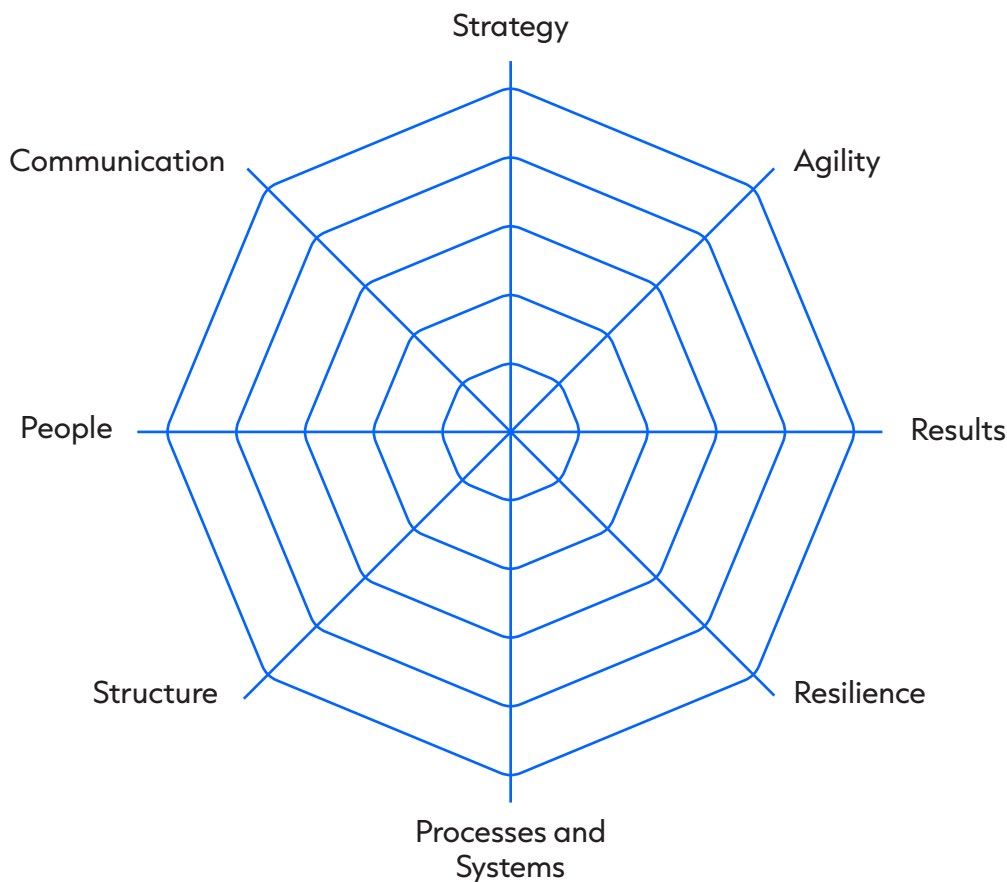


To better understand the collaborative relationship, we have developed a model to measure customer-supplier collaboration “neutrally”. By “neutrally”, we mean that we don’t consider any collaboration to be either good or bad. However, we do find it important that both parties communicate openly about their relationship and that their intentions are made known.

Our assessment model is constructed as follows.

- We have identified 8 aspects that are present in every collaboration between a service provider and a service demander. These aspects play a role – to a greater or lesser extent – in the quality of the services and they characterize the manner of collaboration.
- The aspects are arranged on a web chart in such a way that each set of three adjacent aspects forms a major quadrant that shows what is jointly pursued in the collaboration in that particular quadrant.

Figure 2. Eraneos Collaboration Assessment Model



The aspects and the quadrants are explained in more detail in the paragraphs that follow.

Furthermore, we distinguish five levels of collaboration in the model, with each level showing the maturity of the collaboration, similar to the well-known maturity levels of models such as CMMI, COBIT and ITIL.

In our model, the measurements for each aspect reflect both the importance of an aspect and the actual score. This applies to both the service provider (supplier) and the service user (customer). The measurement resulting from the combination of importance and the actual score provides an ideal starting point for the dialog between customer and supplier and it can be continued throughout the lifecycle of the collaboration.

The eight aspects

Strategy

One of the main factors in making collaboration a success is to ensure that the parties' long-term interests are mutually known and that the expectations at the strategic level are clear. The structure of a collaborative relationship is largely determined by the strategy on which it is based: "Structure follows strategy" (Chandler, 1962).

The collaborating parties should have a clear picture of the strategic value of the services provided in their collaboration (Greaver, 1999). The degree of importance attached to strategy by the parties in the collaborative relationship can range from "no strategic intention at all" (pure delivery of services) to a collaboration where the strategies of both organizations are aligned in detail for the services targeted in the collaboration.

Figure 4. Levels of strategic collaboration



In the most disastrous collaborations, the intention is that the strategies of both organizations are aligned, but in practice the parties pursue completely opposite interests.

An example of the latter: a logistics service provider intended to outsource its services to a reputable IT service provider. The strategy of neither party was discussed at the contracting stage, but the customer intended to reduce its IT costs considerably by using as few IT resources as possible. The supplier, on the other hand, had the intention of selling as much extra work as possible in the form of additional projects, in order to add "meat to the bones" of the concluded contract. The co-existence of totally different strategic intentions had not been discussed in any way by the parties and this led to friction in the collaboration from day one.

Can things also go well? Yes, definitely. For example, a medium-sized municipality outsourced all its IT to a medium-sized digital services provider. The supplier enabled the municipality to also provide its services reliably to residents via the web. The municipality would not have been able to do this on its own, given its limited resources.

Agility

Collaboration allows the customer to increase agility by taking advantage of opportunities offered by the supplier (Oates, 1998). This can be done, for example, by taking advantage of the ability to scale up and down flexibly, but such a collaboration can also provide access to technology that would otherwise remain inaccessible to the organization. There is a big difference between the degree of agility that different customers require from their service provider. In fact, the required degree of agility can even vary from service to service. Often, less agility is required when the service is more of a commodity and the driving force is low costs. But also vice versa: the more the collaboration concerns strategic services and the more the driving force is to obtain a unique service, the more agility is required. Cocreation is then required, acting together to best serve the end customer. Agreements must be able to be changed in the interim so that both parties can continue to work properly with them.

Figure 5. Agility of services



What we see here is standardization versus customization, where customization allows the customer to still change its specifications after the conclusion of the contract.

In extreme cases, the customer expects that everything can still be changed at the last minute whereas the supplier is only able to provide one type of service. We see this relatively often, especially with services that are labeled as commodities, such as workplaces. In practice, the customer often needs rapid delivery of the latest models, and relocations are requested last minute.

But we also see suppliers who have promised VIP service, but then fail to get the internal ordering process in order. Deploying cloud solutions also involves the use of basically inflexible services. This goes well as long as these solutions can be deployed out-of-the-box.

A successful case is the application of agile software development, in which the collaboration is between a supplier equipped for this and a customer who is willing to provide the supplier with input and feedback. This leads to excellent fit-for-purpose software solutions and both parties achieving their goals in a very efficient manner. However, specific attention should then be paid to the ability to scale capacity as required while still retaining the requisite knowledge.

Results

Successful collaboration is, of course, all about achieving the intended results. This aspect concerns the question of whether the collaboration actually produces the results desired. In this regard, in the interest of both parties it's important to monitor performance well (Greaver, 1999). The collaboration can be very successful for one party while the outcomes are poor for the other. For example, if the customer obtains the services at very low costs, but no margin remains for the supplier. The reverse is also possible: the additional work the services require is delivered at usurious prices while the customer doesn't have the option of influencing the price level. In our view, this aspect is the first in which one party will call the other a "profiteer". However, there are aspects other than financial ones to measure the results of collaboration. We therefore advocate the use of the four perspectives of the Balanced Scorecard (Kaplan & Norton, 1992) to measure the intended and realized results of the collaboration.

These perspectives are: financial, customer, internal business process, and learning & growth (with the last applying to both the organization as a whole and to employees individually). KPIs are also often used to objectively measure results and their development.

Given what we mentioned earlier, that such a level of transparency can lead to friction needs no further explanation. Fortunately, we also see it working out well often enough. A good example is the collaboration between a government organization and a service provider, where transparency of costs was agreed upon, including an acceptable profit margin. This led to mutual understanding and trust, and even a temporary dip in the quality of the services was overcome.

Figure 6. Results of the collaboration



Resilience

Often, outsourcing can leave customers feeling uneasy because they are no longer in control. In the event of serious disruptions and calamities, the steering possibilities are limited and it's more difficult to intervene independently. The issue here is trust in the supplier's resilience: can it recover quickly? Have all the risks been identified and is safety guaranteed (Israels, 2009)? This issue plays less of a role in reverse. Although...the customer can also pose a risk to the supplier. What happens if the customer goes bankrupt and what is the likelihood of this happening? This form of resilience refers to the concept of business resilience: "Resilience refers to a capacity for continuous reconstruction" (Hamel & Välikangas, 2003).

Figure 7. Levels of resilience



When there is poor collaboration in this area, both parties are constantly dealing with one crisis after another, caused on the one hand by too little knowledge of each other's potential problems, and on the other by too little control of their own situation. Unfortunately, we still see such scenes too often in outsourcing. Let's take the example of the relocation of a healthcare sector company's data center. A major error (on the part of the supplier) and the lack of a continuity plan (on the part of the customer) led to complete panic and the relationship between customer and supplier becoming irreparably damaged.

Carrying out joint risk management is a way to strengthen such relationships. We have seen this work successfully a number of times in the financial sector. A risk inventory is jointly drawn up and mitigating measures are also set down jointly and implemented in each party's area of responsibility.

Processes and systems

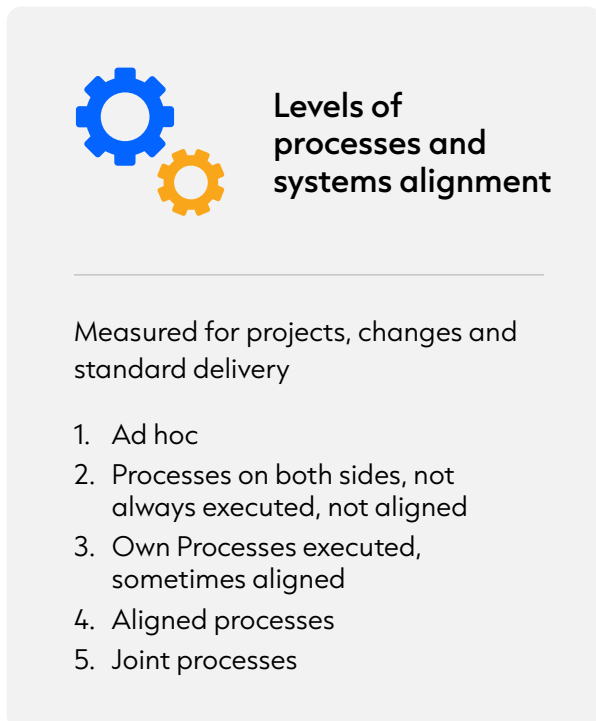
It's well known that processes and systems are important in IT.

Standards such as the Demand Supply Governance Framework developed by Eraneos, as well as ITIL, ASL and COBIT have for a long time placed great emphasis on the processes that need to be set up and managed by all parties in IT (Imai, 1986; Van der Pols, 2005). Fortunately, parties on both the demand side and the supply side are increasingly realizing that a key success factor in a collaboration is joint procedures. Moreover, if the information systems (e.g. for reporting incidents, calling up standard services, gaining insight into the services provided) are also aligned (especially if multiple suppliers are involved) and there is a "single source of truth", things can be carried out

very efficiently. Unfortunately, joint procedures are not always in place. We regularly see that in the contracting process, a lot of time is spent on describing processes in agreements & procedures dossiers and promises are made to work with self-service portals. In practice, things are often more difficult to manage. Ad-hoc work is often carried out and it turns out that systems either don't connect up well or don't connect up at all. We also regularly see that incidents are regarded as being someone else's problem.

Can things also go well? They certainly can! We also see that processes are designed to be fit for purpose, are executed reliably, reports are provided and, based on these reports, improvements are made. Moreover, both customer and supplier have access to systems that support customer satisfaction and performance measurements as well as the aforementioned self-service portals.

Figure 8. Alignment of processes and systems



Structure

In addition to processes, the organizational and consultation structure forms the backbone of any organization (Mintzberg, 1979) and also of collaboration. Without this hygiene factor in place, at the slightest prompting, everyone will quickly start talking to everyone else and decision-making becomes extremely difficult. In a good collaboration, the roles of both parties are known as well as the people who fulfill these roles and the powers they have: "the 5 layers of communication IT" (Hinssen & Derynck, 2009). In addition, who formally consults with whom and when is agreed, as well as the topics of these consultations. Having a good organizational and consultation structure in place prevents day-to-day issues becoming dominant and keeps the focus on the longer-term goal. Discussions are held at the right level. Based on experience, the services and collaboration can both be improved further. It's not for nothing that the consultation structure is one of the first things that is thought about when organizing Governance & Management.

Figure 9. Structure that shapes the collaboration



Unfortunately, we see relatively frequently that although agreements are made at the start of the collaboration (in the contract), in practice formal structures are ignored far too often when escalating. For example, it happened in one collaboration that after a calamity, the CIO drove over to discuss the issue with the supplier at its headquarters. The effect was that subsequently the supplier only got moving when approached by the CIO, because apparently only then was there a serious problem. Conversely, one of the reasons used by organizations for not moving strategic services to the cloud is the fear that these services cannot be aligned at the board level.

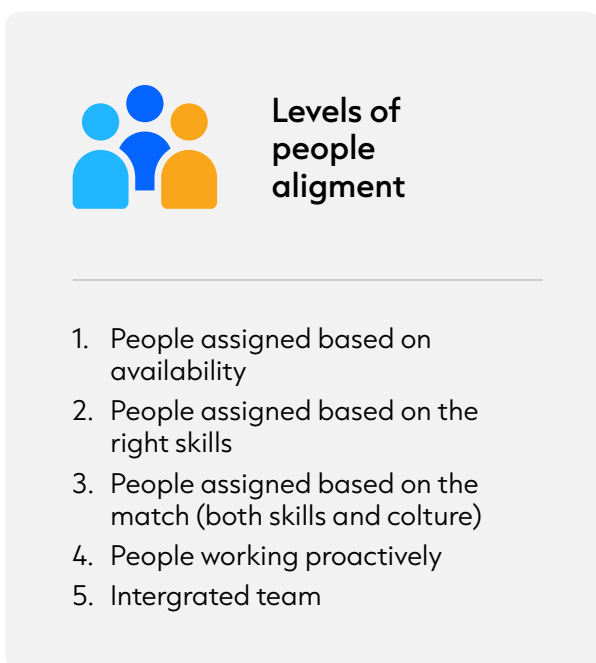
A positive example of the proper use of the structure was seen at a financial institution, where a message about a disruption came in during a strategic consultation. The customer immediately went into escalation mode, but the supplier's delivery manager remained calm and indicated that he hadn't yet received a text message from his people. So, according to him, it could not have been a high-priority incident and there was no reason to assume that the disruption would not be rectified within the agreed time frame. The disruption was neatly resolved. Through his behavior, the delivery manager ensured calm in the collaboration and made sure that the discussions were held between the right people.

People

It's people who have to get things done. It has long been known that people are the most important factors for success in organizations (and by extension in collaborative relationships). Although people are sometimes seen as machines (Taylor, 1911) or more as individuals who are all striving for something different (Maslow, 1943), there is also an established school of thought that sees people as the most important success factor in a successful collaboration. Our concerns with this aspect are the following:

- Are the people chosen by each party the right people in the right place (Taylor, 1911) for the specific stage of the relationship?
- Do the personal goals that people pursue as individuals (Maslow, 1943) contribute to making the collaboration successful?
- Is the team composition of both parties (and overall!) such that people complement and are attuned to one another so that the collaboration as a whole can perform well (Scholtes et al., 2000)?

Figure 10. Collaboration is people based



Too often we've seen that there is an unhealthy conflict between employees of the customer and the supplier's staff where the cause was ultimately to be found in an incompatibilité des humeurs or personal agendas. We think that this aspect deserves much more attention during collaborations. Not only at the start of a collaboration, but also during all the changes it undergoes in its lifecycle. Trust is an important basis for results (Covey, 2004).

Our analyses also show that proactivity is often lacking. The two parties then accuse each other of having known about the problems for a long time, but that nothing happens until one party calls the other to account. The ideal situation where the customer's team and the supplier's team operate as a single unit is not something we come across very often, but we do see it more frequently in outsourcing relationships that have existed for quite some time and where few players are substituted.

Fortunately, we often see agile teams operating as an integrated unit. Frequently, they do this so well that they become isolated from the rest of the customer's organization – and that of the supplier. This can in turn be addressed with joint portfolio consultation (such as a scrum of scrums).

Communication

The need for communication within a collaboration is widely recognized and endorsed by almost everyone.

Especially in the Netherlands, we believe it's important to make things open to discussion. "Just put the issues on the table," as we often say. But in practice it's not that simple. If the collaboration is not going well, it's very often blamed on the communication. But what is needed for good communication?

As far as we're concerned, it's about structured and formalized communication (as laid down in the governance structure), but it's definitely also about informal communication. In this regard, transparency and being open to the other party's point of view is very important (Go & Van Fenema, 2003; Israels, 2010).

Figure 11. Communication-based mutual understanding



Levels of communications alignment

The overall level is a mix of 4 elements: physical meetings, e-mail/calls, sharing information and type of contact

1. No structural communication
2. Only formal communication
3. Structural communication
4. Starting with Social and Mind Communication
5. Communication as a flow

If communication is poor, we see that both parties become more and more formal, avoid each other as much as possible and communication is reduced to using the contract to beat each other up with "facts".

At a financial institution, we saw what this can lead to. Communication at the strategic level was so messed up that the only way to communicate with the selected outsourcing partner was by registered letter. This had a major impact on the supplier, a company headquartered in the US. All those letters were immediately booked as costs, although no substantive discussions had yet taken place. And all this was going on while the collaboration on the operational and tactical levels was actually quite good.

An example of good communication was seen at the start of a re-transition (the transition from one supplier to another). In the kickoff, attention was paid to plans and the importance of making the collaboration a success, but time was also spent on getting to know each other. Videos were used to discuss worst-case scenarios in workshops held at both the customer's and the supplier's premises. The relationship that had been built up during the kickoff could be capitalized on when technical problems arose: the parties together put their backs into it and resolved things.

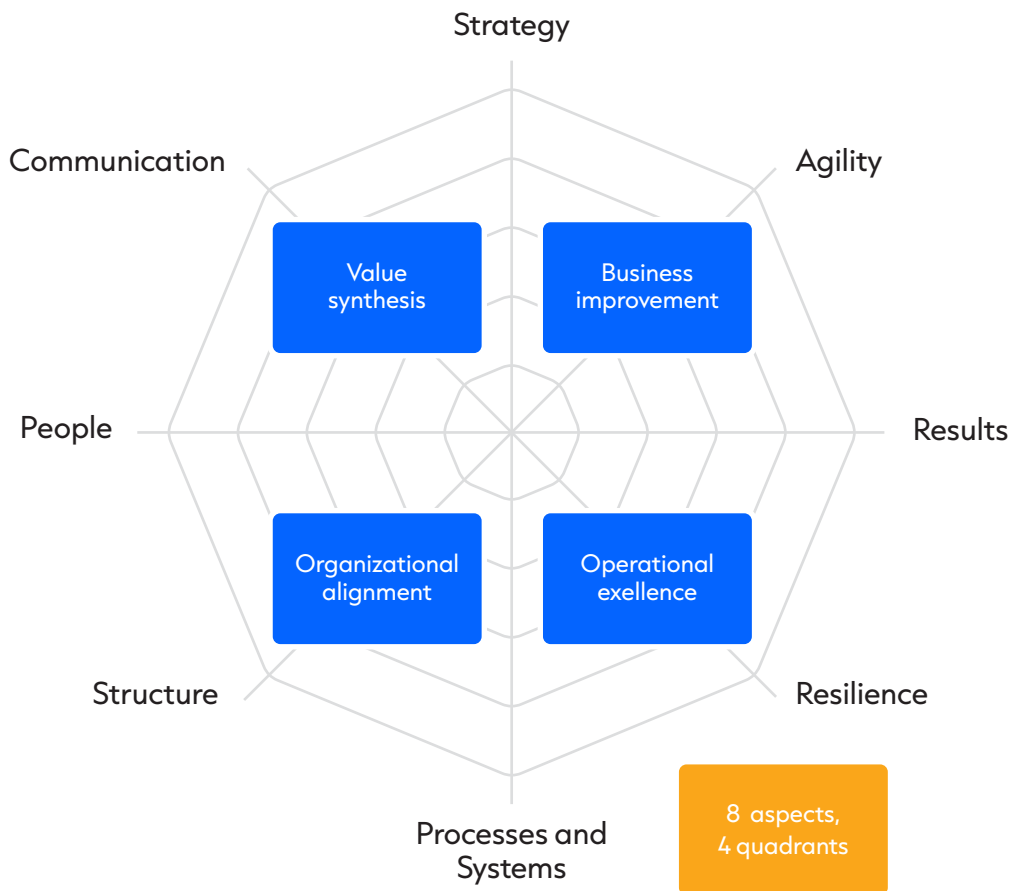
The four quadrants

The eight aspects of Eraneos's Collaboration Assessment Model are arranged on a web chart in such a way that each set of three adjacent aspects forms a quadrant important to the collaboration.

This shows what is jointly pursued in the collaboration in the respective quadrants.

Let's briefly explain the quadrants.

Figure 12. Eight aspects, four quadrants



Business improvement

This is the domain where strategy, agility and results come together. Working together in a structured manner on achieving long-term results despite the many changes that can (and will) occur in the internal and external environment.

And just to be clear: this can still be important for both parties even for commodity services! These aspects can be optimally balanced using Goldratt's Theory of Constraints (Goldratt, 1986).

Operational excellence

In operational excellence (Treacy & Wiersema, 1993), processes and systems are aligned in such a way that the intended operational results are achieved despite any external disruptions. This is the quadrant where lean management makes its appearance (Liker, 2004).

Organizational alignment

This quadrant is all about the alignment of processes and people, facilitated by structures. Only when people work together in one process does a mature organization emerge (Quinn & Cameron, 1983). The challenge that partners face with outsourcing is that this alignment must take place in a relatively short period of time in a virtual organization where neither one

of the two parties is in charge. We see this as a bigger challenge in the increasing practice of multisourcing. This is the reason why the SIAM framework was devised (Agutter et al., 2017; Israels et al., 2017).

Value synthesis

In the last quadrant, the aspects of people, communication and strategy come together. This is the quadrant where the "soft side" of collaboration emerges. Do the people in the two organizations truly understand each other? The name of this quadrant was chosen because, in our opinion, the aspects involved are ultimately about the synthesis of values. The aspects also refer to Kotter's eight steps and his key ingredients of successful change (Kotter, 1995).



Using the assessment model

Eraneos’s Collaboration Assessment Model has proven itself in practice and has been used in various situations. Below, we give a few examples of how the model can be used in practice.

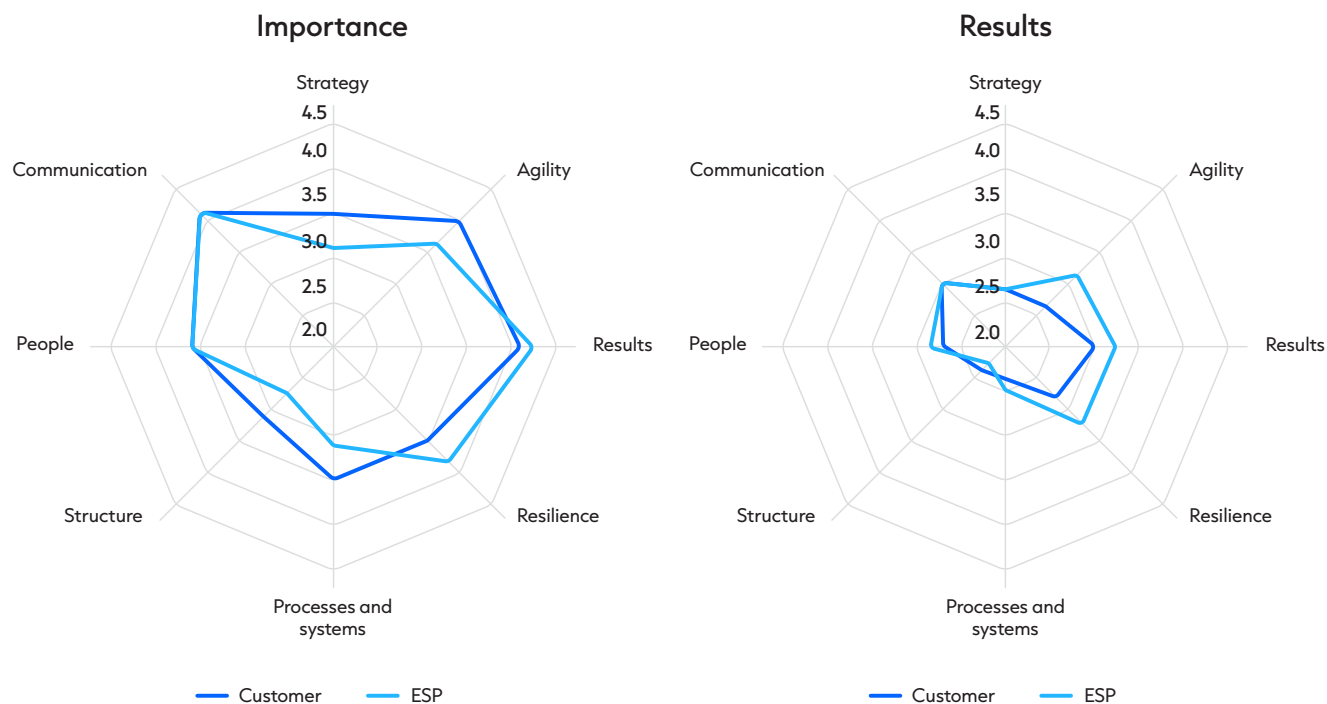
Example 1: improving collaboration at a trading company

For some time, a relatively small trading company had the idea of mutually evaluating the existing collaboration with its outsourcing provider (a large IT service provider).

To this end, officials involved in the collaboration (from both parties) filled out Eraneos Collaboration Assessment questionnaires, evaluating the various aspects in terms of both importance and results. The findings are shown in Figure 13.

The outcome was striking in that the parties differed in the importance they attached to the collaboration (the customer rated it as more important than the supplier did) but their rating of the actual collaboration was almost the same. Moreover, given that the analysis made weak points clear, it gave the parties the opportunity to improve the collaboration as well as to strengthen themselves individually.

Figure 13. Differences between importance and results of the collaboration

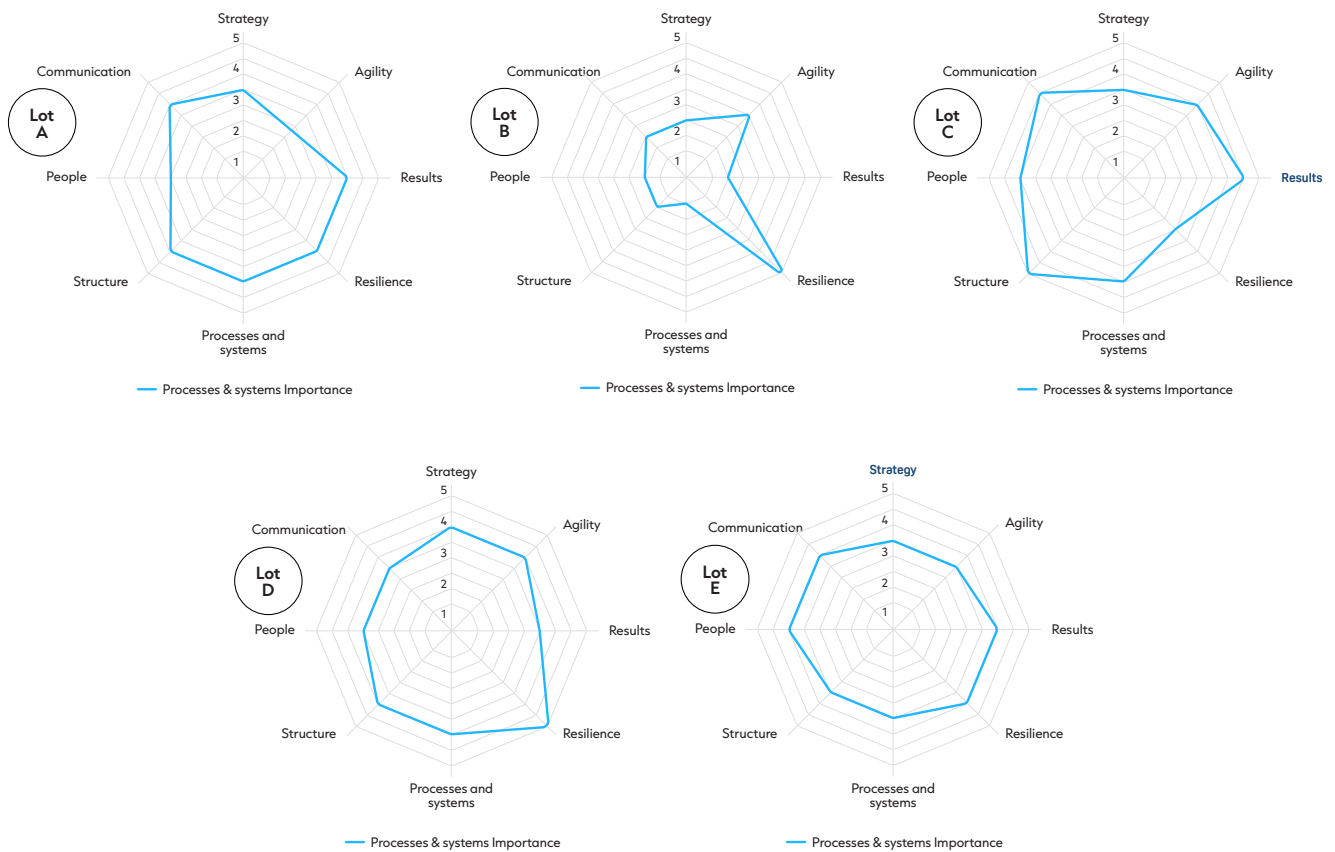


Example 2: Supplier selection at a government organization

A large government organization had the idea of first putting together a clear profile of the party with whom they would be collaborating before putting the outsourcing out for tender. To this end, each member of the outsourcing team completed the Eraneos Collaboration Assessment questionnaire for each lot to be outsourced.

The findings were discussed in a workshop, which provided a clear picture of the collaboration goals per lot. These goals turned out to differ considerably per lot (see Figure 14). The findings were used to fine-tune the profile of the envisioned supplier.

Figure 14. Desired collaboration in various sourcing lots

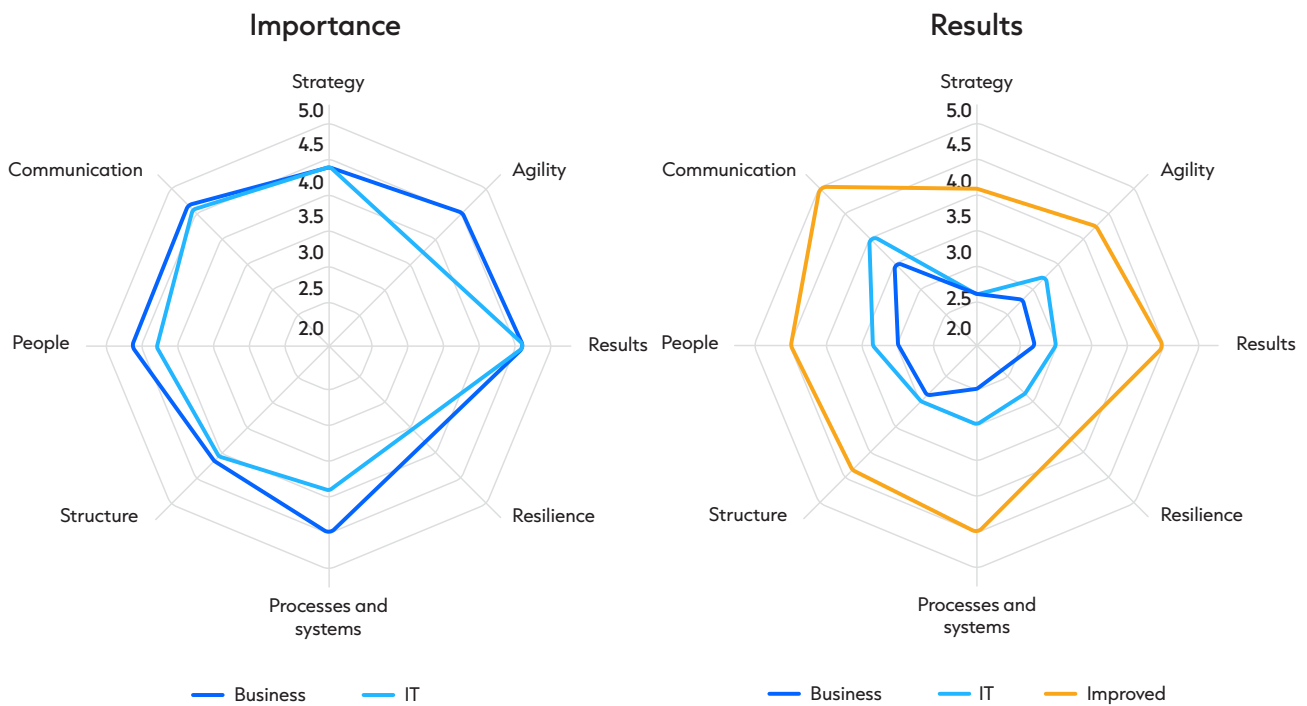


Example 3: improving internal collaboration at an industrial company

The Eraneos Collaboration Assessment Model can also be used to evaluate collaboration between internal parties: the business and the internal IT supplier (i.e. the Governance & Management function and/or internal IT department). This evaluation can provide tools to improve collaboration.

At a large industrial company, the Eraneos Collaboration Assessment Model was used to analyze the existing situation and set goals for the years ahead (see Figure 15). This marked the beginning of an improvement program, in which "getting back on speaking terms" was cited as the most important success factor. A number of improvements were initiated to pursue the desired level of collaboration per aspect (or multiple aspects). A prognosis was made for the level of collaboration after the implementation of these improvements.

Figure 15. Initiation of an improvement program based on the Eraneos Collaboration Assessment Model



Conclusions

Based on our experience of successful and less successful collaborations between customers and their suppliers, we developed a model in 2012 to make collaboration measurable and thus open it up to discussion. The successes achieved with this model have shown that it is an effective tool for increasing mutual alignment and understanding in order to achieve a collaboration that is a success for both parties.

Analysis, dialog and the identification of improvement actions enable the parties to move forward together. It is important to consider all

the aspects of the model in conjunction with one another. The pursuit of partnership can take shape in this way, provided the maturity of both organizations allows it. For this to happen, however, the adage "interdependence is a choice only independent people can make" still applies (Covey, 2004).

We have seen that organizations using the model make different demands on their suppliers (from a customer perspective) and on their customers (from a supplier perspective) than organizations that don't yet have this knowledge. The model ensures that people become consciously skilled at choosing the right form of collaboration.



References

- Agutter, C. et al. (2017). Service Integration and Management Foundation Body of Knowledge (SIAM® Foundation BoK). Van Haren Publishing.
- Chandler, A. D., Jr. (1962). Strategy and Structure: Chapters in the History of the American Industrial Enterprise. MIT Press.
- Covey, S. R. (2004). The 8th Habit: From Effectiveness to Greatness. Free Press.
- Go, F., & Van Fenema, P. C. (2003, July 3–5). Moving Bodies and Connecting Minds in Space: It is a Matter of Mind over Matter [Paper presentation]. 19th EGOS Colloquium, Copenhagen, Denmark.
- Goldratt E. (1986). The Goal: A Process of Ongoing Improvement. North River Press.
- Greaver, M. F. (1999). Strategic Outsourcing: A Structured Approach to Outsourcing Decisions and Initiatives. AMACOM.
- Hamel, G., & Välikangas, L. (2003). The Quest for Resilience. Harvard Business Review, 81(9), 52–63.
- Hinssen, P., & Derynck, J. (2009). Business/IT Fusion : How to move beyond Alignment and transform IT in your organization. Mach Media.
- Imai, M. (1986). Kaizen: The Key to Japan's Competitive Success. McGraw-Hill.
- Israels, R. (2022). Governance & Management by Retained Organizations Today: Governing, Orchestrating and Integrating [whitepaper]. Quint.
- Israels, R. (2009). Risicomanagement bij outsourcing. Informatie (0906).
- Israels, R. (2010, mei). Gastvrijheid in outsourcing. TIEM (36).
- Israels, R., Blaauboer, H., & Boerma, W. (2017). Hoe Service Integration, Automation and Management echt werkend te krijgen [White paper]. Quint Wellington Redwood.
- Israels, R. J., de Graaf, R., & Gondhalekar, S. N. (2012, December). Collaboration selection and assessment in ICT outsourcing [Paper presentation]. Third Biennial Supply Chain Management Conference, Bangalore, India.
- Kaplan, R. S., & Norton, D. P. (1992). The Balanced Scorecard: Measures that Drive Performance. Harvard Business Review 70(1), 71–79.
- Kotter, J. P. (1995). Leading Change: Why Transformation Efforts Fail. Harvard Business Review, 73(2), 59–67.
- Liker, J. K. (2004). The Toyota Way: 14 Management Principles from the World's Greatest Manufacturer. McGraw-Hill.
- Lorenzoni, G., & Baden-Fuller, C. (1995). Creating a Strategic Center to Manage a Web of Partners. California Management Review, 37(3), 146–163.
- Maslow, A. H. (1943). A Theory of Human Motivation. Psychological Review, 50(4), 370–396.



Author:

Ronald Israels
Senior Manager
ronald.israels@eraneos.com

Experienced in a wide range of industries

ABOUT ERANEOS

As a global Management & Technology Consultancy Group, Eraneos supports organisations in not only designing but successfully implementing a future-proof digital transformation strategy that can make an everlasting impact.

By listening to what businesses want and understanding their needs, we can fast-track and embed transformation with ease by aligning people with technology, processes and leadership, effortlessly.

Knowing your industry, technology and local context alongside a global perspective, gives us the advantage you need to succeed.

It's this deep understanding that enables us to shape and implement strategic transformation within your organisation while providing the best service. That's why our customers trust us with even the most complex of challenges, from strategic digital transformation in finance to the ethical application of A.I. in healthcare.

We don't just listen to your needs, we understand them. We're more than ready to help you realise your potential in the digital age.

[Contact us >](#)

[Our offices >](#)

[Visit our website >](#)