



Building Successful Client-Vendor Relationships

Impactiviti white paper

For seven years, Impactiviti has sought to encourage best practices in vendor selection, vendor management, and project management. While these efforts have been primarily targeted to the biopharma training marketplace, the principles are universal.

Some of the best instruction comes directly from the varied experiences of both clients and their vendor/partners.

I recently asked both groups to give their input about what goes into effective client-vendor relationships. This white paper lists out a "Top 10," from both groups, along with some relevant quotes and brief commentary.

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Introduction

Sometimes, client-vendor relationships work out really well. A true, long-term partnership is born which generates success for both sides. These relationships are built on *earned trust, demonstrated competency, and effective communications* at every level.

Many vendor-client relationships never get to that point of long-term partnership; or sometimes, once they do, a decline sets in which threatens the relationship. The reasons are not a mystery; I have often heard from both sides what contributes to a successful (or unsuccessful) vendor-client relationship.

One issue that regularly surfaces is the continual turnover in many biopharma training departments. People are brought in (from the field force, generally) with little or no experience or training on project management. After 18-36 months in the department, having just gotten used to the process, they move on, and the learning curve must begin all over again.

To try to fill this gap, Impactiviti often provides workshops on Vendor/Project Management for client companies. These are always valuable; but it may also help for clients to hear input directly from vendors what works best, and vice-versa. This white paper is a summary of that gathered input.

*To sum up what both clients and vendors say they want most, it's this: **Learn to be a partner!***

“Become a valued partner - learn my business, competitive environment, and company processes, especially medical/legal review. The more intrinsic knowledge that a vendor has about my company and the market, you increase the probability of getting more business from my organization.”

“You will receive much better results if you treat your vendors as partners – provide them access to the people and information they need to do the job you are asking them to do, but beyond that, the more they know about your business, the more creative and resourceful they can be in helping you see and address other challenges.”

Let's explore together the Top 10 Practices (from both sides!) that lead to Client-Vendor Success.

Clients say...

Make our lives easier and make us look good. We're paying you to take on a burden, to bring skills and knowledge we don't have, and to learn about us.

So....

1. Be honest and clear about your capabilities

This message is overwhelmingly one of the most common ones I hear from clients. Having been on the vendor side, I understand the temptation to try to take on work outside of your sweet spot. But you'll have three strikes against you when you position yourself as a do-it-all agency.

- Clients with any savvy know it's not true
- It's typically a sign of desperation and revenue-chasing
- It demonstrates insecurity about identifying and building your core differentiating offering(s)

In other words, you run the risk of becoming a dishonest commodity player. JATA (**J**ust **A**nother **T**raining **A**gency).

So - stop with the sea of bullet points in your capabilities presentation. Rank order your one, two, and (maybe) three top capabilities, and build ONE memorable and differentiating message. Through a trusted long-term client relationship, you may be able to explore other areas of capability down the line.

"Tell me the one thing at which you are truly proficient at. I have gotten to a point where I ask, 'If I have only one project for you to work on so you can lock in your skill set with me, what would it be?'"

"Define your strike zone. Also share where your capabilities end – what you're not adept at. Everyone says they can do everything"

"I want to know what you do well and often. Don't tell me you can do something unless you have done it before."

"Tell me what your core competencies are/what you are great at (don't tell me you can do everything, I don't have time to help you figure out what you are really good at!)"

Additional reading:

[We're The Generic Company You've Been Looking For!
How Do You Differentiate?](#)

2. Communicate sensibly and add value

Clients don't want to be sold and pestered. Nobody's got time for that nowadays. Most training professionals are doing far more with much less. However, by taking the role of consultant, and continuously adding value, you stand a much better chance of gaining an audience. You want to be a clear signal, not just more noise.

"We are beyond busy, and get calls from vendors every day. Repeat phone calls that don't tell me anything, don't provide anything, and don't sound genuine or interesting won't make me call you."

"Provide me with the trends and insights that are occurring in the spaces that will most effect my business (e.g. legislation, environment, technology, etc.), and the various conclusions you take from those trends."

If you're not adding value, you're subtracting time.

Here's a suggestion: Offer to provide an educational (not sales pitch!) lunch-and-learn for the department. I have found this approach to be very well-received, and everyone has the opportunity to get beyond a promotional message and learn something new.

Additional reading: [Is Pharma Sales Dead?](#) (the principles here also apply to vendors)

3. Listen, ask, challenge, and educate – don't just tell.

I've seen the some of the pitching that goes on, and it makes me cringe. It's time to wrap your message in intelligence. Bring people in with the depth to truly engage. Clients have so little time for strategic thought – you can fill in that gap by intelligent dialogue.

"The more you sell me what I need, rather than what you wish I needed, the more money you will make off me in the long run."

"Start your presentation by asking what my needs are and then sell their services to fit my needs. LISTEN more, talk less - too many initial vendor meetings involve the vendor going off on their capabilities for 30 minutes before they ask their first question to assess why are they even there."

But let me add a note here to clients – *make time* for free-ranging discussions. If you call in vendors only in midst of the pressure of an imminent project, you leave yourself open to just getting pitched. Set up lunch or coffee meetings where you can really dialogue with valued (or new potential) providers.

4. Learn the company/culture/processes

Clients want their partners to go beyond the immediate transaction process. Vendors should consider putting in place a more robust account management structure, as a means to better service and then, as a result, more sales. Go as deep and wide as your offerings allow. Clients stick with vendors who can navigate the internal processes and bring efficiency – it's a big learning curve that doesn't happen if the focus just remains on the next sale.

Vendors need to learn to ask clients: What are your internal challenges? What's the landscape of players and procedures? But, also respect the hierarchy. Learn to work within the system, not merely work the system to get face time with other influencers.

5. Have transparent and understandable pricing

Don't err on the side of obscurity. Give details. It helps with explanations and negotiations, and builds trust. If you have to go back and de-construct your proposal to show how you got to the final number, you're already taxing the goodwill of the client.

“Provide solid rationale for how a proposal is priced - if the hours are well documented and rates are reasonable, it will reduce the amount of time and effort spent on ‘haggling.’”

My counsel to vendors is that when you submit a proposal, outline a 3-tiered pricing model (e.g., Gold, Silver, Bronze) with different features spelled out. Similarly, you may list out additional options with prices. This makes it much easier for a client to give you consideration depending on budget constraints.

6. No surprises

Bait-and-switch tactics, or ambush price increases – these are some of the quickest ways to not build a partnership. Clients hate surprises in the midst of a project because it makes them look bad. Clear disclosure about potential problems or scope creep, and advance notice of other potential issues, always goes a long way toward making a smooth relationship.

You might be surprised how rapidly a reputation can spread about a vendor who nickels-and-dimes clients. That provider rarely gets a second chance.

“TELL ME when I approach scope creep – don't surprise me with a change order for being out of scope that wasn't discussed or expected. Communicate, communicate,

communicate – you can talk to me, I'm a professional and I want to hear the news before my boss does!"

"Don't underestimate the time or money required to complete the project. Asking the client to 'Go back to the well' for more money or time is unacceptable and unethical."

7. Keep project information/updates flowing

Establish an agreed-upon communication plan, and pro-actively stick to it. As a vendor, recognize that there's a lot of multi-tasking on the client end – if need be, take the lead and orchestrate the communication flow.

A lot of this can be put in place up front with a well-structured project kickoff meeting. That is where a communication plan can be agreed upon and implemented. Don't leave things undefined. Yes, things will change along the way. But have a plan with endpoints and reviews that everyone signs off on up front.

"Be quick to bring up issues with my team that you are struggling with."

"Gantt charts or Milestone charts should be used in project management. These visuals keep the project on track."

Additional reading:

[Lining Up for the Kickoff](#)

[Measuring Success](#) (one-minute video)

8. Don't deliver crap

Misspellings, lousy formatting, incomplete referencing, missing content – deliverables like this drive your clients nuts. *"Why am I paying these people?"* is how I hear it summed up all the time. When a client has to struggle with issues like this, the vendor is now subtracting value.

Every vendor needs to establish great QC, and not just for the final deliverable.

Many vendors overpromise and under-deliver. Those who become valued partners over time, winning contract after contract, do the opposite.

"Proofreading is critical and if we are paying top dollar I don't want to have to do it myself."

9. Build in project flexibility

Stuff will happen on every project. Even with great plans and well-defined deliverables, changes are bound to occur. Be sure when creating a timeline or budget that you account for a 5-10% elbow-room factor. People don't want to be nickel-and-dimed with endless change orders because there was no foresight regarding flexibility. Once you're deeper into an account and the processes are better known, it's easier to create flexibility, sometimes with a little budget horse-trading.

Also, learn when to say No. If the client is proposing an unrealistic project that has absolutely no timeline or budget flexibility, you may need to graciously bow out of consideration. Some work isn't worth the risk.

"I hear from some vendors 'that is out of our scope' so often, I will never work with them again. My main vendor never does that. In exchange I have gotten them large multi-\$\$\$ contracts. Their investment in my projects and partnering paid off in the long run. Their hard work and loyalty gained them new business."

Some advice, however, for clients: if your (or your company's) procedure is to absolutely beat down vendors for every last price concession, don't be surprised if you get charged later for every bit that is out of scope. Partners that can't make any profit go out of business, or go elsewhere.

10. Don't Be a Jerk

Seriously. I'm surprised at what I hear sometimes about certain vendors. And then, I hear *great* feedback about others. Guess which ones I partner with and recommend to clients?

One final piece of counsel from me to my vendor friends: focus much more on going deep with a smaller number of clients, rather than chasing any piece of business with any client. Your ROI will be much greater if you're woven deeply into a limited number of clients – and when you do great work for them, and people move on to other companies, they're going to bring you in to new clients anyway based on a solid referral.

Additional reading: [Not All Business is Good Business](#)

Vendors say...

Vendors Say: Help us help you. We really want to make you shine – here's what we need.

So....

1. Give us the information we need

There's a lot of info vendors need to know to do your projects right. Be forthcoming. Give access to the key people. Time is of the essence – having to pull teeth to get information isn't going to help the project run smoothly. Take ownership by being organized.

"The more we know about a challenge, issue, need, the better. Don't feel like you're over-telling or giving away too much information. If companies like ours are going to design an effective solution, we need to have as much information as possible. I'm not saying we should get confidential information or insights that other companies aren't getting (say, in an RFP). It's just that the more a client feels they can share - and be specific - the better."

"The more you let us inside your system, give us access to key stakeholders, cc: us on correspondence, share proprietary information - the more valuable our solutions will be to you. It lets us design, develop and deliver solutions that fit better and are more sustainable. It also has a psychological benefit; we forget we've vendors and think about our client's problems as if they were our own problems. You'll get more out of us."

2. Be realistic about project requirements

Vendors are not miracle workers. Some things cannot be rushed – especially when materials need to be reviewed, or when software is being developed. Projects are not all equal – making a change in a graphic for a print piece is massively different than changing even one element of a software interface.

"I wish clients knew that sometimes, no matter how much money or resources you throw at a project, it's still like baking a cake. You can't bake it in 10 minutes on high heat, it just won't taste good in the end."

3. Define what you want (and let us help you) – establish outcomes!

Many times, projects are kicked off without clear performance goals and objectives. This is always a mistake – no vendor can create a successful training intervention if there is no target, and there will also be no objective measure of success in the end. Clients

need to move away from the idea that the goal is to create the training – the discussion needs to escalate, first and foremost, to the business purpose. THAT will then shape the direction of the training. Work with your vendors – and with your stakeholders – to get a very clear statement of outcomes up front. And if you use terms – explain what you mean (don't assume everyone has the same definitions in their head).

“Be clear on the outcome of their stakeholders. Never about the training, always about an outcome.”

Additional reading: [Successful Vendor Management: Define Your Terms](#)

4. Provide ballpark ranges

I counsel clients to (generally speaking) *not* give out exact budget numbers for a project going out to bid. But, it is both wise and helpful to let vendors know a general budget ballpark so that they can submit a competitive proposal.

For instance, if your budget for a learning system is \$134,936.22, I'd advise you to tell potential vendors something like this: “we generally expect work like this to come in somewhere in the 100-150K range. Provide us your estimate and include some options.” Now everyone can have a legitimate shot at the work.

If vendors are going to help you, they need to know if they can even be in the neighborhood – otherwise everyone is wasting time and resources.

“Don't be cheeky about budgets. It will save both parties a lot of time if you can provide at least a ballpark.”

5. Give us the lineup card (players, stakeholders, batting order)

When proposing projects, let your vendor/partners know ahead of time how this relationship works. Who is the point person? Who makes final decisions? Are brand people involved? At what point does Procurement play a role? Set the expectations and ground rules of engagement - surprise players and curveball processes can turn a viable potential project into a quagmire (and a waste of resources).

6. Narrow the RFP process

If you are bidding out a project, be sure you have selected well-targeted vendors for whom this work is in the strike zone. “Shotgun” RFPs, where seemingly random vendors are invited to bid, never work out well (for either side). Each company should seek to

place vendors in the right general “buckets” of capabilities. Vendors don’t want to waste resources chasing inappropriate work, nor do they want to go through the embarrassment of turning down business opportunities.

Very few companies have put in place a well-designed process for consistently selecting optimal vendors, which can make a huge difference in successful vendor/project management (Impactiviti can help with this).

“Proposals and pitches cost money, lots of money and time. Don’t have 6 companies go through the pitch process when you are selecting one vendor. Use your due diligence and narrow the pitch process down to 3 vendors.”

Additional reading:

[Create Your Vendor Map](#)

[Create Your Vendor Funnel](#)

7. Give timely, ongoing feedback – nip problems in the bud

Don’t let relationship or project troubles fester – communicate, and, if necessary, escalate issues until they are resolved (recommended: establish an Project Manager/Account Manager escalation ladder, for both parties, at kickoff). Vendors don’t want to hear only at the end of a project that you’re dissatisfied – give them a chance to course-correct as soon as possible.

“Share what’s working as well as what’s not working. We need to hear it all.”

8. Confine communications to a defined project management structure

Nothing will derail a project faster than rogue communications! When too many stakeholders are giving unstructured input at various levels (on both sides), chaos ensues. Insist that there be sole points of contact (Project Manager <-> Project Manager) through whom all communications flow. Clients should ensure that any training managers running projects should receive at least rudimentary project management skills, and it is always advisable that a more senior supervisor be available as a resource as issues arise.

Additional Reading: [Successful Vendor Management: Communications](#)

9. Be aware of the impact of last-minute changes, and blown timelines.

It happens. Every project has its hiccups. But do understand that it often comes with a cost. Realize that there is a very complex procedure behind the scenes when vendors have to adjust resources and timelines, not only for your project, but for all the other projects in-house. Some clients seem to think that vendors should be infinitely able to pull rabbits out of the hat, with no sensitivity to the fact that projects can only be completed well and profitably if a plan is (mostly) followed.

“Repeated and or last minute changes to deliverables or delivery have a direct negative effect on quality and our income from a project.”

10. Allow us to make progress

Vendors can best become partners if they grow their business with your company. The more they understand your people, processes, brands, and approaches, the better their work can be.

Help your partners network within your organization. Referring a valuable partner who can be a resource to another person within your company will reflect well on you, too. And, leverage your partners’ networks. They can help you when you are out of a job or looking for your next career move.

“Clients should hope to grow the relationship with a vendor so that it becomes a partnership over time. A vendor can be more successful when he knows what the inner workings are for a client and he can give a bigger return for the spend. You both sign confidentiality agreements for a reason. Be open and you will be amazed at how much value a vendor can provide.”

Summary

A true partnership is not an antagonistic relationship. Everyone wins when the right vendor is chosen for the work, and optimal processes are followed to ensure success. I know many vendors quite well and these quotes are quite representative of the best ones:

“I wish clients knew how much we care about their business success in the same way that we care about our own business success.”

“We are rooting for you and want you and your projects to be highly successful.”



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Impactiviti is the eHarmony of biopharmaceutical training, matchmaking clients with optimal outsource vendors in a beneficial referral network.

Impactiviti also provides consulting and workshops on Vendor and Project Management.

Learn more about all that the Impactiviti network offers [here](#).

For vendors, Impactiviti provides [Clarity Therapy](#) consulting, to help companies more clearly define, differentiate, and message their market positioning and offerings.