



Win together, lose together, play together, stay together

PARTNERSHIP

It's a commonly used word in business, isn't it? I hear it more and more in all walks of life, and particularly in the packaging industry, where supply agreements have been common for some time between large multi-national companies and their suppliers. These are often formal arrangements, designed to protect both the customer (to ensure consistent supply at fixed prices) and the supplier (guaranteed business for what is often a reduced margin). These types of arrangement work, as both companies learn more about each other and, in the most successful cases, they operate as one business with common goals.

One example of business collaboration is the 'Star Alliance' in the airline industry. This is a group of separate and independent airlines that work together to achieve the following aims; seamlessness and consistency for passengers, cost reductions for the airlines and changing the competitive dynamic of the industry.

But this example is one where competing businesses come together to work for the benefit of the customer (and themselves, of course!). How does collaboration work best when businesses are not competing, but come together from two or more different industries?

Back in 1995, Wal-Mart found that consumer products and pharmaceutical company Warner-Lambert's in stock averages were not up to par with Wal-Mart's vendor performance standards. Wal-Mart, along with Warner-Lambert and three advising businesses (Surgency, SAP and Manugistics) worked to define a process that would link customer demand with replenishment needs through the entire supply chain.

The pilot focused on stock of Listerine mouthwash. Once the collaborative process had been formed and tested, Warner-Lambert's averages rose from 87% to 98%. Lead-times dropped from 21 to 11 days, and sales increased by \$8.5 million over the test period – even though the pilot was limited to just three of Wal-Mart's US based distribution centres!

Of course, this is one extreme example of how collaboration and partnerships work (after all, we can't all be Wal-Mart!) and this process has now become common in many industries. But I'm sure that, if you think about your business and how it performs day-to-day, there will be instances where collaboration with an external source will result in a more efficient business. This might be in packaging, but it could be as simple as sub-contracting the cleaning of your offices. When times are tough (and surely these are), relying on and trusting in your most reliable and trustworthy suppliers can make a huge difference to any business.

At New Vision, we're pleased to say that our first two customers, back in 2006, are still valued customers today. We've always tried to work in a collaborative way, as I believe we do our best work when we're close to our customers, understanding their needs, and the needs of their customers. But we're also fortunate enough to now have a formal supply agreement with another long-standing and supportive customer of ours. I firmly believe that, in every sense, we win together and we lose together and in the same way that we hope to nurture partnerships with our customers, we are working hard to nurture the same level of partnership with our loyal and trusted suppliers. We win together and we lose together, all the way down the line.

In the words of the famous author, Margaret Carty, 'The nice thing about teamwork is that you always have others on your side'.

Best,

Steve