

SYNCHRONIZE / DESTABILIZE

**Dynamics in the
client-provider relationship**

**Herman J. Milligan, Jr.
Ashref Hashim**

Using a case study approach, the paper discusses characteristics of the client-provider relationship that can foster synchronization or destabilization. Organizational support of market research as an objective research enterprise, as well as other factors, is key to the success of the relationship. Maximum value for the client and provider is achieved when the relationship is highly synchronized. Destabilization is likely when key factors are not well integrated into the relationship.

DEFINING SYNCHRONIZATION

What is Synchronization?

For this paper, we define synchronization as an interconnection of the marketing research client, the primary research provider, and third-party organizations that maximizes the benefit to all parties and contributes significantly to achieving their individual business goals.

Our interest in synchronization has led us to focus less on what happens within each organization in the research value chain *than on what goes on between organizations*. Underlying our analysis of this phenomenon are a few assumptions:

- **Synchronization is a continuum.** The firms in a research value chain will never be perfectly in synch, but they can work to increase synchronization in their relationship.
- **Synchronization is dynamic.** Changes occurring within the individual firms, in the projects they undertake, and in the marketplace mean that clients and providers who achieve a high level of synchronization will not maintain that level without effort.

How Does Synchronization Relate to – or Differ from – Satisfaction?

The study of satisfaction typically focuses on the customer's or client's side of the service delivery process. By studying synchronization, we hope to shed light on some elements in a service relationship that benefit both the client and the provider.

What are the Benefits of Synchronization?

We maintain that a *high level of synchronization improves the odds of sustaining a long-term relationship*. For the client, a long-term relationship has several potential benefits (J. Parmeley, n.d.):

- Predictable results-based expense for the outsourced function.
- Joint and proactive problem-solving innovation.
- Superior management of the business application portfolio.
- Enhanced career opportunities for the client staff. The long-term benefits are usually based on sophisticated management, contracting, and outsourcing integration skills.

Very frequently, a long-term relationship is also the provider's goal. Research investigating the link between long-term client relationships and the

performance of provider service firms in this area has found that, when comparing performance to short-term or transactional services firms, long-term or relational firms achieve similar levels of sales growth but higher returns on their investment (Kumar 1999). The improvement in profitability was found not to be related to savings in service delivery costs, but rather to the firms' ability to maintain their prices and to lower their selling, general, and administrative costs.

SYNCHRONIZATION AS A PROCESS

What are the Preconditions for Synchronization?

In the client company

The maximum value obtained through the client-provider relationship is determined by the ability of the client to communicate his/her needs objectively so that the provider can successfully execute the project in a cost-effective manner with meaningful results. From the client perspective, this relationship is impacted by several predeterminants that are crucial to the client's ability to ensure that the research is conducted objectively.

First, *market research itself must be respected within the client's organization and considered as an objective enterprise* that delivers valuable insights to internal clients. These insights are in most cases connected to very important strategic initiatives within the company.

Second, *the client must be able to align the market research needs with the overall mission and vision of the corporation.*

Third, *the client must be able to recognize that providers can be connected to what has been called value-creating networks* that enhance the provider's ability to deliver value-added services in a meaningful and cost-effective manner.

Fourth, *the client must be able to communicate to the provider the value of the research to his/her internal customers.*

Fifth, *the client must understand that a long-term relationship, if established, can have meaningful positive economic consequences for the provider as well as for the clients.*

Sixth, *the client must be able to establish a working relationship with the provider* that maximizes the value derived from the partnership.

Seventh, *the provider's ability to conduct and deliver project outcomes with the latest available technology* is critical to the success of the relationship with the client.

From the client perspective, the degree to which these seven predeterminants are maximized effectively determines the extent to which a client-provider relationship can be characterized as “synchronized” or “destabilized.”

In the provider company

In *Good to Great*, Jim Collins (2001) analyzes the management practices within selected companies that have enabled them to transcend their histories of mediocrity and to achieve, and sustain, superior performance. We believe that Collins’s insights also have considerable value in understanding the preconditions for and the process of synchronization between companies.

To make synchronization with clients possible, a marketing research firm must cultivate two of the attributes of Collins’s “great” companies:

Commitment to the truth. A research firm’s commitment to the facts and objectivity constitutes the core “product” that it delivers to clients. The same commitment must pervade the firm’s internal culture, determine its project management practices, and govern its approach to client relationships.

Collins (p. 74-80) explains that, by adopting four basic practices, companies can cultivate a climate where the truth is heard:

- Lead with questions, not answers.
- Engage in dialogue and debate, not coercion.
- Conduct autopsies, without blame.
- Build “red flag” mechanisms that turn information into information that cannot be ignored.

A “*hedgehog concept.*” To be great, according to Collins (p. 118-119), a company must achieve a deep understanding of its “hedgehog concept,” or core reason for being. The hedgehog concept lies in the intersection of the circles formed by the company’s answers to three essential questions:

- What are you deeply passionate about?
- What can you be best in the world at?
- What drives your economic engine?

For a marketing research firm that aspires to true synchronization with its clients, discovering its passion is a prerequisite. Clients are increasingly selective in terms of provider focus. Without passion, a research firm will have difficulty distinguishing itself from competitors. In the long term, a lack of passion will also lead to mediocre performance.

However, as Collins makes clear, love is not enough. To discover its hedgehog concept, a research provider must also understand what it can excel at and, of those possible foci of business activity, which ones it can execute profitably.

What are the Characteristics of the Synchronized/Destabilized Client-Provider Relationship?

Figure 1 depicts characteristics of synchronized or destabilized client-provider relationships. Maximum value is derived from the client-provider relationship if the synchronized attributes are present to a high degree. If they are at low levels or absent, the resulting destabilization can lead to conflict or disruption in, or even termination of, the relationship.

Figure 1
CHARACTERISTICS OF THE SYNCHRONIZED/DESTABILIZED
CLIENT-PROVIDER RELATIONSHIP

Characteristic	Synchronized	Destabilized
Market research respected as objective enterprise in client organization	High degree of respect	Low degree of respect
Alignment of market research project with client's and provider's visions and values	High degree of alignment	Low degree of alignment
Acceptance that provider is connected to value-creating network	High degree of acceptance	Low degree of acceptance
Economic impact of relationship	Client and provider see mutual benefit	Client and provider see impact as not beneficial
Quality of working relationship	High	Low
Use of appropriate technology	High	Medium to low
Zone of tolerance	Established and clearly defined	Not established, or established but not clearly defined
Value derived	High	Low

How Do Firms Synchronize?

Step 1: Align the provider leader and the project team with the client

Client perspective

Maximum value from the client-provider partnership can only be achieved if a good interpersonal relationship exists. Inherent in this relationship is the client and provider's ability to establish trust and confidence in order to pool knowledge that ensures all project scope requirements are successfully met, and to develop new processes for improvements or new strategies related to the project if needed. Trust and confidence is maximized when project goals, objectives, and assumptions are reviewed and agreed upon prior to the start of the project and as the project evolves.

Provider perspective

Jim Collins (p. 41) identifies "get(ting) "the right people on the bus" as one of the first steps taken by companies on the road to greatness. On the path toward a synchronized client-provider relationship, the marketing research firm must also get the "right" people on board:

The provider leader. The provider's project leader must have faith in the services that the firm provides and a commitment to providing value-added research. The leader must strive constantly to be the best, even in the face of difficulties. The provider leader must take responsibility for finding ways to add value.

The provider manager and the team. The provider leader must assign the "right" provider manager to service the client's business.

Fundamental to the provider manager's role are a dedication to research and certain key skills: building relationships, managing and coordinating team members, being attentive to micro as well as macro issues affecting the client's work. However, to choose the "right" manager for a project, the provider leader must also identify the individual who represents the best fit with the client company's values, vision, needs, and expectations.

The provider leader must also fill the other positions on the project team with the "right" people. Each team member must have the commitment, interest, and skills to excel in his or her specific role. The right team members will be open and honest, willing to generate and debate alternatives, but then to unite behind the chosen plan of action.

By thinking long term when composing the team, the provider organization does more than insure the success of the project at hand. It takes the first step towards developing a synchronized relationship.

Step 2: Align the values and the vision***Client perspective***

Successfully aligning a company's vision and values with the research objectives of the project, then communicating them to the provider helps ensure that the relationship will be in sync. Failure to do so could result in further destabilization. Aligning the company's mission and values with the research project enhances the provider's ability to better understand how the research in question benefits the client and the provider's own company. At Wells Fargo, the company's vision and values are in part to:

- Satisfy all of our customers' needs, offer them sound financial advice and help them succeed financially
- Be recognized as the premier financial services company in our markets
- Be one of America's great companies
- Recognize that serving all diverse consumers in our markets is imperative to our business success
- Promote an environment which supports a diverse vendor community and encourages vendor diversity reflective of the customer base we serve

Provider perspective

Economic pressures may incline a custom research firm to ignore misalignments between its internal vision and values and those of its client. Such misalignments are destabilizing. They increase the odds of poor outcomes and, more broadly, of a loss of the provider's investment towards achieving synchronization.

Early in the relationship, the research provider should determine whether it and the client share a vision and values to a degree that will make synchronization possible. If so, the provider should make this shared perspective explicit to all members of the provider's project team, as well as to any third-party organizations in the research value chain.

Step 3: Institute open, honest communication***Client perspective***

Communication is critical to maintaining a good relationship between client and provider. Synchronized relationships are characterized by strong interpersonal interactions and open communications between the client and provider. Destabilized relationships are those where the interpersonal

relationship between the client and provider is weak and communication is infrequent and of low quality.

The client's ability to clearly communicate to the provider the importance of the research outcomes to his/her internal clients is critical to ensuring that the client-provider relationship will be in synchronization. What value do the research outcomes have to the client's internal customers? This question comes up prior to the contract award and usually resurfaces many times during the working relationship. Failure to clearly communicate and revisit the importance of the research outcomes to the client's internal customers can lead to destabilization in the client-provider relationship.

Provider perspective

Whether a full-fledged written document or a brief memorandum of understanding, the marketing research firm's initial proposal to the client must provide a foundation for communication throughout the entire course of their relationship by exemplifying certain principles:

- Providing a clear statement of the intended outcome and application of the research
- Explaining why the proposed approach or design will best achieve the desired results
- Identifying the resources (people, money, time) to be committed
- Presenting a plan of action in which the client and the provider will work together to maximize the effort

Upon initiating the engagement, the marketing research firm must establish a schedule of formal meetings with the client. The chief executive should commit to meeting with the client at least once a year to review the relationship and explore opportunities to increase the organizations' synchronization. The provider manager may meet with the manager of the client's team quarterly or more often, as the relationship dictates.

Informal communications also play an important role in fostering synchronization. By making the communication process more "horizontal," they enhance the ease with which information can flow in both directions.

Communication between the teams will more effectively foster synchronization if the client and the provider share a receptiveness to new ideas and a demonstrated willingness to use openness and honesty for mutual benefit, rather than for punishment or retribution. Articulating – and living by – an "open door" policy will enable team members on both sides to bring problems to light and to contribute meaningfully to solving them.

Scheduled meetings and informal communications will provide the marketing research firm with ongoing opportunities to elicit feedback. Even so, the firm needs to institute a formal feedback mechanism. The process may include a written survey and/or a structured interview. Regardless of the approach chosen, the formal feedback process will be effective in increasing synchronization only if the research firm follows up with the client to agree upon improvement initiatives and, after implementing them, to communicate the results.

Step 4: Execute and deliver

Provider perspective

Many client-provider relationships fail to advance towards synchronization because the provider does not execute projects in accordance with the client's expectations.

The responsibility for the results of individual projects resides with the provider manager. Through a combination of leadership, collaboration, and direct execution, the manager works with his or her own staff and with the client's team to make sure the project gets done.

The provider manager also implements the monitoring system. When failures occur, the manager is responsible for reporting them and for activating recovery mechanisms to bring execution back in line with expectations.

Client perspective

The establishment of an agreed-upon "zone of tolerance" in the client-provider relationship impacts the degree to which value is derived from the relationship. A synchronized relationship dictates that a zone of tolerance (the space between adequate and desired level of service) be established where the client and provider agree that performance is acceptable relative to the scope, agreements, and pricing of the project. At each point in the process, the client and provider must negotiate the boundaries of acceptable performance. The inability to define and maintain a clear zone of tolerance in the client-provider relationship can lead to destabilization.

Step 5: Make continuous improvements

Client perspective

The provider's ability to utilize new approaches to deliver project outcomes to the client is key to the client's ability to derive maximum value from the relationship. In a business environment characterized by increasingly rapid change, a research provider's inability to offer new ideas, methods, and

technologies will more than likely lead to destabilization in the client–provider relationship.

Provider perspective

To advance towards synchronization with the client, the marketing research firm must take these additional steps:

- Make continuous improvements
- Build up the momentum
- Retain a focus on value

The provider must look for and commit to continuous improvement in all aspects of its operations: better people, better decisions, and better actions. Rather than sweeping changes, it should seek to make improvements in small steps. By doing so, the provider will build momentum in its relationship with the client.

As they accumulate, these incremental improvements can produce, as Jim Collins (p. 165) observes, “sustained and spectacular results.” Yet, even when such results are achieved, the provider must keep its and the client’s focus on the business value that these improvements bring to the client.

Step 6: Add value

Client perspective

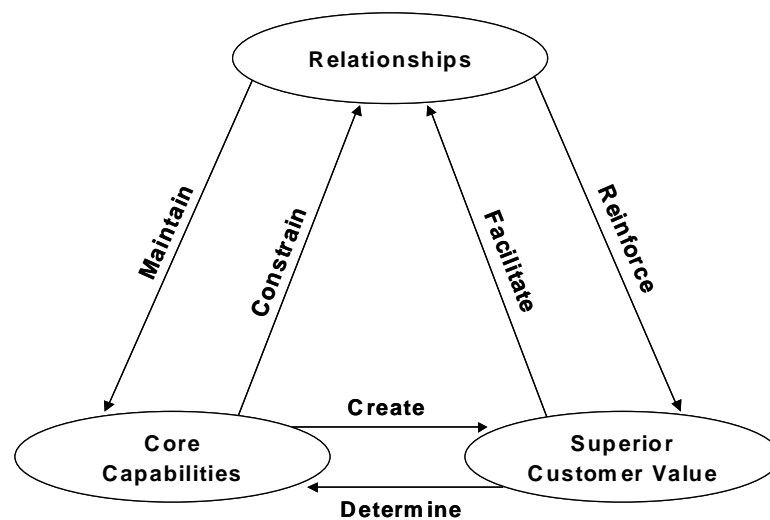
One taxonomy provided by Simon Chadwick (ESOMAR Press Release, June 2002) distinguishes five levels of value addition:

- Primary data collection
- Project management
- Insight generation from a particular study or across multiple studies
- Integration of information and insights from multiple sources
- Consultative dialogue based on “knowledge management and business decision support”

Providers themselves may add value to increase synchronization. Greater synchronization can also result when the client recognizes that the provider is part of a larger *value-creating network that has the possibility of providing superior customer value*. When managed effectively, these networks, also referred to as supply chains, value chains, or value nets (Kothandaraman and Wilson, 2000), can enhance, for example, timeliness of delivery, depth of analysis, report quality, and so forth. However, as figure 2 suggests, the value-creating network can itself present challenges to the provider (Kothandaraman

and Wilson, 2000). If the provider is unable to maximize efficiencies from its value-creating network relative to the completion of the client's project, then the likelihood of destabilization within the client-provider relationship is much greater.

Figure 2
A MODEL OF VALUE CREATING NETWORKS



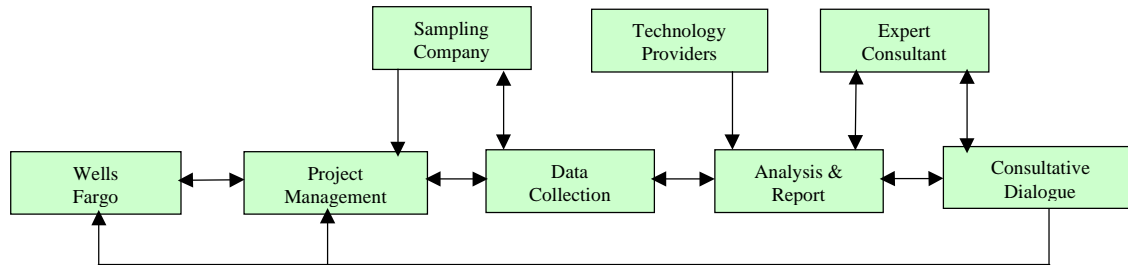
Provider perspective

Increasingly, providers face the challenge of defining the “value” of their services, not only in terms of their substantive validity or their competitive superiority, but in relation to their ability to solve their clients’ problems and to enhance their profitability. Providers who can do so command higher compensation for their services.

Value addition requires collaboration between the project leads in both the client and the supplier organizations. To achieve synchronization, both sides must feel that the relationship is important to their firms. Because value addition may expand both the scope of and the investment in the relationship, the client and the provider should be particularly thoughtful in evaluating options and committing to an approach.

Further opportunities for value addition arise from the *research value chain* (see figure 3 below). Each organization in the chain can contribute elements – speed, relevancy, innovation, etc. – that will increase the benefit to the end client.

Figure 3
RESEARCH VALUE CHAIN



EXTERNAL FACTORS

It is important to recognize that factors external to the client-provider relationship can affect the likelihood of achieving synchronization:

- *Changes in the economy and the market.* Examples of changes that have put pressure on client-provider relationships include the economic downturn and resultant cost-cutting imperatives and declining respondent cooperation rates.
- *Industry changes.* New communication and data collection technologies have rapidly expanded the pool of providers, which now includes both domestic and foreign firms.
- *Organizational changes.* Mergers, restructuring, and downsizing, as well as shifts in corporate strategy, have a destabilizing effect on client-provider relationships.

CASE STUDIES

Synchronization in the Relationship between Wells Fargo and the Blackstone Group

Overview

The research project in which the Blackstone Group is involved is a tracking study to assess Wells Fargo's performance relative to its competitors across its 23 consumer banking states. The project evaluates Wells Fargo's effectiveness in accomplishing the corporation's overarching goals and in implementing specific strategic initiatives.

Identifying the prerequisites

On the Blackstone Group's list of its five core corporate values, "Tell the truth" is number one. That value is central to both the research "products" that the firm delivers to external clients and the relationships within the organization.

The Blackstone Group continues to develop its understanding of the firm's "hedgehog concept." Important to this understanding is the firm's specialization in the services sector and, particularly, in the financial services industry. The firm's internal resources of technology for and expertise in conducting large tracking studies established conditions favorable to its objective of achieving synchronization with a client of Wells Fargo's stature.

1. Aligning the provider team with the client

When the opportunity with Wells Fargo arose, the Blackstone Group's president immediately involved himself, meeting with the client's research manager to lay the foundation of the relationship. This initial meeting made clear that the two organizations shared key values: a passion for knowledge, a conviction that research can improve business outcomes, a belief in the value of diversity, and respect for the contribution and work of every team member.

When Wells Fargo commissioned its first project, the research provider sought to create the "right" team. Despite the project's small size, the Blackstone Group's president chose one of the firm's most experienced vice presidents to manage it. He believed that the right manager – one who had deep experience in the industry and with projects of similar design – could make the relationship grow.

The research provider's project manager then assembled the right core team to work on the initial project. This team has remained essentially intact for four years. Continuity in the team's experience and knowledge, amplified by the members' commitment to finding new opportunities to add value, has been critical to synchronizing the relationship between Wells Fargo and the research provider.

2. Aligning the values and the vision

Reinforcing Wells Fargo's corporate values and vision with the provider, in this case the Blackstone Group, impressed the team members with the importance of the project.

For the past four years, it has been imperative that the client take the opportunity to share the vision and values with all of the provider's staff who will work on the project. Prior to the start of a project and during its administration, the client manager has met directly with the field staff to

communicate the purpose and value of the study for his clients within the Wells Fargo organization, to review the project specifications, and to obtain feedback.

3. Instituting open, honest communication

From the beginning, open and honest communication flowed between Wells Fargo and the research provider. Consequently, the firms have been able to resolve problems quickly without allowing them to destabilize the relationship.

Frequent meetings at many levels have provided occasions for the research provider to voice ideas and recommendations that have added value to Wells Fargo.

The client manager has also taken full advantage of opportunities to convey the importance of the research outcomes to Wells Fargo's senior management.

4. Executing and delivering

Across the four-year relationship, the research provider has delivered to the desired level of performance within the "zone of tolerance" established by Wells Fargo Corporate and Regional Marketing Research.

5. Making continuous improvements

The collection, analysis, and dissemination of meaningful competitive marketing information in an efficient and timely manner is key to the success of the project. The Blackstone Group's use of appropriate technology and continuous streamlining have facilitated increasingly rapid transformation of the data into reports to be distributed internally.

As a result of applying the continuous improvement process, the research provider has seen its relationship with Wells Fargo become stronger and deeper. Further, the steps in the process have functioned as a prescription for recovery after isolated stumbles in execution.

6. Adding value

While the Blackstone Group's project manager was planning the study's annual replication, the client intimated that a particular population segment might become a future target of opportunity. To accommodate this possibility, the project manager made modifications to the design while preserving comparability with previous years' results. He secured services from a team member with specialized skills. He also worked with the sampling company to define appropriate adjustments to the sampling plan.

The client's business objectives have continued to evolve. The project has kept pace, generating new insights and pinpointing new opportunities in emergent market segments.

In working towards greater synchronization with Wells Fargo, the research provider has also leveraged the contributions of other service providers in the value chain. By agreeing to maintain continuity in their own teams assigned to the project, these suppliers have supported the Blackstone Group's value addition efforts.

An Example of Destabilization

Shortly before the relationship with Wells Fargo began, another client company in the same industry engaged the Blackstone Group to undertake a large-scale tracking study. The study continued for four years. Company X then elected to fold a major part of the study into ongoing tracking research with another provider.

Wells Fargo and company X had similar research requirements. Each company maintained a relationship with the research provider for a similar length of time. What factors, then, contributed to the different outcomes of the relationships?

The relationship between company X and the Blackstone Group began with high expectations. The provider leader proposed a research design and approach that earned enthusiastic approbation from the client leader. However, after a move up within his organization, the client leader was unable to maintain close contact with the project. Almost a year elapsed before the client leader was able to appoint a project manager. This and other changes in the project teams on both sides caused alignment between company X and the research provider to suffer.

Weak communication was another destabilizing element in the Blackstone Group's relationship with company X. The relationship was characterized by infrequent communication overall. Very few in-person meetings took place. Contact between individuals at each level of the client and supplier teams was limited.

Missteps in execution further destabilized the relationship.

Hypotheses

Figures 4 and 5 (see following pages) aim to assess, with reasonable objectivity, the Blackstone Group's performance in serving Wells Fargo and company X during the four years of its relationship with each organization.

Figure 4
SYNCHRONIZATION / DESTABILIZATION
WELLS FARGO & COMPANY

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	
<i>I. People</i>					
<i>Provider Leader</i>	o	+	+	++	Hands on – when necessary/ appropriate, provides direction and leadership
<i>Provider Manager</i>	o	+	+	++	Same Senior Project Director provides variety of efficiencies
<i>Client Manager</i>	o	+	+	++	Same Senior Client Manger providing stability / continuity / close partnership
<i>Staff Continuity</i>	o	+	o	+	Some turnover in Field management/staff – overall fairly stable
<i>II. Plan</i>					
<i>Commitment to facts</i>	+	+	+	++	Results reported whether positive, neutral or negative
<i>Commitment to values/vision</i>	+	+	+	++	Mutual understanding of overall project goal/vision
<i>Passion for the research/subject</i>	+	+	+	++	Passion for research, expertise in insurance/financial services
<i>Focus on strengths/competencies</i>	o	+	+	+	Expertise in large-scale, on-going telephone tracking studies
<i>III. Communication</i>					
<i>Dialogue / two ways</i>	o	o	+	+	On-going dialogue throughout process
<i>Open meetings</i>	o	+	o	+	On-going interpersonal and collaborative dialogue / meetings
<i>Horizontal</i>	o	+	o	+	Weekly cross-departmental meeting and discussions with client's side as needed
<i>Timely</i>	o	+	+	+	Issues/problems confronted and resolved in timely manner

FIGURE 4, CONTINUED

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	
<i>IV. Execution/ Implementation</i>					
<i>Quality/ Consistency/ Rigorous</i>	o	+	+	++	Methodology and execution consistent across all waves; multiple quality checks in place
<i>On-time/ Ahead of time</i>	o	o	+	o	Always an issue; W3 files turned around for key annual meeting
<i>Relevant/ appropriate</i>	o	+	+	+	Questionnaire and attribute changes as needed; bank lists monitored and updated as needed
<i>Actionable</i>	o	+	+	++	Results used by client, company-wide, including ad agency; perceptual mapping added for Wave IV
<i>Use of appropriate technologies</i>	o	+	+	+	Predictive dialer, in-language interviewing, do not call list
<i>V. Economics/Value</i>					
<i>Revenues</i>	o	+	+	+	Provides and has grown revenues for BG
<i>Profitability</i>	o	o	o	o	Overhead coverage; profitable for Wave IV
<i>Value of the research outcome</i>	o	+	+	+	Provides great value to internal clients
<i>VI. Research Value Chain</i>					
<i>Sampling Company</i>	o	+	+	+	Provided sample at a competitive cost and was able to respond to sampling needs for special market segments
<i>Consultants</i>	o	o	+	o	Did additional modeling to confirm client's own internal analysis
<i>Technology Company</i>	o	+	+	+	Added predictive dialing in the second year, which provided additional efficiencies through powerful equipment
<i>Net Score</i>	+3	+19	+19	+28	

Figure 5
SYNCHRONIZATION / DESTABILIZATION
COMPANY X

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	
I. People					
<i>Provider Leader</i>	o	o	+	o	Was involved on a limited basis, somewhat reactive in nature
<i>Provider Manager</i>	+	+	+	+	Managers changed, but all did fine job
<i>Client Manager</i>	o	o	o	o	Manager changed, but clear directions always given for study
<i>Staff Continuity</i>	+	+	-	-	Turnover more on the provider side
II. Plan					
<i>Commitment to facts</i>	+	+	+	+	Results reported whether positive, neutral or negative
<i>Commitment to values/vision</i>	+	+	+	+	Mutual understanding of overall project goal/vision
<i>Passion for the research/subject</i>	+	+	+	+	Passion for research, expertise in insurance/financial services
<i>Focus on strengths/competencies</i>	+	+	+	+	Expertise in large-scale, on-going telephone tracking studies
III. Communication					
<i>Dialogue /two ways</i>	-	+	+	-	Only dialogue when problem or change in project occurs
<i>Open meeting</i>	o	o	o	o	Very few face-to-face meetings
<i>Horizontal</i>	+	+	+	+	Constant interaction among internal field, project & tab staff – limited between client & provider
<i>Timely</i>	-	-	+	+	Issues/problems confronted and resolved in timely manner, analysis sometimes delayed

FIGURE 5, CONTINUED

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	
<i>IV. Execution/ Implementation</i>					
<i>Quality/ Consistency/ Rigorous</i>	-	+	-	+	Methodology not consistent across all waves, sample incorrect in 1999
<i>On-time/ Ahead of time</i>	-	-	-	-	Field production always somewhat of a challenge
<i>Relevant/ appropriate</i>	+	+	+	+	Questionnaire and attribute changed as needed; bank lists monitored and updated as needed
<i>Actionable</i>	o	o	-	o	Data not utilized as much as possible, multivariate analysis disregarded, results not used company-wide
<i>Use of appropriate technologies</i>	+	+	+	+	Predictive dialer
<i>V. Economics/Value</i>					
<i>Revenues</i>	+	+	+	+	Provided substantial revenues for BG
<i>Profitability</i>	+	+	o	o	Small profitability due to external competition
<i>Value of the Research Outcome</i>	o	o	o	o	Client's perception of value was mixed
<i>VI. Research Value Chain</i>					
<i>Sampling Company</i>	-	+	+	+	Incorrect sample for one DMA in yr 1, otherwise fine job
<i>Consultants</i>	o	o	+	o	Multivariate consultant's work helped retain client
<i>Technology Company</i>	o	o	o	o	Able to use predictive dialer technology only on a limited basis due to smaller sub samples.
<i>Net Score</i>	6	12	10	9	

Comparing the ratings in the preceding tables encourages us to frame these hypotheses:

- The Blackstone Group's synchronization with Wells Fargo progressively improved due to the following factors:
 - * Fit between the organizations' values
 - * A provider team of "right," highly committed individuals
 - * Continuity of the team
 - * Ability to institute continuous improvement
 - * Value addition through the application of appropriate technology and the leveraging of other organizations' roles in the research chain
- The relationship with company X did not achieve synchronization for the following reasons:
 - * Client's difficulty in defining the purpose and value of the work to senior management
 - * Changes in key members of both project teams
 - * Weak communication and relationships between the members of the two teams
 - * Executional failures
- The following actions could have improved the prospects for synchronization with company X:
 - * Make a clear commitment to the client's project lead
 - * Insist on meeting in person at least once a year to review progress and performance and redefine expectations
 - * Schedule regular contacts, explicitly soliciting open and honest communication

CONCLUSIONS

The client-provider relationship is subject to factors that either aid or hinder the synchronization process.

Factors fostering synchronization include the following:

- The degree of respect that market research has within the client organization
 - The ability to align marketing research with the overall mission and vision of the client's organization
 - Recognition of the existence of a provider value-creating network
 - The client's ability to communicate to the provider the value that research has for the internal clients
-

- Understanding of the economic impact of a long-term relationship on both partners
- Both partners' ability to establish an effective working relationship
- The provider's ability to use appropriate technology for the client's benefit

The four-year relationship between Wells Fargo and the Blackstone Group illustrates these factors in action. Wells Fargo and the Blackstone Group share the view that the increasing synchronization in their relationship has brought real economic value to both organizations.

REFERENCES

Collins, Jim (2001). *Good to Great*. New York: HarperCollins.

DiamondCluster International, Inc. (2002). Global IT Outsourcing Study, Executive Summary. November.

ESOMAR (2002). In Company MR Functions: Shifting Mindsets, Broader Contributions in Decision-making, Changing Skills. Report on the First ESOMAR Managing Research for Profit Forum. June Press Release.

Gartner, Inc. (2002). *Strategic Sourcing*. Gartner Spring Symposium. May.

Kothandaraman, Prabakar and Wilson, David (2000). The Future of Competition: Value-Creating Networks. Institute for the Study of Business Markets. ISBM Report 6-2000.

Kumar, Piyush (1999). The Impact of Long-Term Client Relationships on the Performance of Business Service Firms. Institute for the Study of Business Markets. ISBM Report 12-1999.

Parmeley, J. (no date). Outsourcing Steps to Build Trust between Providers and Clients. www.midamerica.net

Rold, Claudio Da (2003). Sourcing Strategies and Relationship Models. Gartner Symposium ITXPO. European Symposium. March 10-12. Florence, Italy.

Wells Fargo & Company (2002). Annual Report.

Wells Fargo & Company (2002). *Supplier Diversity*. Minority, Women and Disabled Owned Business Enterprise (MWDBE).

Wilson, David T. (2000). "Commentary Thoughts on the Future of Business Marketing." Institute for the Study of Business Markets. ISBM Report 5-2000.

THE AUTHORS

Herman J. Milligan, Jr., is Assistant Vice President, Marketing Research, Wells Fargo & Company, United States.

Ashref Hashim is President, The Blackstone Group, Inc., United States.

