Partnering in Project Management

Factors influencing the success of unequal partnership

by

Arosha Fernando

Dissertation submitted to
Australian Graduate School of Entrepreneurship
in partial fulfilment of the requirements for the
Doctor of Business Administration

June 2007

Prof Neil E. Béchervaise (Supervisor)
DECLARATION

Originality
This dissertation is an original piece of work by the author. The thesis contains no significant amount of material that has been accepted as part of any course of study in any other university. To the best of the author's knowledge, this thesis contains no material written or published by another person or organisation except where due reference has been made in the text and the reference section of the thesis. Any help that has been obtained from people other than the author in the preparation of the dissertation has been accurately described and fully acknowledged within the body of the work.

Signed........................................................................................................

Dated.........................................................................................................
# TABLE OF CONTENT

1. Partnership as Innovative Collaboration........................................................................................................ 1
   1.1 Partnership and cultural difference ............................................................................................................. 1
   1.2 A personal perspective ............................................................................................................................... 2
   1.3 Background to the study .............................................................................................................................. 3
   1.4 Project partnering ......................................................................................................................................... 5
   1.5 The Research Question .............................................................................................................................. 5
   1.6 Research Aims and Objectives ..................................................................................................................... 6
   1.7 Justification for the research ......................................................................................................................... 6
   1.8 Methodology ................................................................................................................................................ 7
   1.9 Structure of the thesis ................................................................................................................................... 8
   1.10 Chapter Conclusion .................................................................................................................................... 10

2. Literature Review ................................................................................................................................................ 11
   2.1 Origins of Partnering ..................................................................................................................................... 11
   2.2 Purpose of Partnering ..................................................................................................................................... 12
   2.3 Partnership and alliance .................................................................................................................................. 16
       2.4.1 Definition of Partnering .......................................................................................................................... 22
       2.4.2 Partnering, joint ventures, mergers and alliances .................................................................................... 22
       2.4.3 Innovation in Partnering .......................................................................................................................... 24
       2.4.4 Partnership and mature organizations ......................................................................................................... 27
       2.4.5 Intellectual and imaginative capital ............................................................................................................ 28
       2.4.6 Elements of a successful partnering strategy .............................................................................................. 31
   2.5 Cultural factors in partnering ......................................................................................................................... 36
   2.6 Avoiding partnership failure ........................................................................................................................... 38
   2.7 Pre-requisites for avoiding partnering failures ............................................................................................... 41
   2.8 Content Analysis of Telepoint publications ................................................................................................... 43
   2.9 Nature of Available Literature and Critiques .................................................................................................. 45
   2.10 The research question ................................................................................................................................... 46
   2.11 Chapter conclusions ..................................................................................................................................... 47

3. Methodology .................................................................................................................................................... 48
   3.1 Research Question ......................................................................................................................................... 48
   3.2 Research Design ........................................................................................................................................... 48
       3.2.1 The case study in business research ......................................................................................................... 50
       3.2.1.1 Advantages of case study ....................................................................................................................... 51
       3.2.1.2 Disadvantages of case study .................................................................................................................. 52
   3.3 The case study as a research design structure ................................................................................................ 53
       3.3.1 The study question ..................................................................................................................................... 54
       3.3.2 Case study propositions ............................................................................................................................ 54
       3.3.3 The unit of analysis ..................................................................................................................................... 55
   3.4 Data collection methods .................................................................................................................................. 56
       3.4.1 Population and sample selection .............................................................................................................. 56
       3.4.2 Sampling techniques .................................................................................................................................. 56
   3.5 Interview Design ............................................................................................................................................ 57
       3.5.1 Key informant selection ........................................................................................................................... 57
3.5.2 Focus group selection ................................................................. 58
3.5.3 Key informant interviews ......................................................... 59
3.5.4 Focus Group Interview .............................................................. 59
3.5.5 Case study interviews ............................................................... 60
3.5.6 Advantages and disadvantage of interviewing ......................... 61
3.6 Data analysis methods.................................................................... 62
  3.6.1 Content analysis ........................................................................ 62
  3.6.2 Grounded theory ...................................................................... 63
3.7 Research design criteria ................................................................. 64
  3.7.1 Reliability .................................................................................. 64
  3.7.2 Validity ....................................................................................... 64
  3.7.3 Validity and generalisation ....................................................... 64
3.8 Ethical considerations ................................................................... 65
3.9 Chapter conclusion.......................................................................... 66
4. Partnering in an unequal relationship ................................................... 67
  4.1 Data collected from initial focus group ........................................ 67
  4.2 Success factors identified by focus group ..................................... 67
    4.2.1 Commitment to partnership .................................................... 67
    4.2.2 Senior Management Support .................................................. 69
    4.2.3 Operational support ............................................................... 70
    4.2.4 Leadership within partnership ................................................. 71
    4.2.5 Equal benefit sharing ............................................................. 72
    4.2.6 Organisational decision-making ............................................. 72
    4.2.7 Roles and responsibilities ...................................................... 73
    4.2.8 Governance structure ............................................................ 74
    4.2.9 Trust ....................................................................................... 74
    4.2.10 Communication ................................................................. 74
    4.2.11 Responsiveness ................................................................. 74
    4.2.12 Resource availability ......................................................... 75
    4.2.13 Skill levels ............................................................................ 75
    4.2.14 Market knowledge ............................................................... 75
    4.2.15 Technology leadership ...................................................... 76
    4.2.16 Creative solutions ............................................................... 76
    4.2.17 Change management ........................................................... 77
    4.2.18 Team work ................................................................. 77
    4.2.19 Conflict management ......................................................... 78
    4.2.20 Compatibility of organisational cultures .............................. 78
    4.2.21 Telepoint response to focus group partnership success factors ..................................................................... 79
  4.3 Small partner perceptions of partnership ..................................... 82
    4.3.1 Commitment to partnership .................................................... 85
    4.3.2 Senior management support .................................................. 87
    4.3.3 Operational support ............................................................... 88
    4.3.4 Leadership within partnership ................................................. 89
    4.3.5 Benefit sharing ................................................................. 90
    4.3.6 Decision-making ................................................................. 91
    4.3.7 Roles and responsibilities ...................................................... 92
4.3.8 Governance structure ....................................................................................... 93
4.3.9 Trust ................................................................................................................. 94
4.3.10 Communication.............................................................................................. 94
4.3.11 Responsiveness .............................................................................................. 96
4.3.12 Resource availability from Telepoint ............................................................. 96
4.3.13 Skill levels ...................................................................................................... 97
4.3.14 Market knowledge .......................................................................................... 97
4.3.15 Technology Leadership ................................................................................. 98
4.3.16 Creativity ........................................................................................................ 99
4.3.17 Change management .................................................................................... 99
4.3.18 Teamwork .................................................................................................... 100
4.3.19 Conflict management ................................................................................... 101
4.3.20 Compatibility of organizational cultures .................................................... 101
4.3.21 Small partner responses to focus group partnership success factors .......... 104
4.4 Success in partnership ........................................................................................... 105
4.5 Chapter conclusion ................................................................................................ 105
5. Towards a model for successful partnership ............................................................... 106
5.1 Success in an unequal partnership ........................................................................ 106
5.2 The research question revisited ............................................................................. 106
5.3 Evaluating critical success factors ........................................................................ 107
5.3.1 Consistent approach as a mark of commitment towards partners .................. 109
5.3.2 Senior management and operational support as elements of trust and commitment ............................................................................................................. 109
5.3.3 Leadership as willingness to share .................................................................. 109
5.3.4 Trust and cultural difference .......................................................................... 110
5.3.5 Open, regular and responsive communication ............................................... 110
5.3.6 Governance and teamwork in supportive systems development ................... 110
5.3.7 Culture as a moving target ............................................................................. 111
5.4 Strategic planning for successful collaborative project management ................... 111
5.5 Proposed changes to the organisational structure ................................................. 112
5.6 Key Success Criteria in Unequal Partnerships - a Conceptual Model ............... 114
5.7 Chapter conclusion ................................................................................................ 116
6. Conclusions and recommendations ............................................................................. 117
6.1 The research question ........................................................................................... 117
6.2 The study sample .................................................................................................. 117
6.3 The genesis of the study ....................................................................................... 118
6.4 Proposed model for successful partnering in project management ...................... 118
6.5 Conclusions ........................................................................................................... 118
6.5.1 Organisational culture clashes ....................................................................... 118
6.5.2 Transition management ................................................................................... 119
6.5.3 Communication builds trust ........................................................................... 120
6.5.4 Leadership is a shared benefit ....................................................................... 120
6.5.5 Collaborative decision-making ...................................................................... 120
6.5.6 Commitment to processes and systems .......................................................... 121
6.5.7 Partnership for innovation .............................................................................. 122
6.6 Implications for practice
LIST OF TABLES

The numbering system used in this thesis for both Tables and Figures includes the chapter number followed by the sequential number of the Table or Figure in that chapter. Hence a figure numbered 4.3 denotes the third figure in the 4th chapter.

Table 3.1 Telepoint focus group (Noms de plume) .............................................. 59
Table 3.2 Small partner companies and respondents (Noms de plume) .............. 59
Table 4.1 The Telepoint view of partnership in action ....................................... 82
Table 4.2 all partner view of partnership in action ............................................. 84

LIST OF FIGURES

The numbering system used in this thesis for both Tables and Figures includes the chapter number followed by the sequential number of the Table or Figure in that chapter. Hence a figure numbered 4.3 denotes the third figure in the 4th chapter.

Figure 3.1 Qualitative Research Approach ......................................................... 49
Figure 4.1 Success factors identified from focus group discussion ...................... 68
Figure 5.1 Proposed successful partnering model ................................................. 108
Figure 5.2: Strategic planning for successful collaborative project management: a proposed model ............................................................................................... 112
Figure 5.3: Suggested Changes to the Telepoint Organisational Structure ....... 113
Figure 5.4 Key Success Criteria in Unequal Partnerships - a Conceptual Model ......................................................................................................................... 115
ABSTRACT

The factors influencing success in strategic partnering between large and small organisations has received little research attention though it is becoming an increasingly common alternative to out-sourcing and sub-contracting in project management. This research sought to identify or confirm factors affecting the success of unequal partnerships in project management. It sought further to develop a practical model for strategic partnering in which identified factors were integrated to the mutual benefit of partners.

Based on a case study of strategic partnering between a large organization, fictionally named Telepoint, and six of its smaller partners, this exploratory study engaged a focus group to identify key partnering success factors. The initial findings were confirmed from the literature and substantiated with semi-structured interviews involving senior and operations managers involved in these unequal partnerships in project management. A modified content analysis of Telepoint was used to validate purposive informant interview data and grounded theory approaches were then applied to group confirmed success factors towards a model for strategic partnering.

Twenty success factors were identified and grouped to create a matrix of six inter-related success elements from which a model for strategic partnership was developed. Confirming that trust arose from clear communication of commitment to shared benefit through the development of appropriate systems and processes study, this study noted that the roles played by innovation and organisational cultures in unequal collaboration were integral to partnering success while recognising that the significance of small partner creativity and innovative capacity was frequently undervalued.

From a practical viewpoint, the study highlighted organisational and strategic changes that would assist Telepoint to transform its perceived partnership domination from a supplier/sub-contractor relationship to strategic partnership and increase its potential to source and maintain integrated project management partnerships for mutual benefit with its smaller partners.
ACKNOWLEDGEMENTS

There is no doubt that my DBA journey was one of the toughest journeys in my life. When I started the program, I was a Project Manager in a large organisation where ‘partnering’ played a growing role in corporate strategy. During my DBA journey, I made a leap from my Project Manager role to become CEO of the small company of 18 people which has since expanded to 500. Partnering has become the key to business success.

Establishing and running a new business made it really difficult to complete my thesis and it is only with the immense support of many people around me that I have been able to complete what seemed to be an impossible task at one stage.

I would like to thank everyone who supported me at the company I worked for, fictionally identified as Telepoint, my current organisation -Sierra Global, and all the partner organisations who provided me with the input I needed to inform my research. My appreciation extends to Andrew Tompkins for the support he has provided in the final editing of my thesis.

Completing my thesis with all these challenges would never have been possible without the continuous support, courage and guidance I have received from my supervisor, Dr. Neil Béchervaise. My sincere appreciation to Neil for all the support you have given me during the last 5 years to complete my DBA research, and also for helping me to exploit my entrepreneurial capabilities. Your support has made me a business owner and CEO of the leading telecommunication company in Sri Lanka – all while I was doing my research.

Finally I would like to express my appreciation for all the support I have received from my family and friends. Especially my wife Madhu, who has been there with me from the very beginning of the research to the very end, giving me all the support I needed to complete my thesis.

For my little son, Neathan and my baby daughter Neve, it’s been a pleasure to have you while I was doing the thesis. Both of you came to my life while I was doing my thesis. Even though it has sometimes been a bit tough to balance work, life and studies, I have enjoyed the time because you were always around.
DECLARATIONS

Anonymity

Research reporting tends to determine what are essentially and uniquely human activities involving real people doing real work. Recognising this fact, the dissertation provides its respondents and companies with fictionalised identities. As such, all people referred to or quoted in this thesis have been fictionalised to maintain their anonymity. Any resemblance to persons or organisations is coincidental and the reader should draw no conclusions as to their true identity.

Gender specific language

Gender specific language within this dissertation has been standardised to non-gender specific language where possible. In the case where this has not been possible for the purpose of style or preservation of meaning, ‘he’ and ‘him’ have been used to indicate both females and males. In the case where an oversight has occurred and the term ‘she’ or ‘her’ is used, this will also be referring to both males and females unless the context of the language use specifically indicates otherwise.

Language usage conventions

The spelling and grammar used within this dissertation is Australian English. For consistency, all spelling has been standardised to this format, excluding citations, titles of works and reference list entries. The respondents quoted directly in this dissertation used spoken English as opposed to written English to explain their thoughts and ideas regarding the questions asked. The spoken language has been modified in this dissertation to transcribe it to written form, including a process of removing any content that does not directly add to the meaning of the message (for example, ‘ums’, pauses, conversational grammar). In all cases where this has occurred, the respondent has been given the opportunity to review and confirm the meaning of the quotation represented in the written form.
1. Partnership as Innovative Collaboration

How corporate giants can work more successfully with small entrepreneurial firms in transition from supplier/subcontractor to strategic partnership.

1.1 Partnership and cultural difference

Whether companies form strategic alliances, joint ventures or formalised partnerships, the concepts behind their collaborations are similar in many ways. Partnerships are established to share skills or technology; to capture markets and gain competitive advantage, or to increase productivity. For some large companies, the ‘corporate giants’, partnership can be one of the simplest sources of access to entrepreneurial spirit.

Large corporations frequently enter into strategic partnerships with small companies to add new energy to their organisation, to attract entrepreneurs by encouraging entrepreneurial strategies across the newly established partnership. In the process, some of these organisations generate units with an increased capacity for entrepreneurship. They establish innovative collaborations and leverage the innovative ideas of small entrepreneurial firms.

Regardless of whether the reason for partnership is to encourage innovation, gain strategic advantage or access increased skill, successful partnering arrangements are influenced by a wide variety of factors. Most of these factors are associated with cultural differences between the partnering organisations.

This thesis provides an exploration of the particular factors contributing to successful partnership between companies where cultural differences and similarities between the partnering organisations may be seen as a significant function of their size difference. The organisational culture may be similar between partners, or completely different. Where the cultures are different, it is important to understand whether this difference influences the success or failure of partnerships. For practical purposes, the aim of the study is to identify issues mitigating against partnership success and to establish strategies to minimise partnership failure between large and small organisations.
1.2 A personal perspective

When I started this thesis, I was part of the large multinational organisation upon which this case study is based. Now I am leading one of the much smaller organisations which also forms part of the study. I have been lucky enough to see the both ends of the partnership and to understand the enormous separation between the cultures of two different worlds. The cultural differences between the two are enormous. For Telepoint, small partners were irritating variables to be controlled. For the small company I now work with, the big partner is a ‘giant’. We are expected to just ‘follow the way’. Not because we are fundamentally motivated by Telepoint partnerships but because that’s the only way we can gain and retain business. We work really hard to make our giant partner happy. In many instances, we are not completely satisfied with the way we are treated.

Having moved from project management in a large organisation to the leadership of a smaller business that partners strategically with large organisations, I now have an increased understanding of 'the other side of the coin'. I recognise that Telepoint is often less than satisfied with the way our much smaller company performs. Insights into these two worlds have helped me to analyse the way both parties feel and to make relatively less biased business decisions to maintain partnership.

From my own experience, cultural differences in operation, management and individual expectation are common, even between different departments within the same organization. When two organizations start working together, the importance of clarifying cultural differences between the partners is even greater. In the current business climate, understanding these cultural differences between organizations and working towards common goals is something that organizations appear to be doing every day.

Specifically, when two different companies join together in a partnership, they need to minimise any negative impact that can arise through their partnership. Those who identify potential differences before entering a partnership and suggest strategies to overcome the impact of these cultural differences can optimise their collaboration by selecting partners with similar values and cultures. This option, however, has the potential for bringing little that is new to the organisation. A large bureaucratic company, and a small innovative organisation, on the other hand, may have little in
common across their corporate cultures. Recognising and understanding the cultural differences between two such disparate organisations early, can lead to implementing strategies that reduce, or even overcome, potential barriers to success. With experience in both worlds, I expect to contribute, through the findings of this research, to an improved understanding of factors influencing partnership success between large and small organisations.

This study aims to identify specific factors influencing the success of the partnership arrangements between large and smaller organisations, to evaluate the impact these factors can have on the partnership and, as a result, to suggest a strategic framework to help both partners in minimising differences that lead towards avoidable failure.

This thesis proposes strategies to improve partnership between large and small companies, and proposes a strategic model for identifying and selecting appropriate partners, and for monitoring the progress of partnership within an organisationally sensitive collaborative framework.

1.3 Background to the study

Generally, it appears, large organisations assess partnership success as domination, even subjugation, of the smaller company. This seldom represents a measure of success for the smaller company.

For the purposes of this study, partnership is a relationship where partners make substantial investments of resources in developing a long-term relationship to deliver value-adding solutions that meet customer needs. There appear to be four key drivers towards partnership in the current marketplace.

- The accelerating rate of change in technology
- Customer demand for total solutions from a single supplier
- The need to maintain focus on areas of business strength
- Encouragement of innovation and entrepreneurship.

These four drivers appear to dictate a need for large organizations to establish strong
and effective partnerships with other key organisations in the industry.

If organizations are to provide the best total solutions to their customers in an aggressively competitive marketplace, they must be able to collaborate with other enterprises that can provide products and services, and complement their existing business expertise. Partnering research, in this evolving marketplace needs to focus on developing processes and methodologies that will allow organisations to quickly identify, accredit and work with key companies who can help each other in providing total solutions for their customers.

One of the major causes of unsuccessful partnership appears to be poor management of the cultural differences between partner organisations, especially in partnerships between a large organization and a small local organisation. Many factors have been identified individually in previous research on partnership between large organisations and small organisations. However, little empirical data has been presented to establish whether partnership between large and small companies can be successful.

This study identifies and assesses partnership success factors presented from previous research and commentary, establishes a range of previously unidentified factors impacting on partnership success and proposes strategies for partnership success between large and small companies.

The research reported in this study identifies factors influencing partnering success between a large multinational organisation [fictionally named Telepoint] and smaller companies providing specific project capacities. This organisation is increasingly using project partnering to access expertise while reducing staffing levels and project specific cost overheads as ongoing budget line items.

The thesis argues that identification and assessment of the complex range of factors influencing successful partnering strategy will help both parties to gain benefits from the partnership.
1.4 Project partnering

With its apparent potential to reduce cost overheads, project partnering is becoming more popular everyday. Many organizations now establish alliances for the purpose of delivering projects. Many of these are initiated for short-term projects. Some lead to longer-term partnerships. Others are initially established as long term partnering strategies. Whichever way the organization chooses to go, partnering strategies need to be implemented carefully to meet the objectives of both parties if a sub-contracting relationship is to be avoided.

From my extensive background as a project manager with a large organisation, I experienced both successes and failures through project partnerships. This research aims to establish the reasons behind these successes and failures, to increase understanding of the critical factors influencing success, and to suggest optimising strategies for implementing partnering agreements between large and small companies.

1.5 The Research Question

This research provides an exploratory study of critical factors influencing the success of strategic partnership from the perspective of project management and evaluates the importance of these factors. It then proposes a model for partnering success between unevenly sized organisations. In doing so, the study is designed to answer the research question:

*What are the critical factors influencing the success of the partnering relationship between a large organisation and a small organisation?*

Deriving from the a clarification of these factors, and within the scale limitations of this study, it was further aimed to provide an increased understanding, of the question,

*How do these success factors need to be applied in an unequal partnership to foster project management success?*
1.6 Research Aims and Objectives

The conjoined aims of this study have been to:

Identify improved means of developing effective partnering strategies

and, as a result, to:

Provide a working model for new partner selection and collaborative project management.

To achieve these aims, the following specific objectives were identified as essential to the design of the study:

- Identify the critical factors that influence the success of Partnership between Large Companies and Small Local Companies
- Determine the impact of these factors on Partnerships in both the short term and long term
- Provide suggestions and recommendations to optimise the influences
- Integrate the findings into a strategic plan for collaborative partnership.

1.7 Justification for the research

Acknowledgment of the factors that promote success in Partnerships assists organisations to optimise the anticipated outcomes from their Partnerships. These factors can then be used to demonstrate models of successful practice in Partnership and to provide the basis for strategic planning development that anticipates potential differences between partners.

There are many differences between small companies and large companies. As long as they work within their own organisational cultures, these differences can be consciously minimised as each organisation recognises and understands its differences from its partner/s and moves forward.

Understanding and accepting difference can be extremely difficult. Its effective management is crucial to the achievement of shared project goals. Poor or incomplete understanding of differences in a partnership, on the other hand, can lead
rapidly to loss of morale, loss of trust between partners and an increasing failure to communicate concerns. Partners need to be able to identify and understand their key points of difference.

Sometimes both partners have to compromise to achieve shared objectives. If they are not ready to do so, and if large company decides to dominate the situation, successful outcomes become increasingly unlikely and the health of the partnership is jeopardised.

Sometimes large companies enter partnership with new companies to encourage innovation, then demand an adjustment to their large organisation culture -to work like them. This almost invariably destroys the purpose of bringing them in the first place. Large companies refusing to appreciate the culture of the small organisation, the need to work together, and to make decisions collaboratively are effectively engaging subcontractors. As such, their operation falls outside the scope of this study.

This study explores partnerships between the large multinational corporation, Telepoint, and six small to medium Australian enterprises. It examines how they became successful, or why they failed, in their partnering agreements. It establishes the factors that led to success or failure, and evaluates the roles of the most critical factors. Based on the research findings, the study proposes a strategic plan for building and maintaining successful partnering relationships between large and small companies.

1.8 Methodology

In the essential absence of previous work in this particular field, an exploratory research design was established applying qualitative research principles within a modified case study framework to identify factors impacting partnership success.

In a two-stage study design, semi-structured interviews with a selection of key informants were used to establish the scope of the study and to provide an initial identification of factors considered integral to the study. These factors were identified through the application of a modified content analysis and the findings were presented to selected focus groups, at the second stage of the study, to establish construct validity and practical applicability.
Stage one interviews were undertaken with key managers in the large company, Telepoint, and in the two small to medium sized companies, Minnow and Blowfish who had, or who planned to, set up partnership. Supporting the key informant interviews, customers affected, or about to be affected by the partnerships were invited to add to and/or confirm factors identified as influential in partnership. Following content analysis of stage one data, factors identified as influential in partnership success were presented to selected focus groups to provide content validation of the initial interview findings and to provide insights into factors influencing Partnership success between Large and Small organizations.

Stage 2 findings were then synthesised to generate a proposed strategic plan for the identification of appropriate partners and the initiation and implementation of project management partnerships with an optimised potential for success.

1.9 Structure of the thesis

The research which forms the basis for this thesis is reported in three parts:

Part 1 of this thesis is developed across three chapters and provides the context within which the research study was undertaken.

Chapter one provides an introduction to the topic, a background for the research, and an outline of its objectives and anticipated outcomes.

Chapter two contextualises the study within the existing literature of Project Management and Mergers, Acquisitions and Partnerships. Recognising common elements of concern during partnership formation and failure, the review then contextualises partnership concerns within the field of Organisational Culture to identify the research question and to establish the specific research objectives that need to be examined to provide an appropriate response to the question.

The exploratory research design developed to answer the research question established in Chapter two is described in detail in Chapter three. Part one of the thesis concludes with a detailed description of the organisations involved in the case study, the key
informants to stage one of the research design and the composition of the focus groups informing stage 2 of the design.

In Part 2, Chapter 4 provides an analysis of the findings from the study and propose a model for the application of these findings within the study context. To identify the critical factors influencing the success of the partnering relationship between a large company and a small local company, a case study of strategic partnering was conducted between a large corporate giant – fictionally identified as Telepoint, and its strategic partners randomly selected from each of the Telepoint business areas.

The qualitative exploratory approach was designed to establish practical conclusions to be integrated into organisational strategic planning for the success of partnering arrangements.

A content analysis of organisational publications informed the data analysis. This analysis established the partnering strategies currently used by the organisation as the basis for a more comprehensive partnering model for the future.

Chapter 5 proposes a strategic framework for successful partnering between large corporations and smaller entrepreneurial firms with specific reference to Telepoint. The proposed framework offers a partner selection model, criteria for partnering success in such arrangements, and strategies for both parties – large and small companies to benefit from partnering, will be provided.

Part 3 of the report (Chapter 6) integrates findings from the data analysis and literature survey to confirm current understandings of partnership and tentatively suggests the potential for grouping factors to present an integrated approach to partnership selection and management.

Chapter 6 not only proposes that partnering strategies need to be built in to an organisational strategic plan, but also that they should be supported within an appropriate structure. Use of a proper structure, approved partner list, and project based partners are critically discussed in drawing the conclusions to the study, where the importance of a proper controlling and monitoring is recommended for continuing
success. Guidelines and templates for strategic planning purposes are recommended for practical application in similar collaborative arrangements.

Finally, Chapter 6 provides a series of recommendations for further research and for practical application of the findings of the study.

1.10 Chapter Conclusion

This introductory chapter has provided an introduction to the study and discussed the research question, background, research objectives, methodology and outline of the report. Chapter two provides a review of the three literature bases used to establish the research question and provide a basis for the research design needed to inform the research question.
2. Literature Review

This chapter provides a critical review of existing literature to establish currently accepted processes for implementing successful partnering strategy. It then seeks to identify principles for partnering between large and small organisations. To inform this discussion, a content analysis of Telepoint documentation is provided before the research question (see 1.5) is identified as a culmination of the review.

2.1 Origins of Partnering

In search of success strategies in partnering, it is important to acknowledge the origins and history of the partnering concept and its application.

Clay, MacNaughton and Farnan (2004:42) provide a detailed history of partnering from which they argue that the partnering process was initially created in the US construction industry and extended into the military. From this viewpoint, they observe that,

The 1996 "Partnering Guide for the Environmental Missions of the Air Force, Army, and Navy" discussed partnering in the following terms:

“One innovation that has proven successful in improving our performance during the past few years is partnering with construction and architect-engineer contractors. While our past efforts have been primarily directed toward improving relationships with contractors, the principles of partnering can be applied to every project, involving all stakeholders in the process. The essence of partnering is promoting a cooperative attitude and the active pursuit of common goals by the parties involved”. (Clay, MacNaughton and Farnan, 2004:42)

According to Clay, et al (2004), by the mid-1990s, partnering had become a mainstream business practice in the construction industry. Partnering has been particularly successful in large government projects requiring substantial amounts of
project financing. These projects incorporated partnering into their project specifications or requests for proposal and partnering is now often incorporated from the inception to the completion of the project.

Various partnering arrangements are implemented by today’s organizations all around the world and it has become an integral part of day-to-day business. In construction projects, partnering has been widely used to manage the complex nature of projects. It is also successfully applied across different industries in a wide variety of projects.

Clay, *et al* (2004) confirm that,

To date partnering has been used mainly in the construction sector. But it has wider application because its principles -good communication, cooperation, collaboration, common goals, dispute avoidance and resolution -are universal. Adapted to particular purposes, partnering has untapped potential to benefit business, government and civil society organizations in many different kinds of complex, long-term projects. (Clay, MacNaughton, Farnan 2004:42)

In essence, partnering promises reduced costs, increased potential for active expansion and the ability to draw on specific expertise on a just-in-time basis. It increases partner capacity to engage with complex projects while at the same time, introducing the risk of disagreement and mismatched purposes.

### 2.2 Purpose of Partnering

The smartest companies know it's usually unwise to go it alone. They also know who to team up with and how to forge strong relationships so everyone gets ahead. [because] After all, sharing is most satisfying when everyone makes money.

(Haiken, 2006:23)
The partnering relationship is similar in nature to a strategic alliance. It can take many forms. As a result, partnering is used by different organisations for different purposes.

According to KPMG research (2000), a business relationship between organisations is an excellent way to share risks, to pool strengths or to integrate business functions for mutual benefit.

A KPMG survey (2000) summarises the key reasons for partnering and offers the following answers to the question, “Why is co-operation necessary?”

- Access to knowledge: R & D, complementary technology, share know how
- Access to new market: market knowledge, local party required
- Efficiency: scale, specialised partner
- Clients do not want products, but tailored solutions: satisfy a need, not a demand (KPMG 2000:4)

Ledger (2003) believes that in collaborative working arrangements, the owner and the alliencing partners jointly share risk so they collaborate to break down any perceived barriers to success. Similarly, they work to facilitate the creation of a culture of trust and open communication, jointly discussing the problems and their root causes and finding joint solutions, feedback, and a desire for continuous improvement.

This allows for more informed decisions to be made based on what is best for the project, not just for one stakeholder. As a result, claims are avoided because difficulties are ironed out in a cooperative, collaborative way. (Ledger, 2003:38)

The purpose of partnering is to establish a relationship that has ‘win-win’ as its objective. This is very important in partnering between large and small companies as, in most reported cases, large companies dominate their smaller ‘partners’. In this respect, cultural differences between large and small companies are prone to make a significant impact on the partnership. In consequence, it is important to understand the importance partnering by both parties, not only by the small players, to make it work.
As Handy (2001) observed,

> Nowadays the idea that any corporation can do anything on its own would seem expensive arrogance. Partnerships and alliances are in, airlines code-share, automobile companies pool their purchasing, and elephants marry their competitor elephants in order to boost their clout or their research budgets. (Handy, 2001:11).

Handy (2001) colourfully identifies several of the many reasons for partnering. This study focuses specifically on factors influencing successful partnering relationship between large companies and small companies, where partner relationship may benefit both Handy’s elephant (large company) and its fleas (the small company).

According to Haiken (2004), for a midsize company looking to grow, an alliance with a much bigger company can be like grabbing onto the back of a train. Haiken describes the partnership forged between Acxiom, a leader in customer data mining, and Accenture, a global management-consulting firm. Based in Little Rock, Arkansas, Acxiom provides customer data to everyone from Ford and Nissan to Condé Nast and Blockbuster. Accenture — the Bermuda-based consultant to an A-list of multinational telecommunications, energy, aerospace, and financial services firms — is now embedding Acxiom’s customer database directly into Accenture’s client-specific customer-relationship management solutions. In other words, Accenture is taking Acxiom with it all over the globe.

Haiken’s (2004) exemplar highlights one key purpose, among many, for partnership. Regardless of whether a partnership is between competitors, large and small companies, sellers and buyers, or any other two parties working together, the purpose of setting up a successful partnership is the same - achieve more and more benefit from the partnership, rather than doing it individually.

Nortel has recently made a decision to team up with a partner in Europe to expand its marketing activities in South-eastern Europe. They plan to set up a joint venture
with consulting house Southeast European Communications and Investments Inc. (SECI). The new unit, to be called Nortel SE, reportedly will open offices in Bulgaria, Macedonia and Serbia, and it will hire a sales and marketing staff of about 30. The operation will be responsible for driving Nortel sales in Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Serbia and Slovenia. (TelecomWeb News Digest, 11/30/2006)

It is important that the purpose and the goals of the partnership are clear from the very beginning. According to Clay, MacNaughton and Farnan (2002), project participants and their employees must share the same goals and develop good communications strategies so that they can discuss and resolve any bumps in the road if they are to minimize the potential for disputes. In this respect, partnering is a technique that can help achieve agreed ends. Clay, et al suggest that partnering can minimize conflict and, at the same time, maximize the capacity of project participants to discover new efficiencies and opportunities, while creating new value for the participating stakeholders.

Cappels (2004) says that the project partnering process, in particular, creates a new team-building environment that fosters better communication and problem solving and a mutual trust between the participants. These key elements create a climate in which issues can be raised, openly discussed, and jointly settled, without getting into an adversarial relationship. Through this process of teamwork and problem solving on a project, the goals of project team members and project partners can be achieved in the areas of safety, quality, schedule, budget, and disputes. Both the contractor and the subcontractor benefit through improved teamwork and the achievement of mutual goals.

Commenting on the relationship nowadays between corporate elephants and their fleas, Handy (2001) says,

You can see the formula at work everyday. Elephants are marrying or swallowing their one-time competitors and simultaneously slimming down. Banks, oil companies, pharmaceuticals, automobile and insurance firms are doing it. General
Electric, the biggest elephant of all, swallowed 1,700 companies in fifteen years under Jack Welch. (Handy, 2001:63)

In partnering, it is expected that elephants and fleas will work together - rather than elephants taking over the fleas. To achieve this, it appears, there is a need for relationship management between two different companies which can be more challenging than taking over a company and running it as part of an existing organisation. At this point, cultural differences between elephants and the fleas play a key role in the success of partnership.

Cappells (2004) argues that companies use a partnering/team-building process to encourage the most productive teamwork from project inception through conclusion. It is based on experience and the practical application of a transformational quality. By using this structured process, team members create a mutual strategy for communications, commitment, and follow through.

Experience shows that partnering/team building adds value to every project and creates these benefits:

- Expedited projects through open communication
- Improved quality through team commitment to quality measurements
- Increased opportunities for innovative, value-added design changes
- Improved customer satisfaction through team commitment to exceed client expectations
- Increased team camaraderie, improved levels of trust and openness

Essentially, partnerships are developed to improve market access, to increase specialist capacity and to increase profitability. To achieve these ends, partnerships need to establish cooperation and collaboration to achieve commitment through improved communication.

2.3 Partnership and alliance

There are many similarities between alliancing and partnering. Partnering can be relatively distinct in terms of team-commitment so that cooperation is the resulting relationship. Partnering can also be more organisationally integrated with teams
collaborating closely operating under separate risk and reward profiles to achieve aligned objectives. However, in a partnership, teams or team members can still be left unaided to sink or swim if circumstances turn against them. In an alliance, it is argued, there is a coalescence of intention between organisational team members with shared risk and reward schemes that are dependent upon the level of project rather than individual success attained in meeting customer needs. (Walker, Hampson, Peters. 2000:9)

Outsourcing and Partnering, similarly, can sometimes overlap -though there are some major distinctions between the two. Outsourcing is paying for a service. Partnering involves sharing risk and liabilities, but also profits and rewards. A partnering agreement can be tested, tweaked, assessed for its worth and broken. “Strategic Partnering is outsourcing with an attitude” (Peterson, 2000:23). It's not about getting rid of some functions in the organization, but an arrangement with someone who can execute a task and work to develop strategies to leverage the company’s strength.

In a “Partnering Capability” survey by Price Water House Coopers (2000), respondents were asked to discuss their experiences of cooperative alliances, joint-ventures and consortia. Co-operative alliances often focused on the development of individual licensed modules or on co-marketing, co-promotion, or any other co-operative alliance types. The survey defined consortia as being where more than two partners involved in a network used one of the above alliance types. Price Water House Coopers reported that 59 per cent of joint ventures and co-op alliances did not meet expectations while 90 per cent of consortia did not meet expectations.

Many companies partner with suppliers to improve supply chains. Corbett, et al, (1999) suggest that,

Processes to solidify and streamline supplier-customer relationships can result in mutually beneficial commercial success, and by working closely together, companies and their suppliers can create highly competitive supply chains. (Corbett, Blackburn and Van Wassenhove, 1999:17)
In the organizations that have been researched in this project, some companies are the partner suppliers in some instances. Understanding the theory behind partnership with suppliers can lead to gain new knowledge through the interviews conducted during this research. Corbett, et al, (1999) also suggest that these partnerships yield major benefits; increased market share, inventory reductions, improved delivery service, improved quality, and shorter product development cycles.

Alliances occur between two companies at different points in the value chain. They get together because one supplies the other with some component that is missing. (Botkin and Mathews, 1992:28)

Cappels (2004) sees the benefits of partnering with suppliers, and suggests it will provide answers to the common questions many companies face today.

Many companies have learned that it is not always beneficial to shop around for the lowest price when seeking suppliers. Often, a supplier will bid low to get new business with the hope of keeping the customer while it recoups its initial loss-leader pricing. When switching to a new supplier, that supplier will most likely experience a learning curve. Often total cost will exceed that of the original supplier, when including the additional effort necessary to break in a new supplier (Cappels, 2004:84).

He suggests that key benefits of partnering with suppliers require that:

- Suppliers will work extra hard and pull strings (e.g., expedite schedules) for a company that has been its bread and butter in the past years
- Companies can alert suppliers to new trends and requirements in advance, allowing smooth transition to new processes.

Cappels (2004) argues that the longer a supplier and company work together, the more the learning curve allows processes to become finely tuned while procurement system refinements result in a better bottom line for both companies.
Ledger (2003:38) suggests that under traditional contracting, suppliers and contractors compete for contracts based on price. When contractors and suppliers are selected based on the lowest bid, they can end up working for inadequate profit margins. Accordingly, they may have insufficient resources to perform the job adequately, let alone to improve the quality of their products and services, such as by hiring more qualified personnel, or investing in new equipment or training. Ledger suggests that this can be avoided by collaborating with suppliers through partnering and alliancing.

Toyota is a great example for achieving a successful collaboration with its suppliers. According to Teresko (2006:40), Toyota believes that, “there’s more value to be gained by collaborating with a supplier than by merely harassing them on cost.” Toyota maintains supplier collaborations with many aspects of production until the product launch and post-launch activities.

Another form of partnering includes private-public partnering. A US case study with the Department of Commerce explains the importance and use of private public partnering by the US government. Presenting this case, Broady (1996) says,

> Government agencies are adopting a new paradigm for technology partnerships. They are experimenting with and adopting a new model of public-private partnership, in which the private sector is recognized as the government’s partner in cost-shared technology programs. (Broady, 1996:124)

Broady (1996) confirms that, with this new paradigm, these partnerships have enhanced the effectiveness of the government technology projects.

### 2.4 Partnering and project management

According to Ledger (2003:38), partnering describes a cooperative relationship between the owner of a project and a single supplier or contractor, whereas alliancing describes a collaborative relationship between the owner and multiple suppliers or contractors. Ledger suggests that, under collaborative working relationships (both partnering and
alliancing), the key stakeholders unite with the common purpose of completing a successful project and they change the traditional contractual and organizational framework of the contract to facilitate this goal.

Ledger (2003) argues that collaborative working arrangements break down established barriers to success and facilitate the creation of a culture of trusty open communications feedback and a desire for continuous improvement which can help achieve dispute-free project completion.

Walker and Hampson (2000) also differentiate project partnering and alliancing. Project partnering, they argue, is not the same as project alliancing, though it is used to achieve the same end results; successful delivery of a project. In Project partnering, aims and goals are agreed and dispute resolution and escalation plans are established but partners retain independence and may individually suffer or gain from the relationship. In contrast, the parties to an alliance form a cohesive group entity which share risks and reward to an agreed formula (Walker & Hampson, 2000) In projects, partnering is not treated as a mere contract. According to Hellard (1995), it is a process that attempts to establish working relationships among stakeholders through a mutually developed, formal strategy of commitment and communication. It attempts to create an environment where trust and team work prevent disputes, foster a cooperative bond to everyone’s benefit, and facilitate the completion of a successful project.

A case from Arizona Department of Transportation (Wargin, 1992) confirms that establishing a ‘Partnering’ project may provide an interesting definition on Partnering and the way they expect the ‘Partnering’ to work. Wargin reports the goal of the process as being to minimise delays created out of contract disputes and questions, and the elimination of lawsuits that arise from disputed contract agreements. Wargin reports the Arizona Department of Transportation definition of ‘Partnering’ as a process of working together to avoid and solve problems at the lowest level of authority as soon as they happen.

Many authors have discussed factors influencing the success of partnering between
large and small companies. Botkin and Mathews (1992), for example, have proposed no less than 12 principles of successful partnership.

Large companies have discovered that to be effective in these turbulent times, they must be strong and, preferably, first to respond promptly to emerging technologies and market changes by rapidly developing and producing innovative new products and services (Botkin & Matthews, 1992).

They can achieve these goals most easily, it is argued, by collaborating with small innovative companies to establish innovative collaboration through outsourcing, alliancing and partnering.

In most areas of Project Management involving novel practice or product development, innovative collaboration offers new knowledge, expertise, and new ways of working towards success. Collaboration with small entrepreneurial firms, Botkin & Matthews (1992) suggest, is vital to success in today’s fast changing and complex new technology projects.

For each the stakeholders in a project, however, partnering is a highly leveraged effort. It may increase staff and management time up front, but the benefits accrue to create a more harmonious, less confrontational progression towards successful project completion without litigation and claims (Hellard, 1995).

In effect, there is broad agreement, in project management at least, that alliance and partnering fulfil similar roles and generate similar difficulties. The fact that the terms are rather differently understood by Handy’s (2001) elephants and fleas, however, offers considerable potential for both confusion and disappointment over the outcomes. From their alleged beginnings in the construction industry and American armed forces (Clay, et al, 2004), collaborative partnerships are becoming increasingly popular in project management and many organizations now consider them as essential for successful tendering.
2.4.1 Definition of Partnering

For the purposes of this study, partnering has been accepted as,

… the creation of cooperative business alliances between constituencies within an organization and between an organization and its suppliers and customers. Business partnering occurs through a pooling of resources in a trusting atmosphere focused on continuous, mutual improvement. (Poirier and Houser 1993, p.56)

According to Van Winkle (1996), however, partnering has no legal foundation.

Partnering (ACT) is an attitude that must be shared by all parties, which allows extensive Communication, through which Trust among all the players begins to build. The initiation of trust improves the players’ Attitude, which encourages even better Communication, which builds more Trust. The recycling of this process continues utilising this ACT of working together to cause a favourable cost/beneficial result for all of the players. (Van Winkle, 1996, p. 83)

Telepoint is now using partnering for the management of projects between itself as a large organisation and small partners. In the manufacture of some of their products, they have aligned with technologically strong partners. For reasons of access, the focus of this research has been restricted to projects where the partnership between large companies and small local companies is clearly exemplified (see 3.5.2).

2.4.2 Partnering, joint ventures, mergers and alliances

Joint ventures, mergers and alliances are among the most common types of partnering arrangements. In the field of project management, it seems generally agreed that,
Partner relationships can take many shapes, from simple supply-chain or distribution deals to complex joint ventures involving multiple parties. But the point is to join forces with someone whose skills or connections allow you to accomplish something bigger, faster, or better than you could on your own (Haiken, 2006:23).

Based on the purpose of partnering, Ledger (2003) differentiates project partnering and strategic partnering. He suggests that many collaborative working arrangements can be established for a specific project (project partnering) or as a long-term alliance for a series of projects or an entire investment program (strategic partnering).

Clay, et al (2004) differentiate organizational partnering from project-specific construction partnering through the differing goals of the stakeholders. On construction projects, the goal usually appears to be reasonably well defined - to complete the project in accordance with contract specifications in a manner profitable to all participants. With organizational partnering, the goals may be less easy to define, particularly if the parties are not clear on what they want to achieve.

In this research, both organisational and project aspects have been considered in partnering as Telepoint is using partnering in projects involving organisations with different organisational cultures. In consequence, studying only one aspect will not meet the emerging requirements of this study. Instead, the different ideas and strategies used by different divisions of Telepoint will be taken into consideration as factors influencing partnering success.

Because, as Clay, et al (2004) suggest, the partnership transaction involves different divisions of the same company, each division may have a different idea of success. At Telepoint, what Telepoint believes should be the goals (e.g., higher profits, greater market value, or greater market share) and strategy (e.g., expansion, acquisition, innovation) may be viewed very differently internally by divisions seeking to maximize turf or their own bottom-line contributions (or both).
Organizational partnering, according to Clay, et al (2004), can help refocus Telepoint’s divisions on Telepoint goals, re-establish their commitment to Telepoint mission and goals, and create a stronger sense of teamwork and dedication. Nevertheless, the confusion of expectation between large and small partners remains largely unresolved.

2.4.3 Innovation in Partnering
Some organisations use partnering arrangements to encourage innovation. It is now becoming more popular than ever.

Market conditions are changing, world-wide and at an enormous pace of globalisation, increasingly diverse customer needs, and a growing complexity of environment. More and more, companies respond to these changing conditions by setting up strategic alliances. They find it’s a smart way to grow. (KPMG 2000:4)

Many firms enter into partnerships with technology partners to encourage innovation. This trend can also be seen in the government sector across the world. Using a case study completed in the US Department of Commerce, Broady (1996) observes that partnerships between the US government and private firms stimulate innovation and competition. In a report to the congress on technology partnering, he observes that in addition to leveraging federal R&D and catalyzing long-term, high-risk research, the U.S. private sector has called for other government actions to improve the business climate, especially through reform of federal tax and regulatory policies. The goal of these technology policy–related proposals is to reduce the high costs and technical risks that can impede innovation, through changes in federal regulations and product liability laws, new incentives for capital formation, and other initiatives.

Through strategic alliances and internal synergies, innovative camera maker, Olympus Corp’s Life Science Group is bringing next-generation medicine out of the lab and to the patient (Fortune, 2006).
Olympus group says that, in order to keep pace with the rapid evolution of the life science industry and the complexity of the technology involved, strategic alliances that boost efficiency and speed have become more important than ever. In addition to their corporate partners, they have also partnered with universities and other organisations to encourage innovation.

According to Walker (2000), an important aspect of the partnering or strategic alliance philosophy is innovation, capture of knowledge and lessons learned. He suggests that innovation has been identified as a critical need for today's construction industry. It is similarly important to understand the importance of innovation for the projects used in this research—to understand how partnering can be used to encourage innovation in the IT and Telecom environment.

In the last ten or fifteen years a great many large American companies have tried to go into joint ventures with entrepreneurs. Not one of these attempts has succeeded; the entrepreneurs found themselves stymied by policies, by basic rules, by a 'climate' they felt was bureaucratic, stodgy, and reactionary. But at the same time their partners, the people from big company, could not figure out what the entrepreneurs were trying to do and thought them undisciplined, wild and visionary (Drucker, 1995:160).

Ledger (2003:39) confirms that collaborative working arrangements strongly promote efficiency, innovation, creativity, and better integration of functions.

Some large companies partner with small companies to increase the company’s ability to be imaginative and creative. To bring new knowledge, imaginative capital and intellectual capital of small entrepreneurial firms! (Ledger, 2003:39)

According to Business WEEK (1999), Accenture reports that alliances and partnerships will represent between $25 and $40 trillion in value by 2004 and that the average large company has now in excess of 30 alliances. Some companies such as Corning Glass are well known for their alliance strategies. Oracle is reported to have over 15,000 alliances, whereas IBM and AT&T have each more than $30 billion worth of alliances, most of them concluded in the late 1990s.
According to Kanter (1983),

To initiate and implement an innovation, people need that extra bit of power to move the system off the course in which it was heading automatically. As long as people are merely the custodians of already determined routines and directions, they too can operate automatically, staying within their segment, working with the resource or information handed down to them. (Kanter, 1983:27)

For Kanter (1983), it is necessary to provide people with ‘that extra bit of power’, if the large company expects the small company to be innovative and bring initiatives to the organization.

If your company is going to grab more than its fair share of new wealth, it has to learn how to bring the energy and ethos of the valley inside. The choice is simple, really. You can sit back and wait for the Valley or some other hotbed of innovation to spawn the revolutionary company that buries your business model. Or can bring the Valley inside and capture that vast economic benefits that flow from unfettered imagination and unbridled ambition. (Hamel, 1998:23)

Organizations expect to bring in new knowledge and brainpower from small entrepreneurial firms. It is not, however, easily measurable. Selecting the right partner should not only be based on the financial strength of the partner or market competitiveness but also the intellectual and imaginative capital the firm has. As part of partner selection process, imaginative and intellectual capital should be measured and taken into consideration in selecting the right partner.

Any partnership starts with little bit of imagination and most partners don’t really know how the partnership will look like until they have a clear understanding of who they are going to team up with. This takes time. As Tennyson (2003) observes,

Partnerships start out as stories inside our heads, and end up as stories out in the world. In the voyage from the ideal to the real, we begin with the imagination. While
we imaginatively conceive an initiative, we must also be able to share the story in a way that engenders lively interest and enthusiasm in others (Tennyson, 2003:37)

2.4.4 Partnership and mature organizations

Many mature organizations follow a detailed partner selection process, using partnering as a strategy in our business. Selecting the right partner for a strategic relationship is one of the most difficult steps in partnering process. Selecting the partner is based on many key indicators and measurements. Different organisations use different measurements in selecting partners. Mature organisations have an established partnering strategy, partnering process and a partnering committee assessing the suitable partners for their organisation. In project partnering, many companies use ASPs (Approved Service Partners). The ASP selection process is usually a detailed assessment that covers several areas of partnership. However, these processes still seldom focus on understanding the hidden value of the organisation -imaginative and intellectual capital.

According to CPA (1998),

The key success factor for a strategic partnership is selection of the right partner.
In order to find the right mate, an organisation must clarify its business objectives and prepare business plans, evaluate alternatives for both strategic and operational fit and identify potential risk factors. (CPA, 1998:17)

Partners are usually assessed on their financial reports, annual reports and other tangible indicators. The value of intangible assets is still not being effectively measured though measuring intangible values may help the organisation to plan the future.

We want to look at the firm to find its hidden value, the value it can exploit to make it unique in the marketplace. (Sullivan, 2000)

Financial Indicators are used to measure the performance of the company and other indicators to understand the company’s culture and ways of working as a partner.

Edvinsson and Malone (1997) describing the case of Skandia, a Swedish financial firm
and the first reported to use comprehensive measurements to assess intellectual capital and to present them as part of year-end financial reports define intellectual capital as

- the possession of knowledge
- applied experience
- organisational technology
- customer relationships,
- professional skills that provide a competitive edge in the market.

During partner assessment, Edvinsson and Malone (1997) accepted, it is difficult for partner organisations, large or small, to provide the value of their imaginative capital in accounting terms, as there are no standard indicators available for measuring this hidden value. Not having a standard way of measuring the imaginative capital, it is almost impossible to compare the capability of each partner. However, measurements used by Skandia in measuring Human Capital, they argued, can be used as a guideline and develop a customised process for the organisation as part of its partnering process. This needs to be communicated to all the potential partners and get them to present the value of the imaginative capital.

Thomas Stewart (1997), discussing ways to measure intangibles and drawing on the Skandia case suggests that, by definition, the intangible is hard to grasp. It must be rigorously defined in ways that make it palpable and useful, that create understanding and have a bias towards action. To find the hidden gold, Stewart observes, one must have a map.

### 2.4.5 Intellectual and imaginative capital

Skandia expected that, by measuring intellectual capital, intangible assets could be converted into financial returns for the company. They believed the true value of company’s performance lies in its ability to create sustainable value by pursuing a business vision and its resulting strategy.

According to Edvinsson and Malone (1997), Skandia identified success factors and grouped them into five distinct areas of focus: financial, customer, human, process renewal, and development. Then they identified key indicators measure each of these areas. They created a dynamic reporting model called Navigator, combining these five
factors. Skandia present this report as a supplement to their traditional financial reporting. Their report, “Visualisation of Intellectual Capital”, was the first public Intellectual Capital report.

Edvinsson and Malone (1997) compare intellectual capital to the hidden roots of a tree. Looking at the roots, they argue, is the best way to study the health of the tree. Same for the organisations. The study of the roots of a company’s value, the measurements of the hidden dynamic factors that underlie the visible company of the buildings and products, shows the company’s ability and potential to transform Intellectual Capital in to financial capital. Managing intellectual capital helps the organisation’s survival, growth and renewal, so it is important to understand, measure and communicate this hidden value of the company.

Organisations enter into partnering agreements, based on several reasons. Simply to deliver a project, or to encourage technological innovations, or to share costs, risks, new knowledge and experience in research and development. If the purpose is to share knowledge, experience or to deliver an innovative project, new technology, the knowledge and imagination play the main role of the partnership. If we are unable to measure this intangible asset, we will not be able to select the right partner for the partnership. As Hamel (1998:14) says, “It is imagination, far more than capital, that powers growth”.

Measuring intellectual capital and imaginative capital should be introduced in to the initial stages of partnering process. This should be used in assessing the ability of the potential partner for a business or project. We should be aware that there is a hidden value a Potential Partner can bring into the organisation. As this is not easily measurable, situations arise where companies select the partner with largest market share and experience rather than selecting small entrepreneurial firms.

Organisations must realise that successful partnerships depend, to a large extent, on the intellectual capital and contribution of organisational members. Key skills and abilities that such training efforts should focus on include initiative, problem
solving, communication, teamwork, and customer orientation, as well as technical and business-related skills. A critical dimension is to work toward getting organisational members to act as partners in their own development (Buono, 1997:74).

Several authors have discussed the importance of intellectual capital in strategic alliance relationship. According to Howarth, Gillin and Bailey (1995), specialisation ventures allow each partner to bring their particular strength to the alliance. This has the result of compensating for each other’s existing weaknesses. It can also permit access to the management skills and expertise of a partner, and the combination of complementary skills.

Providing a similar view, Buono (1997) suggests that organizations must realise that successful partnerships depend, to a large extent, on the intellectual capital and contribution of organisational members. Key skills and abilities that such training efforts should focus on include initiative, problem solving, communication, teamwork, and customer orientation, as well as technical and business-related skills. A critical dimension is to work toward getting organisational members to act as partners in their own development.

Some factors influencing the contribution of organisational key members towards the success are their ability to imagine the futures and the ability to be creative and innovative in the partnership. Innovative revolutionary partnering strategies derive from the mindsets of this type of change leaders. Importance of valuing and managing the company’s hidden value imaginative capital is going far beyond this. Hamel (2000) asserts that this is about futurising -preparing the organisation for a new revolution where knowledge companies use imagination and innovation on their way towards the success.

In discussing the importance of imagination in business success, Rogers (1998) identifies a process to develop possible futures, and how to implement this process. He provides different tools and examples of creating and implementing what's required. If
we can imagine our future with the potential partner as a team, Rogers argues, we would be able to establish better and stronger relationships providing increased benefits for both partners in the long run.

Hamel (2000) provides great insights into the imagination and innovation.

Today we are limited only by our imagination. Yet, those who can imagine a new reality have always been outnumbered by those who cannot. Finding partners who have the ability to imagine new realities is the key to success. (Hamel, 2000:23)

Ledger (2003), similarly, believes that innovation is encouraged through project partnering and suggests that, by concentrating effort on project "deliverables," partnering encourages innovation and the development of solutions that provide all partners with better value in terms of "whole-life" costs and benefits.

There is substantial agreement that the difficult to measure intellectual capital of a partner is its most valuable contribution to the potential partnership. The difficulty in assessing intangibles, however, reduces many partnerships to contractor/sub-contractor relationships because imagination is not a common commodity at the large corporate level. In the general absence of firm valuations for intellectual capital, most of Handy’s (2001) elephants and fleas remain reliant on previously identified and measurable success factors to identify prospective partners. As a result, the process remains highly unreliable.

2.4.6 Elements of a successful partnering strategy
Summarising the characteristics of successful partnering, Tennyson (2003:36), suggests, a successful partnership might have any, several or all of the following characteristics:

1. The partnership is doing what it set out to do - the project or programme of activities has achieved pre-agreed objectives.
2. The partnership is having impact beyond its immediate stakeholder group - there
is some recognition of achievement from project beneficiaries, key others and / or the wider community.

3. The partnership is sustainable and self-managing – either through the continuing engagement of partner organizations or through a self-sustaining mechanism that has replaced the partnership, enabling partners to move on to other things.

4. The partnership has had ‘added value’ in which individual partners have gained significant benefits -partner organizations have established new ways of working with other sectors and / or have had their own systems and operational styles improved.

(Tennyson, 2003:36)

As a consequence of his identified characteristics of successful partnership, Tennyson (2003) recommends 3 golden rules for partnering success:

1. Build on Shared Values: because successful partnerships are values-driven
2. Be Creative: because every partnership is unique
3. Be Courageous: because all partnerships involve risk.

(Tennyson, 2003:39)

Successful partnering strategy obviously depends on many elements. Key elements in a successful partnering process, however, clearly include the several specific components identified by Arizona Department of Transportation (Wargin 1992), in establishing their Partnering project:

- Mission/goals/objectives: At a Partnering workshop, stakeholders identify all goals for the project in which their interests overlap.
- Equity: All stakeholders' interests are considered in creating mutual goals.
- Commitment: Partnering must come from top management.
- Communication and timely responsiveness: In decision making, these not only save money, but also keeps a problem from growing into a dispute.
- Team building: Developing personal relationships and communication about each other's risks and goals.
- Continuous evaluation: To ensure implementation, stakeholders agree to a plan for periodic joint evaluation based on the mutually agreed-upon goals.

(Wargin, 1992)
A similar study by Wong (1999) suggests that business partnering occurs through a pooling of resources in a trusting atmosphere focused on continuous, mutual improvement. Confirming Wong’s conclusions, Porier and Ouser (1993) suggest that business partnering allows the involved parties to establish and sustain a competitive advantage over similar entities.

Some of the success factors suggested by Arino, Torre, and Ring, (2001) include:

- compatible partners
- careful design of the terms of collaboration
- proper incentives to all parties to behave according to expectations
- adequate governance procedures, and
- favourable economic conditions.

Arino, *et al* (2001) further recommend that managing within such non-hierarchical settings is a taxing and unusual proposition, requiring a combination of skills -large doses of entrepreneurship, corporate savvy, and cross-cultural diplomacy -that are rarely found to co-exist in any single organization.

Discussing a model proposed by Paul Patterson, Cappels (2004) stresses the importance of a range of factors, when considering establishing a partnering relationship. He proposes that the key factors leading to partnership success include:

- Goodwill trust
- Communication effectiveness
- Affective commitment to partner
- Dependence of partner on us
- Marketing competencies
- Contractual trust
- Perceptions of partner’s affective commitment
- Cultural sensitivity
- Investment in the partnership
- Dependence on partner
- Calculative commitment
- Competence/trust
- Perceptions of partner’s calculative commitment
- Likeability of partner
- Reputation of partner
While considerable research has been done in the area of establishing partnering strategy and key success factors, this range of factors affecting partnership success suggests a strong argument for distillation of the factors into focus areas. As previously argued (see 2.4.4) and according to Kanter (1997), although partnering is a great idea, it requires proper information sharing, networking and effective strategic planning in order to succeed.

An important strategy, which should be performed to avoid any cultural clashes, is the corporate self-analysis described by Segil (1996). Corporate self-analysis must take place prior to entering into strategic alliance activities, as a pre-requisite to performing a balanced evaluation of partner candidates. According to Segil, most companies bypass this phase. Understanding the company’s own culture and culture of the partner organization are both equally important.

With the bureaucratic mindset of large organizations, rigid rules and procedures, it is sometimes difficult to establish a win-win partnership with small companies. Small companies feel less power and authority in the partnership. The influence and power of the large company is high. This damages the small company’s ability to be innovative in the partnership. To succeed in partnership, small companies require equal power and authority.

Creating a win-win partnership is only possible when all partners involved get a fair share of the proposed outcome of the partnership. This implies that each partner has the obligation not only to look after his own interests but also the interest of his partners. (KPMG 2000:10).

Mutual obligation is even more important when it comes to partnering relationships between large organizations and small organizations because, as previously observed, large organisations tend to dominate the small organisations at many instances.
According to Clay, MacNaughton and Farnan (2004:42), project participants must develop a working relationship based on mutual respect and trust if success is to be achieved. This requires honest communication and moving beyond differences to achieve common goals. Clay, et al (2004) suggest that partnering agreements should have practical goals to enable the stakeholders to complete their project within budget, on schedule, and without disruption or resorting to adversarial dispute resolution. They suggest that partners can benefit through partnering when all are committed to the objectives, and they can resolve problems by themselves before they can grow into bigger disputes which will end up in courts.

Clay, et al (2004) further propose that,

> When partnering is successful, it enhances business relationships and makes the participants want to do business again. It empowers the employees of the participants, giving them added responsibility. It also addresses concerns of other stakeholders, such as private developers, community groups, governmental organizations and regulatory authorities, since they can be invited to participate in the partnering process. This can help build widespread support for a project. (Clay, MacNaughton and Farnan, 2004:42)


… it is apparent that partnering's focus is not on legal or contractual relationships, but on human working relationships. Often these relationships are in need of "re-engineering."
Partnering helps retool these relationships so that the stakeholders have the ability to achieve their goals. (Clay, MacNaughton and Farnan, 2004:42)

The importance of relational quality in the partnership based on trust and mutual respect has been highlighted. Arino, Torre and Ring (2001) suggest that cultural differences are critical to keep a good relationship from the start. They suggest that cultural differences can be formidable obstacles to effective communication, especially in cross-border
alliances. They recommend that management must assure that employees at all levels meet each other often and under diverse circumstances because these are the people who make the alliance work on a day-to-day basis. The same applies, they argue, to those senior management who may sit in the alliance’s controlling bodies. Working together as partners has to be encouraged and to do that, Arino, Torre and Ring (2001) suggest partners must work actively to avoid the “us and them” syndrome at all cost and be ruthless in eradicating stereotyping because it breeds distrust and contempt.

As Wargin (1992) observed, effective partnership is dependent on the development of a mutual commitment to shared objectives. Researchers agree that this can only be achieved in a spirit of trust built on effective communication. This, it is argued, leads to mutual respect for the organisational cultures of the partners.

2.5 Cultural factors in partnering

Botkin and Matthews (1992), observe that cultural differences commonly lead to difficulties in a successful partnership. Carefully selecting the right partners and then understanding and respecting their culture is important in partnership. Transmitting the core values of each party, furthermore, is essential for the organizations to grow with their new partnership. Botkin and Mathews (1992) specifically discuss the value of small companies and suggest that, too often, big companies see them as something to sallow or ignore.

The most important and perhaps most difficult task of collaborative working appears to involve changing the organizational cultures of the key stakeholders so that each is committed to completing a successful project and to the partnering values. These values do not just mean that people have to be nice to each other, they mean that people need to do more to earn each other’s trust and respect. Ledger (2003) suggests that,

Making cultural changes takes work. Early team-building workshops are not enough to achieve cultural change but they do help start the process along. There
should be continual reinforcing, coaching and monitoring during the project until it is completed. Management can also use survey questionnaires, annual performance reviews and independent research to gather information to assess whether the culture has changed and by how much. (Ledger 2003:43)

While Botkin and Mathews (1992) focus on cultural differences on partnerships, Kok and Murphy (2006) argue that, the key capability of effective organisations is their ability to embrace differences and make it work, not to smooth out differences in culture and management style are the reason for failure, not the difference of culture and management style itself.

According to KPMG (2000),

To make Partnering at multiple levels a success, organizations need to recognise that it is the attempt to minimise differences, not the differences themselves that are root cause of the conflict. It is the one thing to espouse values of trust and flexibility, and quite another to act in such a way to replace command and control with radically new ways of working together. (KPMG, 2000:17)

KPMG (2000) suggest that the greater the differences, the greater the potential for creativity, learning and outstanding results. Managing the differences by creating effective relationship is recommended as the key to success.

Similar research conducted by Novak et al (1997), for Industrial Marketing Management magazine showed that partnering between marketing research firms and their client partners enhanced the performance in the areas of product quality, service quality, cost efficiency, timeliness, and overall customer satisfaction.

To understand and manage differences in partner relationships, KPMG (2000) designed a partnering forum in the organization to focus on developing a uniform methodology for successful project partnering relationships and to provide guidelines, advice, recommendations and feedback when required.
Some of the key differences that partnerships experience, according to the KPMG survey (2000), include:

- Bridging industry, sector and national cultures
- Coping with changing and conflicting objectives
- Creating an organisational climate and business language
- Sharing expertise and know how
- Alignment of strategic directions and planning horizons
- Establishing joint operating procedures and working assumptions
- Applying governing rules, guidelines and regulations
- Dealing with different size and market power
- Creating coherence in policies and control

2.6 Avoiding partnership failure

Despite the intention of this study to identify success factors for partnership, Arino, Torre and Ring (2001), discussing cases where partnership has been successful, highlight the fact that, nevertheless, failures outnumber successes. They identify some notable examples such as: the termination of Corning Glass’ alliance with Vitro and the premature conclusion of Coca-Cola's joint venture with Nestle to produce bottled coffee and tea products (an alliance that the partners recently decided to revive). In both of these cases, large and internationally experienced companies considered that working in the context of a collaborative alliance, where decisions had to be reached by consensus, was too difficult and time consuming to merit continuation in spite of potential benefits.

In the Partnering Capability survey conducted by Price Waterhouse Coopers (2000), when asked for the reasons for failures, 40% of the respondents suggested the slow speed or failure of results to materialize from the alliance as the key reason for failure. Differences in partner culture were nominated by 34per cent as creating the failure. Supporting the same argument, Hellard (1995) observes that each firm within a
partnership develops and build its own culture, then builds a hard shell around its core beliefs, right or wrong, and defends them against attack from the others. The Price Waterhouse survey suggested that most partnership failure factors are somehow linked to the cultural differences of the organisations entering into partnership.

Other key factors suggested by Price Waterhouse Coopers (2000) involved: change in senior management, weak commitment to alliance, poor alliance leadership, and poor communication among partners. Lesser factors, according to the report included: failure in technology, changing priorities of partners, unequal benefit sharing of partners, selecting wrong partners, incompatible objectives of partners, changes in the business environment, poorly defined roles, ineffective governance structures, poor legal agreements, overestimating market potential, poor integration process and weak business plan.

The fact remains, according to Larraine Segil (2004), that 65 to 70 percent of strategic alliances fail. Most often, the issues that come up reveal inadequate attention to building the relationship and aligning business interests and goals.

Commenting on partnership failure, Kuglin (2002) suggests the importance of mitigating risks involved in different categories of partnerships. He suggests that, in order to help mitigate the risk involving alliance partnerships, executives can do two things: understand the different categories of alliance partnerships, and their connectivity to risk exposure; and, understand the fundamentals of successful alliance partnerships so that proper disciplines can be implemented to make certain that the company avoids or stay out of trouble.

Reporting interviews with 50 organisations in Asia, Europe and North America, KPMG Alliances Survey (2000) found that alliances need proper management attention to succeed. In fact, 60%-70% of all alliances turned out to under perform or terminate prematurely. KPMG further suggested that 50-70% of causes for high failure were directly linked to the underestimation or sheer neglect of relational aspects. Most failures, they reported, were caused by a lack of attention to relationship issues. The survey also showed that the prime managerial focus was on structural aspects during
partner selection, while management felt that relational aspects were more decisive for the “partnership in action”

According to KPMG (2000), criteria for partnership selection and the success criteria for partnership in action are highly disconnected.

From the most important to the least, key criteria for partner selection included; complementary skills, market position, financial position of partner, management philosophy, and size. In contrast, key criteria for successful partnership involved; chemistry, complementarity, culture, trust and commitment. The research paper concludes that chemistry, trust, commitment, culture and communication seem to be forgotten when it comes to launching agreements between partners. However, KPMG suggest, they remain key success factors for achieving mutually rewarding, successful alliances.

As well as a commonly agreed goal, according to Tennyson (2003), all partnerships need some guiding principles to hold them together. These principles should be worked out as part of the partnership-building process and agreed by all partners. If they provide the foundation upon which the partnership is built, then as things progress they continue to provide the ‘cement’ that holds the partnership together over time.

Burrows (1992) case study of the unsuccessful partnership between Matsushita and Solbourne identifies five major reasons for the failure of the joint venture:

- Lopsided organizational links
- False expectations
- Inconsistent communication
- Manufacturing inflexibility
- Confused allegiances

Shaping and nurturing a good solid relationship between the parties involved is crucial for long-term business success. To feel comfortable in a partnership, both parties should be able to feel the benefits. Commitment to the goals of the partnership is essential, and can often only be achieved if there is a strategic fit, a proper return on investment, and a
mutually rewarding relationship. (KPMG, 2000:5)

2.7 Pre-requisites for avoiding partnering failures

At a fundamental legalistic level, one of the pre-requisites for avoiding partnership failure appears to be getting everything in writing at the beginning. For a long term organisational partnership, this involves including all the requirements in the partnering agreement. According to Kuglin and Hook (2002) several critical documents are pre-requisites for successful partnership. These include:

1. Memo or Letter of Intent (MOI/LOI)
2. Alliance or Partnership Agreement
3. Non-Disclosure or Confidentiality Agreement (NDA)
4. Alliance Business Plan
5. Exit Strategy Agreement: Terms on terminating the partnership or withdrawing.

Kuglin and Hook (2002) suggest that these documents should cover all the issues relating to the partnering and should be signed-off by both parties to avoid any future disputes.

It is clearly established that there are many different types of partnering arrangements used in today’s organisations. It is equally clear that despite many best intentions, these fail more often than they succeed. In an effort to address this problem, Clay, et al (2004), Clay (2004) and others suggest a partnering model with 8 steps:

1. Agreeing to use partnering
2. Selecting the partnering facilitator.
3. Holding a partnering "retreat."
4. Building "group memory."
5. Agreeing to a "problem-escalation" ladder to resolve disputes.
6. Developing the partnering "charter."
7. Providing for continuing partnering evaluation.
8. Using a Web-enabled information-sharing system

The Clay, et al (2004) model begins, as most researchers have suggested, with agreement on partnership objectives and the importance of communication and trust. The later steps, however, suggest that they are not convinced that trust can be
achieved. Instead, dispute resolution steps are introduced and the veneer of cooperation and collaboration is shattered as the emphasis shifts from building shared intellectual capital to continuously evaluating the partnering process.

In contrast with Clay, et al (2004), Sidis (2004) suggests that partnering is based on a simple concept which is very effective. She suggests that initially, the parties must agree to adopt the partnering process. She proposes workshops where project members at all levels meet. The first workshop will deal with:

- the definition of common goals
- discussion of perceived weak points within the project from which disputes are likely to be generated
- establishing communication systems
- establishing procedures for dealing with issues as they arise
- agreeing upon a partnering charter or mission statement

Sidis (2004) suggests that subsequent workshops are held at regular intervals to measure progress against the charter and to air difficulties and grievances. Once aired, the parties are able to workout a mutually acceptable way of overcoming these difficulties. At the conclusion of the project, a final workshop is often held to measure the outcome against the charter and to consider where improvements can be made on future projects. Sidis’s approach is to identify the desired outcome from the partnership and work positively towards that end. Her approach assumes success and, as a consequence, seems more likely to achieve it.

Tennyson (2003:26) suggests that another important pre-requisite for partnering is setting ground rules. He suggests that some simple ‘base-line’ rules agreed between partners can be very helpful when the partnership is new and different partners feel the need to assert themselves and their ‘agendas’ at the expense of giving space to others.

According to Tennyson (2003), these further useful ground rules should include: active listening and not interrupting; speaking briefly and to the point; dealing with facts not rumour; and, respecting those not present. He suggests that these ground rules also be included as ground rules in the partnering agreement.
Despite their avowed intention to work in partnership, it seems clear that large organizations are more inclined to select project partners on the basis of measurable prior performance than their potential to add intellectual capital and provide imaginative solutions. While culture, trust and commitment to shared objectives are frequently identified as essential success factors, it seems that the mistrust implied by excessive documentation and resort to litigation remain prevalent in partnership development. The organisational documentation of Telepoint provides immediate confirmation of this conclusion from the literature review.

2.8 Content Analysis of Telepoint publications

Organizational documentation of the large organization involved in this research, fictionally identified as Telepoint (see 1.9), was analysed to gain a clearer understanding of their stated views on partnering.

Company documentation suggests that Telepoint sees its partners as contractors. It notes, however, that to work effectively, the contractor must become an integral part of the organization and a true enabler. Without defining the term, Telepoint declares that both parties must work towards a “partnering relationship”.

Telepoint documentation confirms that Telepoint has been investigating different strategies for partnering success. However, the process they are using to select the right partner and to monitor the partnership, needs to be examined closely as it does not appear to represent a fair division of responsibility and reward between two parties.

Telepoint’s assumed domination of the partnership is clear in every aspect of their partnering processes. There are heavy penalties for the minor partners for unsuccessful delivery of projects combined with an apparent lack of support and the approach seems unlikely to motivate success. Partnership is depicted as a one way street, rather than a mutual collaboration. The process described in Telepoint documentation must leave partners questioning whether they are really ‘partners’ or merely contractors and suppliers. For these reasons at least, it is clear that there is a need for change and a room for improvement in the existing partnering strategy in the organisation.
In a report from the manager responsible for partnering, it is recorded that:

The Partnering area will focus on developing our processes and methodologies so that we can quickly identify, accredit and work successfully with key companies who can help us in providing total solutions to our customers. (Dario – Partnering manager)

Telepoint identifies three key drivers in the market place motivating Telepoint to establish strong and effective partnerships with key partner organisations. These key drivers include:

- the accelerating rate of change in technology,
- customer desire for total solutions from suppliers,
- the need for organisation to focus on its areas of business strength.

(Dario – Partnering manager)

Recognising their “fast moving industry environment”, Telepoint believe they cannot afford to try and be “all things to all people”. If they are to provide the best solutions to the customers in this aggressively competitive market place, they recognise that they must be able to collaborate with enterprises that can provide products services with which to complement their business expertise.

The partnering report indicates that Telepoint is keen to ensure that they develop the best ways of identifying where, when and how they should partner with external companies and how they should manage their relationship with external companies to ensure that Telepoint will experience long term success in partnering.

There is a consistency between the publications related to partnering strategy posted on Telepoint intranet acknowledging an urgent need to re-visit the partnering process in order to facilitate better relationships between Telepoint and the external organisations they collaborate with. In this context, it is timely to review previous research on partnering relationships with particular reference to project management.
2.9 Nature of Available Literature and Critiques

This research has been initiated to investigate the factors influencing the success of partnering between a large company and a small company, in a project based environment. Available literature related to this field has provided many reasons for partnering, and the definitions and purpose of partnering, with a range of success factors in unequal partnering. However, the available literature to this point offers relatively limited value for the practitioner or, indeed, the researcher in understanding how these factors might influence project success in such relationships. Perhaps foremost among the limited research published in the area, Clay, MacNaughton and Farnan, 2004:42 have identified the importance of establishing partnering relationships with contractors in projects. According to Teresko (2006:40), while Toyota is a great example of partnering with suppliers, “there’s more value to be gained by collaborating with a supplier than by merely harassing them on cost”. Cost, in fact, is identified as a major problem faced by partners in the Telepoint case presented in this research.

Working towards a mutual goal as a team with open communication has been the key to success as reported in the majority of the studies. Innovation has not only been seen as a key to enter into partnering agreements with unequal partners, but also seen as an output of the process. Many researchers believed that large organizations enter into partnering agreement with small companies to foster innovation. However, for partnership success – teamwork and communication have also been identified as key elements.

Cultural differences have also been given a reasonable weight by many researchers. Ledger 2003, Botkin and Mathews 1992, Handy 2001, Kok and Murphy, 2006 have all argued forcefully that managing cultural differences is the key to success.

The published research has explored a range of different types of partnering. It has distinguished between the partnering vs. alliancing, joint ventures, partnering with
suppliers, mergers and acquisitions, and various forms of contracting and outsourcing (eg Rees, 2006). Whereas a large number of research studies have been completed on strategic partnering, little has been done on project partnering. Project Partnerships appear more commonly to consider supplier and contractor relationships or outsourcing strategy. However, partnering in project management, it has been argued (Fernando, 2007), encourages greater teamwork, less disputes in the long term and better communication.

In this chapter, the importance of project partnering and the factors influencing its success has been highlighted. Their relative absence from currently available research literature is as a limitation in the existing literature.

2.10 The research question

According to Tennyson (2003:16) effective partners create an ‘agreement to co-operate’ and this may be all that they need to start working well together. He suggests that, at a later stage, it may be necessary to create legally binding contracts in order to undertake a large-scale or complex project; to handle larger amounts of funding or to register as a new form of ‘institution’. But a Partnering Agreement is usually the first step and in many instances it may be sufficient to confirm and consolidate the partnership medium to long-term.

Kok (2000) suggests that partnering between small and medium sized enterprises requires a different approach from partnering with similar sized organisations. This research will explore the potential for an optimum model of partnering between large and small organisations.

Based on the literature reviewed in this chapter and findings drawn from a brief content analysis of the subject organisation, this study has been established to address the following research question,

*What are the critical factors influencing the success of partnering relationship between a large organisation and a small organisation?*
In addressing this research question, it is expected that the study will suggest a more coherent basis for identifying effective partnering strategies, and will establish a working model for new partner selection and collaborative project management. In essence, to provide a response to the derivative but practical question,

**How do these success factors need to be applied in an unequal partnership to foster project management success?**

### 2.11 Chapter conclusions

This chapter identified the range of collaborations loosely described as partnership and differentiated those of specific relevance to the field of project management with particular reference to Telepoint. Identifying factors commonly accepted as affecting partnership success between large and small organisations, the review highlighted the purpose of partnering agreements and identified organisational cultural differences as a potentially critical factor influencing partnership success. Emerging from this review of established literature, the research question was identified and its timeliness for Telepoint was established.

In the following chapter (see chapter 3), the research design established to explore the research question is described and the study sample is identified.
3. Methodology

As outlined in chapter one and substantiated in chapter two, this research study has been developed to identify and investigate factors influencing the success of strategic partnering relationships between large organisations and smaller partner organisations. The research design and methodology has been developed to explore the research question established in the previous chapter (see 2.7).

3.1 Research Question

Burns (1997) argues that the research question should determine the method. In this study, the research was designed to investigate the following research question:

What are the critical factors influencing the success of the partnering relationship between a large company and a small local company?

As discussed in Chapter 1 (see 1.7), the research aims to identify specific critical factors influencing partnership success in uneven partnering relationships. Based on the outcomes, the thesis then proposes strategies to overcome identified problems. The study is designed with the aim of helping to implement success-directed processes and policies in similarly uneven organisational partnerships to that chosen as the subject exemplar for this study.

3.2 Research Design

This research has applied qualitative methods within an exploratory case study research design. Data was collected through key-informant interviews and findings from preliminary content analyses were confirmed through focus group interviews.

Figure 3.1 presents a schematic overview of the research design applied in this study. It shows the process from defining the questions to data analysis and recommendations.
According to White (2000), the two main approaches to research are quantitative and qualitative.

Quantitative research involves an apparently objective way of studying things, whereas qualitative approaches appear to be more subjective. In quantitative research, the results are usually represented as numerical values and the researcher uses mathematical and statistical treatments to evaluate the results. Quantitative approaches are commonly applied in experiments and surveys where the variables are already recognised. Quantitative approaches are not considered appropriate in exploratory studies because they require certainty in the initial identification of measurable parameters.

In contrast, Berg (2001) suggests that qualitative research refers “to the meanings, concepts, definitions, characteristics, metaphors, symbols, and description of things” (Berg, 2001:2)
Qualitative data is more usually collected in the form of descriptions. White (2000) observes that, even though some of methods, such as interviews, are used in quantitative research, the difference is that qualitative researchers only use non-mathematical procedures when interpreting and explaining their research. Furthermore, he argues, qualitative methods are essential to investigate things that cannot be valued in numbers, and through mathematical calculations.

Burns (1997) suggests that only qualitative methods permit access to individual meaning in the context of on-going life. For Burns, qualitative research enables the researcher to focus on the complexities, qualities, and interaction to explain meanings.

The purpose of this study was to identify and provide meaningful interpretation of factors affecting outcomes. In this context, the collection and analysis of qualitative data was considered to be most appropriate. As a result, the research reported in this thesis was designed to take advantage of the strengths offered by a qualitative approach.

### 3.2.1 The case study in business research

Case study is a qualitative research design. According to Yin (1994), case studies are the preferred strategy when “how” or “why” questions are being posed, when the investigator has little control over events, and when focus is on a contemporary phenomenon within some real life context. He suggests that case study is used in many situations, including, *inter alia*:

- Organizational and management studies
- The conduct of dissertations and theses in social sciences ... as well as professional fields such as business administration [and] management science . (Yin, 1994:1)

As an academic thesis in organisational and management studies within the professional field of business administration, this research is seen as an appropriate subject for case study methodology which, Yin (1994) further proposes, contributes uniquely to our knowledge of individual, organizational, social, and political phenomena.
According to Yin (1994), a case study research design is useful for exploring “how” and “why” questions. The aim of identifying factors essential to success in project management partnership is to develop a response to the derivative but practical question,

*How do these success factors need to be applied in an unequal partnership to foster project management success?*

The focus on practical elements leading to success in this study suggests that Yin’s approach is appropriate because, as he observes, the value of case study, rather than other strategies, is decided in consideration of:

(a) The type of research question posed [case study mainly answers “why” and “how” questions]
(b) The extent of control an investigator has over actual behavioural events, [case study is used when there is no or limited control over events]
(c) The degree of focus on contemporary as opposed to historical events [case study is used when the focus is on contemporary issues] (Yin, 1994, P.4)

### 3.2.1.1 Advantages of case study

According to White (2000), some of the advantages of case study include the following:

- It can be carried out by the single researcher. In doctoral research, time and resource availability suggest that it is prudent for the doctoral researcher to limit data gathering to personal interviewing. It is relatively cheap and not dependent on expensive technology. Interviews were recorded on a pocket audiotape recorder then transcribed and analysed by the researcher.
- A case study will always generate empirical data and information. The study was developed to substantiate and then build from previously published work towards a strategic action model capable of further research.
- It takes place in a natural setting within an actual organisation.

This gives the work a ‘reality’, which is often absent from survey and similar types of investigation. A case study looks at the whole situation and the researcher sees the inter-relationships as they happen. This background is useful when you come to write up the work.

White (2000, p.42)
Researching partnerships between large and small organisations, the ‘big picture’ view afforded by the case study methodology was seen to be particularly appropriate because,

… when case studies are properly undertaken, they should not only fit the specific individual, group, or event studies, but generally provide understanding about similar individuals, groups, and events.
(Berg, 2001:232)

3.2.1.2 Disadvantages of case study
Despite the evident advantages of the case study approach for a doctoral researcher, White (2000, p.42) identifies several particular disadvantages to the approach:

With a single typical case study it is often difficult to separate out what is unique to the organization involved and what is common to similar organisations. (White, 2000:42)

To overcome this obvious narrowing of perception, the structure developed for this study used multiple partner organisations (see 3.4.1) to avoid the potential bias of a single partner relationship. However, the research design contained a single case study in which the unit of analysis was identified as the strategic partnership (see 3.3.3), the relationship between organisations, rather than an individual or single organisation.

Reporting on partnership in education, Yin (1993) provided a similar example. Yin identifies the unit of analysis researched as the “partnership” itself rather than the institutions.

This present study aims to identify the success factors of strategic partnering between large and small organisations. By studying different organisations in partnership with a single host organisation, it becomes easier to understand what is common to organisations in similar situations. As Yin (2002) observes, however, the conclusions drawn from this study will not be capable of broader generalisation. In fact, The whole issue of generalization needs to be handled with caution.
The degree to which you can relate to the general position is often limited. … It is essential that the generalization arise from the research carried out, rather than what you think might be the case. Case study research tends to be subjective, but it is good idea to keep the word ‘objective’ in mind writing up. (White, 2000, p.42)

Instead of attempting to offer generalisation, this study aims to provide recommendations for policy to improve the partnering processes in organisations. It aims to develop a model to improve partnering relationships between large and small organisations, by recommending the policies that need to be developed to promote partnership success.

Case studies can generate a lot of information, since each different method used produces its own findings. The analysis and interpretation need to be handled carefully and in a very logical systematic way. Again, when done effectively, this strengthens the academic argument you are presenting. (White, 2000:42) Data was collected carefully from various types of partners presented in the sample to gather as much as possible information related to their partnership. Collected data was then carefully interpreted in a logical and systematic way (see 3.6).

This study aims to identify and explore factors affecting partnership success, and seeks to extend understanding of the issue of “how partnership can be made successful between large and small companies, regardless of their cultural differences?” The researcher has no immediate control over actual behavioural events and the focus of the study is on specific contemporary rather than historical partnership processes.

In consequence, acknowledging the need to balance the advantages and disadvantages identified by White (2000), Berg (2001) and Yin (1993, 2002) in particular, it is asserted that a case study approach is most appropriate for this study.

### 3.3 The case study as a research design structure

The research question (see 3.1) has been developed from the integration of a practical workplace problem with a review of research and commentary relating to the resolution of partnering problems, with particular reference to project management (see 2.4 and 2.4.6). The focus on factors influencing success in partnerships between large and small
organisations has provided the specific aims for the study and the location of the practical problems within a large organisation (see 3.4.1) has suggested that the findings might have applicability beyond the subject workplace and independently of workplace culture (see 6.6.1) though the temptation towards generalisation is not considered appropriate to the present study (see 3.7.3).

Yin (1994) identifies what he considers to be five essential components in research design:

1. the study question
2. key propositions, if any
3. the unit(s) of analysis
4. the logic linking the data to the propositions, and
5. the criteria for interpreting the findings. Yin (1994, p.20)

3.3.1 The study question

As previously discussed (see 3.2), a case study research design is useful for exploring "how" and "why" questions. The focus on practical elements leading to success in project management suggests that Yin’s approach is appropriate to this study.

3.3.2 Case study propositions

The research question aims to investigate the collaborative partnership between large and small organisations (see 2.4.6). However, it provides little direction towards what factors might be relevant. In this situation, Yin (1994) observes that:

How and why questions do not point to what you should study. Only if you are forced to state some propositions will you move in the right direction. (Yin, 1994:21)

To investigate the factors influencing success and failure of partnering relationships between large companies and small companies, this research has used initial focus group interviews to identify the areas that need to be researched (see 3.3.5). This has helped to provide the research design with both purpose and direction.
3.3.3 The unit of analysis

Defining the unit of analysis, in accordance with Yin’s proposed research design process presented considerable early difficulty. It was initially not clear whether the unit of analysis should be the large organisation (which was to be the site of the study), the small partner organisations, the project managers themselves or even the concept of unequal partnering.

Yin (1994) himself is far from definitive when he suggests that,

The unit of analysis for your case might be a country’s economy, an industry in the world market place, an economic policy, or the trade or capital flow between two countries. (Yin, 1994:20)

In this case, the research question sought to identify and explore factors involved in the partnering success between large and small organisations working in collaboration. Recognition of this collaborative requirement made it clear that the study was not about organisations as individual entities, but about the organisational process of strategic partnering. As previously identified (see 3.2.2.3), therefore, the research design for this study contained a single case study in which the unit of analysis was identified as the strategic partnership.

The relationship between organisations, rather than an individual or single organisation, allowed the study to focus on the partnership process rather than the personnel driving the process, their interpretations and confusions or the potentially prejudicial imperatives of existing organisational cultures (Yin, 2002).

To investigate partnering success factors, the proposed procedure for collecting and analysing data was the same for both the large and small organisations in the partnership. Having established that there was no need for multiple case study research as no different case study research strategies were required, it became clear that the unit of analysis for the single case study was the process itself.
3.4 Data collection methods

This research applied the generally acknowledged qualitative data collection methods of case study interview and focus group discussion. The sample was selected purposively to ensure content and construct validity (Hussey and Hussey, 1997), and key informants were interviewed to gather the required qualitative data. The sampling techniques undertaken for focus group and individual interview selection are explained in this section.

3.4.1 Population and sample selection

The large host organisation in this research works with many small partner firms. Six partner organisations who were working with, or who had worked with the host organisation within the past five years were approached as potential informant groups to the study. Based on this historical experience, the selected sample for this case study was selected to involve the large company, fictionally identified as Telepoint, and 6 small partner companies, fictionally identified as Minnow, Blowfish, Tetra, Catfish, Angelfish, and Rainbow.

3.4.2 Sampling techniques

As White (2000) has observed,

There are often situations where it is impossible to determine accurately the sampling frame. Also, because of the nature of the research and dissertation, you do not need to make detailed statistical analyses. In such instances you can use what are termed non-random sampling techniques. With some qualitative research you need to sample with a definite purpose, and the approach therefore is subjective. Moreover, because of the nature of the work, you may be required to look at particular samples, as with a case study, which exhibit the characteristics you want to explore. (White, 2000:62)

This study aimed to understand the partnering success factors between large and small companies, and there was a specific group who were willing to become involved in the study. The study sample was therefore selected purposively to get informed, accurate and relevant information from all informants.
In this purposive selection context, random sampling procedures were seen to be inappropriate and, therefore, non-random sampling techniques were investigated to determine appropriate methods of selection for the case study sample.

White (2000) discusses three types of non-random sampling: cluster sampling, quota sampling and purposive sampling. Cluster sampling seeks to identify and select a random sample from a cluster, and quota sampling divides a significantly sized target population into groups. In this study, the potential population of partnerships was not sufficiently large to permit either identification of clusters with varying partnership outcomes or to establish statistically meaningful sub-grouping. To best satisfy the specific aims of this research and the resources of the researcher, purposive sampling was used.

3.5 Interview Design

This research study was initially informed with the responses of an informal focus group interview between selected individuals from partnering organisations. The focus group interview was used to identify key factors involving the success or failure of partnering relationships. Using the findings from the initial focus group, a protocol of semi-structured interview questions was designed for the key informant interview. (for indicative questionnaire see Appendix A)

3.5.1 Key informant selection

The key informant interview sampling technique was used to select the respondents because “Key informants are often critical to the success of a case study” (Yin, 2002:124).

Key informant interviews differ from other forms of interview largely because respondents are chosen on the basis of their idiosyncratic, special knowledge, rather than being randomly selected (Jankowicz, 1995, p.212). In this study, the key-informant interview method was used because the objective of the data collection was to gather a wide range of qualitative data related to the success and failure of partnerships between these organisations from respondents who had been directly involved in the process.
3.5.2 Focus group selection

It was intended that the initial stage in the research study would be developed from the responses of an informal focus group interview between selected individuals from partnering organisations. It became clear in the preliminary negotiation stages, however, that Telepoint were not comfortable with this approach for reasons which they described as “commercial-in-confidence issues”. To maintain the integrity of the approach while still accessing a range of Telepoint senior and operational managers, it was proposed that the focus group comprise only Telepoint managers in the first stage data collection.

For the purposes of this study, the focus group selected for initial discussions on the nature of strategic partnership was limited to Telepoint personnel who had worked with its six recent partners.

Following Sekaran’s (2000) recommendation that effective focus groups should be small but accepting the opportunity to work with all available Telepoint respondents, the eight participants still working with Telepoint who had been directly involved in the strategic partnering process with the small companies were selected.

This initial focus group consisted of eight respondents from different business areas associated with project management across Telepoint (see Table 3.1). The focus group discussion was undertaken as an exploratory exercise to identify critical factors seen as influencing the success of partnerships between large and small companies. The approach led to later validation of factors identified during the literature review as having a direct impact on partnerships and confirmed in practice through the more specific key informant interviews (see 3.5.3).

These initially identified factors were then compared with the factors identified from the literature review in Chapter 2 and later validated, confirmed or rejected, and accordingly substantiated, using the research key informant interviews and final focus groups.
3.5.3 Key informant interviews

As described previously chapter (see 3.4.1), all respondents involved in the research, and the organisations employing them, are identified with fictional names. Consistently with previous research, they have all been identified -whether male or female -as male managers because factors identified in the success or failure of partnership have not previously been discussed in gender specific terms. This additional dimension would have created substantial sampling issues so it was acknowledged as being beyond the scope of this present study.

<table>
<thead>
<tr>
<th>Small partner company</th>
<th>Senior manager</th>
<th>Operations manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angel</td>
<td>Andy</td>
<td>Jim</td>
</tr>
<tr>
<td>Minnow</td>
<td>Bill</td>
<td>Ken</td>
</tr>
<tr>
<td>Puffer</td>
<td>Charles</td>
<td>Liam</td>
</tr>
<tr>
<td>Flounder</td>
<td>Dave</td>
<td>Malcolm</td>
</tr>
<tr>
<td>Salmon</td>
<td>Evan</td>
<td>Neville</td>
</tr>
<tr>
<td>Trout</td>
<td>Graeme</td>
<td>Owen</td>
</tr>
</tbody>
</table>

Table 2: Table 3.2: Small partner companies and respondents (Noms de plume)

3.5.4 Focus Group Interview

The initial focus group interview was designed to elicit an applied understanding of the relative importance of factors identified through the literature search (see 2.7).

The focus group was planned as a free-flowing and open-ended but intensively focused discussion of specific factors influencing the success of collaborative
partnership between large and small companies engaged in joint project management.

As Jankowicz (1995:215) suggests, the focus group can be useful for discovering the range of views and attitudes present within an organization. This helps to get the honest feedback of participants and to generalise ideas that are discussed openly in the group.

In this study, the initial focus group helped to expand from the following key areas identified in the literature (see chapter 2) for further investigation during the case study interviews. The key areas are recorded here but identified more completely in the following chapter (see 4.1)

1 Commitment
2 Leadership
3 Trust
4 Communication
5 Responsiveness
6 Team Work
7 Conflict Management
8 Organizational Culture.

As White (2000) suggested, the preliminary focus group discussion helped to establish factors that would become the basis for later, more penetrating interviews.

3.5.5 Case study interviews

Yin (1994) observes that case study interviews are often open-ended by nature, asking key respondents for matters of fact as well as for opinions about events.

Participants were asked their views about areas of partnership identified as critical factors for the success of collaborative partnership between large and small organisations in the initial focus group meeting (see 3.5.3).

The questions used in the interviews for this study were designed to be open ended (see appendix A for indicative questions). Yin (1994) proposes, however, that there are situations where the interviewer may ask respondents to propose their own insights into certain occurrences and may use such propositions as the basis for further inquiry.
In this case study, as previously described, focus group interviews led to further enquiry into a range of major areas related to the success of partnership between large and small companies. Respondents were encouraged to provide opinions or views they might have regarding the success or failure of partnerships they had been involved with. Accepting Berg’s (2001) suggestions for interview question development, the individual case study interviews were semi-structured to get as much information as possible with at least a nominal level of similarity in the nature and content of data collected.

Semi-structured interviews for this study were each conducted over 90 minutes with 12 participants from the small partnering organizations and the 8 focus group participants from Telepoint. The semi-structured interview approach was designed to optimise the collection of specific information while allowing participants the freedom to share their opinions and perspectives. The interviews were designed with cross checking points to reduce bias in the responses and to improve reliability.

Individual interviews were used to elicit in-depth opinions and views regarding the various factors identified by focus-group informants.

3.5.6 Advantages and disadvantage of interviewing

As Yin (1994) suggests, various sources are highly complementary, and a good case study utilises as many sources as possible. Yin (1994) himself compared the strengths and weaknesses of six sources of data collection. The six sources proposed by Yin were used to establish the interview protocols, documentation and archival records used in this research.

As White (2000) has observed, the real benefit of an interview is that you are face-to-face with the interviewee, so you can clear up any misunderstandings immediately. Equally importantly, the researcher can re-word or re-order the question if something unexpected happens.

White (2000) describes interviews as being time consuming and, in this study, the time scheduled for some interviews resulted in informants tending to wander from the topic into largely irrelevant reminiscence at times. More substantially, White (2000, p.29)
notes that interviews are prone to bias. To minimise this concern, participants had been purposively selected, as far as possible, from different types of partnering organisations and this became a strength of the data.

3.6 Data analysis methods

Integration of the researcher’s transcription of interview recordings with notes made during the interviews was time-consuming. However, it resulted in strong familiarity with the common themes reported by respondents and an emerging understanding of major differences between them.

Data Analysis was undertaken in two stages. The first stage involved a modified content analysis of data gathered during the initial focus group interview. Data collected from the focus group was initially minuted then transcribed from audio-tape of the discussion and later categorised onto a spreadsheet to identify the key areas for individual interviews. Partnership success factors identified from the focus session (see 4.1) were used to inform the second stage of the study. Stage two involved analysis of the data collected through key informant interviews categorised according to the initial focus group categories.

As White (2000) had observed, this qualitative study generated large volumes of material. Categorisation using grounded theory approaches (Glaser and Strauss, 1967) helped to establish an initial sense of the data. More detailed content analytical methods were then applied, McKenzie (2002) and de Araugo (2002), to identify patterns of similar response.

3.6.1 Content analysis

Content Analysis was used in this research to describe the findings in a logical and systematic way. As Jankowicz (1995) suggests,

The purpose of content analysis is to describe, systematically, the content of your respondents’ utterances, and classify the various meanings expressed in the material you’ve recorded. (Jankowicz, 1995:206)
A modified content analysis approach (after de Araugo, 2001) was applied in this study to establish initial categorisation, as suggested by Jankowicz (1995) while techniques including coding and tabulating, described in earlier work on grounded theory (Schatzman and Strauss, 1973) were used to refine the initial categorisation (see 3.6.2) because, as de Araugo (2001) suggests,

The first step in the content analysis is to read and re-read the text in an attempt to establish the main areas of information. The initial analysis deriving from this process results in [only] tentative formation of a number of categories within which the majority of the text can be classified. (de Araugo, 2001:102)

In this study, content analytical strategies were used to establish the main areas for research. Transcripts from the initial focus group were read and re-read until the major factors affecting success were clearly identified. Once the process had been established with the focus group transcript, the case study interview data was categorised according to the same principles (see Appendix B for a sample transcript analysis).

The initial focus group interview produced substantial amounts of data as it was structured to get as much information about the partnering success as possible from a single session. The discussion was recorded and developed into extensive minutes from the meeting. This grounded theory approach generated familiarity with the data and confirmed key factors for further investigation during the individual interview stage of the study. These minutes were then truncated into a more logical form by developing and applying the data to a limited group of seemingly appropriate categories.

3.6.2 Grounded theory

Grounded theory, according to White (2000), involves getting familiar with material, reflection on data in relation to existing knowledge, conceptualisation or identifying the patterns emerged from data, cataloguing data in computer database and linking all the ideas together.

Since Glaser and Strauss (1967) developed grounded theory as one method of
data analysis in qualitative research, it has been adopted by many researchers in case study research. Because it involves identifying categories and concepts that emerge from the material collected, and linking concepts into substantial knowledge and theories, it was applied in this research, with the intention of developing models and drawing conclusions based on the data collected because grounded theory is, … theory that was derived from data, systematically gathered and analysed through the research process. (Strauss & Corbin 1998:12)

3.7 Research design criteria

Bunker, Pearlson and Schulz (1975) have suggested internal validity, external validity and reliability as three essential criteria for effective research design.

3.7.1 Reliability

In this study, reliability was sought by using a representative group of purposively selected respondents, as it would be unreasonable to rely on the views of a single respondent.

In discussing the importance of reliability, validity and generalisability, Hussey and Hussey (1997:57) suggest that research findings are reliable if they can be repeated. The repetition achieved in response to similar questions between interview respondents in this study suggests acceptable levels of reliability.

3.7.2 Validity

In a qualitative exploratory study, validity has been accepted as,

The extent to which the research findings accurately represent what is really happening in the situation. (Hussey & Hussey, 1997:57)

3.7.3 Validity and generalisation

To establish validity, the researcher must be able to demonstrate that the observations and research findings can be explained by the construct. Observing the difficulties associated with valid generalisation from qualitative data derived from small study
samples, Hussey & Hussey (1997) suggest that case study research is concerned with whether the patterns, concepts and theories which have been generated in a particular environment can be applied in other environments.

It is tempting to accept this suggestion. However, the unique relationships between large and smaller partners to achieve successful project completion in a leading edge telecommunications environment may be substantially different from those developed in more mature industries and organisations. In consequence, the design and data analysis applied to this study have been implemented in consideration of the cautions proposed by Hussey & Hussey (1997) and without any suggestion that the findings might be generalised from this study. As a result, issues of external validity have not been addressed in this study.

The internal validity of findings from this study has been confirmed through a two-stage analysis that initially identifies apparent success factors as agreed by a focus group of purposively selected informants and then confirms the centrality and implications of these factors with a broader group of informants (see 3.5.4).

3.8 Ethical considerations

Ethical consideration is important in business research as effective data collection involves direct contact with people and may generate commercially sensitive information. White (2000) suggests that effective business research comes largely from direct contact with people either on their own, or when they are part of a larger group, such as in a company or an organisation. In respecting this data source, White suggests that there are occasions when the researcher needs a clear and conscious appreciation of the ethical issues which may be involved at each stage of the research.

In appreciation of ethical considerations, this research has only involved people with their consent. Participants were informed in writing about the purpose of the research, their role in the study and the means by which their privacy and confidentiality would be protected. The decision was then left with them whether to participate in the study. Their right to withdraw at any point was made quite clear. Participant's privacy was
ensured as far as possible through assigning *noms de plume* to the respondents in reporting their responses and to the organisations employing them. By this process, confidentiality was similarly assured.

To ensure that the information collected during interviews was presented without misinterpretation, individual transcripts were made available to each respondent and final use of individual data was confirmed with its provider.

3.9 Chapter conclusion

This chapter discussed the methodology used to investigate the research question:

> What are the critical factors influencing the success of the partnering relationship between a large company and a small local company?

A qualitative case study research methodology was applied and the data collection strategy included initial focus group interviews, followed by key informant interviews. The project section managers of a large telecommunications company, Telepoint, and representatives of a representative sample of its smaller partner companies formed the study sample and data was analysed using a modified content analysis.

The following chapter provides an analysis of data collected in the initial focus group to identify factors affecting partnership success and uses this to offer an analysis of interview responses in exploring the research question.
4. Partnering in an unequal relationship

The Data Analysis reported in this chapter consists of the following elements:

1. Analysis of Data Collected from Telepoint through interviews with the Initial Focus Group
2. Analysis of Data Collected through key Informant Interviews with respondents from Telepoint and from the small partner organisations

4.1 Data collected from initial focus group

As previously described (see 3.5.2), the initial focus group discussion was conducted with selected respondents from Telepoint who were involved in the partnering process. The focus of the discussion was identification of factors considered to be significant in maintaining successful partnerships with smaller organizations to complete agreed projects. The first part of this chapter describes the 20 key factors identified during this process and informing the development of the semi-structured individual interviews (see 3.5.3) reported in the second part of the chapter.

4.2 Success factors identified by focus group

The extent to which each of the 20 key factors affected unequal partnering success in the project management partnership context at Telepoint forms the basis for this section.

4.2.1 Commitment to partnership

All senior managers at Telepoint considered that they were highly committed to the success of the partnership. The majority also observed that their smaller partners were highly committed.

<table>
<thead>
<tr>
<th>Success factors for project partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Commitment to Partnership</td>
</tr>
<tr>
<td>2. Senior Management Support</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>11</td>
</tr>
<tr>
<td>12</td>
</tr>
<tr>
<td>13</td>
</tr>
<tr>
<td>14</td>
</tr>
<tr>
<td>15</td>
</tr>
<tr>
<td>16</td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td>18</td>
</tr>
<tr>
<td>19</td>
</tr>
<tr>
<td>20</td>
</tr>
<tr>
<td>21</td>
</tr>
</tbody>
</table>

**Figure 2:** Figure 4.1 Success factors identified from focus group discussion

Some companies might think that we are dominating because we are larger. But that’s not the case. There are some areas they need to develop. Then we can work at the same level. (Bruce Wayne)

Clark Kent expanded this note of caution, suggesting that although Telepoint itself was highly committed, it needed more commitment from its partners. He suggested that what Telepoint really wanted to see was “Subcontractor as supplier to us as ‘partner’. That’s what we want, and we are fully committed to make it work”. Dick Grayson added that, “In a few cases we had partners who were not fully committed. This is rare. They became unsuccessful and didn’t long last”.

The senior managers at Telepoint appear to be agreed on the words they use but not
necessarily on their meaning and implications. Partnership, instead, appears to be the ‘new buzz word’ for sub-contracting. As a result, agreed partnerships seem to be maintained in an unequal balance where the larger partner defines the project, assesses its condition and dispenses reward or punishment.

The operations management at Telepoint confirm the paternalistic view to their senior managers. Whereas operations managers agreed that Telepoint was fully committed to the success of partnership, some considered that while Telepoint was fully committed, not all of its partners were seen to share that same level of commitment.

We have come a long way here. Partnering was a new concept to us a few years back. And now we talk about partnering in everything. Some partners, though, might think we are not fully committed, depending on their previous experience. (Rob Hood)

At this point in their development, “talk about partnering in everything” seems to be a more realistic achievement in the Telepoint documentation (see 3.8) than any deep understanding of what commitment might mean for a successful partnership.

4.2.2 Senior Management Support

When identifying their supportiveness, Telepoint senior managers suggested that senior management on both sides of the partnerships were very supportive. Two managers suggested the levels of support across and between partners was excellent.

We treat this (senior management support) as essential, and even our Managing Director’s message is to work more closely with partners in the future. This will reduce the overhead costs of keeping too many permanent staff. (Ed Jucat)

Clark Kent agreed that,

Both parties are very supportive. From the top, this is how they are perceived. Top
management support is more than 100%. Partnering initiatives and success are highly commended. This is the future of the organisation. Senior management in our organisation and our partners are working together with us to make this work. Senior management at small companies provide full support. (Clark Kent)

In turn, the Telepoint operations managers were happy about the support they received from Telepoint senior management. The majority agreed that they got high levels of support from the smaller partners they were involved with but were more equivocal about the effectiveness of this support in practice.

To our management, this is top priority. Partner organisations don’t always see it the same way. They just need more work, more business. Sometimes they are not looking at a long-term impact like we do. (Tom Mix)

Tom’s assessment of senior management support for partnership among small partners would suggest that they are only in business for short-term gain. It seems more likely, however, that the project focus of the operations managers may create this perception (see 4.3.2).

4.2.3 Operational support

As a focus group discussion starter, the Telepoint respondents were asked to assess the impact of day-to-day operational support from both large and small organisation partners, on the success of partnership.

The majority of the senior managers’ informing the focus group considered management support was, “good, but could be improved”. Removing themselves from potential criticism, they also observed that they did not have much to do with operational management. Instead, responses suggested that senior management were largely unaware of the value that operational management might add into partnering. In this apparent absence of awareness, they tended to suggest that operations management could play a bigger role in the success of partnership.

Smaller partners are good at operational levels compared to our company. Our operational area needs some improvements in making partnership work. Some
employees at Telepoint feel threatened by the partnerships. (Dick Grayson)

Assuming that support from operational management was good in both parties, Ed Jucat admitted, however, “I don’t have much involvement with operations respondents in partner organisations”. Clark Kent suggested, further, that operations respondents in both parties should be more informed regarding partnering, “so that they can play a bigger role”.

Suggesting that operations managers at Telepoint have a good understanding and working relationship with their partners at operational level, Uri Gelling observed that, “We are working as a team. Some partners are excellent here. Only once or twice we found partners with different views. Usually they are good”.

Notwithstanding an identifiable level of disparity between responses and even from individuals in relation to the single issue of collaboration, Tom summarised the general belief that Telepoint’s operational managers work hard together on a day-to-day basis to get the best outcomes for projects and provide any support required to their partners.

4.2.4 Leadership within partnership

As might be anticipated from their earlier responses, Telepoint senior management firmly believes that they must lead every partnership because, as Bruce Wayne observed, “[small partners] are not taking action until things are evaluated. We play a leadership role, and they need improvement in this area”. Asserting that leadership is uniformly excellent at Telepoint, the senior managers agreed that their smaller partners should learn from them. As Clark Kent suggested, "Both parties should make it work with good leadership. We're not seeing this in some of our small partner companies".

Without recognising their unwillingness to accept the smaller partners as more than subcontractors, the senior managers at Telepoint quickly accept that their partners are not taking a leadership role in the partnership.

Perhaps unwilling to open any debate, operations management at Telepoint generally
support their senior managers on the role and demonstration of leadership within partnerships. Agreeing with the senior managers, they observe that they have to lead the partnership because their smaller partners are not taking leadership, and this needs improvement. Rob Hood suggests, furthermore, that Telepoint tries to provide appropriate leadership to the partnership while Steve Hart agrees that, “We usually tell them what needs to be done. What we really need is a closely working relationship”.

Uri believes that smaller partners need to bring a stronger leadership voice to the partnership while Tom recalls situations in partnering relationships where he has needed to push smaller partners on many issues. He observes that partners are not proactive, and they are not leading. In view of the apparent power disparity in the partnerships under consideration, it seems unlikely that this will change without a substantial shift in Telepoint thinking.

4.2.5 Equal benefit sharing

Despite their reservations about the levels of leadership provided by smaller partners, the majority of senior managers at Telepoint suggested that existing partnership arrangements provide a fair split in responsibility, and that benefits were equally shared. However,

   Success and failure should be shared by both partners. In reality, success is shared equally. Failures come back to us and we get unhappy end customers. In such cases, partnering relationship should be reviewed. (Clark Kent)

Operations managers again appear to support the senior management view and agree that benefit sharing between partners is fair and equal.

4.2.6 Organisational decision-making

Although Clark and Ed suggest that they try to make decisions collaboratively, Bruce and Dick observe that Telepoint takes unilateral decisions to ensure success. According to Bruce, "If we don’t make decisions, nothing will happen. Some times we work together and make collaborative decisions, but this is rare". Dick agrees that decisions must be taken by Telepoint most of the time because they affect the end customer.
When we partner with sub-contractors, we need to ensure that the quality of the partnership works. As well, we need to meet service expectations and customer expectations as well. So we take decisions based on this and keep our partners informed. (Dick Grayson)

When decision-making affects the partnership, however, operations managers hold widely different views from each other. Two operations managers argue that where decision-making will affect the partnership, only the senior management at Telepoint is involved.

We are decisive. We take decisions quickly as they become appropriate. Our respondents are good decision-makers. We inform our partners of any changes. Some partners are good in decision-making but many are scared to take risks and make decisions. They just follow what they are being told. (Rob Hood)

We need to get all the partners to the same standards. Some of them have a good working relationship and some are not at that level, and partnering should have the same standards for everybody. (Steve Hart)

Operations managers believe that collaborative decisions are made between senior managers at Telepoint and senior managers in smaller partner companies. They observe that collaborating managements try to make decisions together, and sometimes it works, but sometimes it doesn’t. In this process, however, the operations managers report feeling marginalised because they are only involved in day-to-day operations.

4.2.7 Roles and responsibilities
The senior managers at Telepoint observed that roles were clear in both organisations but even clearer in partner organisations. However, as Dick Grayson added, the roles and responsibility structure at Telepoint might not be clear to partners because the company is going through a re-structure in respect of project partnering. Clark Kent supported this belief, suggesting that it could be confusing to partners while Telepoint was re-defining roles.
Operations managers, having already observed that they were less uninvolved in decision-making, all indicated that the roles they were involved with, on both sides of the partnership, were clear to them.

4.2.8 Governance structure
The majority of the senior managers in this study considered that governance structures were clear in partner organisations though Clark Kent observed that the process was still evolving after the latest Telepoint restructure.

… it is clear in our partner organisations. We are still setting up our partnering system. When this is completed, the structure will be much clearer. (Clark Kent)

All operations managers, on the other hand, felt that they were clear about the governance structure in Telepoint and in their partner organisations.

4.2.9 Trust
Focus group respondents agreed that mutual trust was crucial in the success of partnership and asserted that they all maintained good relationships based on trust between partners.

The operations management respondents agreed that they, also, maintained partnerships based on trust.

4.2.10 Communication
All the senior managers considered that they have open, clear and honest communication between partners. The majority of operations managers agreed though Tom submitted that it could be improved.

4.2.11 Responsiveness
As with communication, each of the senior management respondents suggested that both partners were responsive and, again, operations managers supported the view of senior managers with the proviso that they were even more responsive than their partners. Rob Hood suggested that partners were often too slow to respond, that they
tended to lack a sense of urgency, even while remaining highly responsive. Tom and Steve generally confirmed Rob's view. However, they each added that while most partners are good, a few were slow.

4.2.12 Resource availability

All senior managers at Telepoint indicated that they have all the necessary skilled and trained resources available. However, they observed, partner companies don’t always have the necessary resources available and this is a reason for them being unable to meet urgent deadlines.

Operations managers again supported the views of their senior managers, adding that they were able to bring available resources to the partnership as required. Under these circumstances, generally, they did not see resourcing as an issue.

4.2.13 Skill levels

As identified in referring to resourcing levels, Telepoint senior managers believe they already have skilled and trained staff, where partner organisations need more training and skill development. Further, they reported, Telepoint provides training to staff in partner organisations as and when required, though some of the partners already have trained and skilled staff.

All operations managers agreed that Telepoint have high skill levels and, as with their managers, had mixed views regarding the skill levels available in partner organisations. Steve and Tom were happy with the skill level of partners though, as Tom further explained, they select partners with specialised skills. On the other hand, Uri looked to partners to improve their skill levels while Rob took the more extreme view that partners' skills were not good, and they needed specific training for every project.

4.2.14 Market knowledge

Telepoint senior managers believe that they all have considerable knowledge of their customers and the market. However, they were not confident that their partners held the same level of market knowledge. Begrudgingly almost, Bruce Wayne suggested that Telepoint are excellent, but only some partners are good, “We have global market
knowledge, and they have specific knowledge in the areas they work, and sometimes this is very useful.” he said.

In general disagreement, the operations managers at Telepoint were happy with the market knowledge of their partners. They considered the levels of market knowledge to be good in both Telepoint and its partner organisations. Nevertheless, Uri added, perhaps to support the deficit perception of senior management that “Partners can still improve their knowledge of the market.”

4.2.15 Technology leadership

All senior managers suggested that Telepoint is a global technology leader. They perceived this as a value they added into the partnership. They said that they helped their partners to lead in the industry with their advanced technology, and they provided required training. Despite their apparent reservations about their partners' skill and resourcing levels, market knowledge and leadership, they admitted that, in the context of technology leadership, their partners were good at what they were doing.

Again, the operations managers confirmed the comments made by senior managers. Accepting that Telepoint is the industry leader, they also reported having experienced technology leadership in some of their partner organisations while maintaining that the partners could improve with the training they were getting from Telepoint.

4.2.16 Creative solutions

Telepoint senior managers appreciated that smaller partners added value to the partnership with their creativity. They also provided that some parts of Telepoint encourage creativity, especially in design areas. Clark Kent suggested that although Telepoint encourages creativity, the flexibility of their partners allowed them to be even more creative. In general, smaller partners were seen to be bringing creative solutions as their main strength to the partnership.

We work with our partners to deliver creative solutions. Sometimes it works. Sometimes we end up doing things in our way. Our partners always bring new ideas, and that is one of the main purposes for partnering. But we try not to rock
the boat too much as our customers can see something different. (Dick Grayson)

Not everyone, however, is as openly appreciative:

We are creative to a greater extent. Our design centre is famous for creativity and innovation. Our partners can be very creative. This is one reason for bringing in small partners. (Ed Jucat)

Supporting the general belief of senior managers at Telepoint, operations management all accept that their partners are quite creative. As Rob Hood observes, “We always try to work on creative solutions. But sometimes our partners are more creative than us”. Tom, and Steve suggest that the partners hold a creative edge because there are too many processes in place at Telepoint. Uri disagrees. He feels that creativity varies between the partners. “Some are creative, and some are not. We are creative to some extent, and we use it if it is required”.

4.2.17 Change management

The senior managers agreed that change management systems used by Telepoint’s partners were not well developed. They reported Telepoint having an excellent change management system, where their partners had something inefficient or nothing at all. They proposed this as an area that needs to be improved in the partnership between Telepoint and small partners.

Again, comments included by the operations managers echoed the comments of their senior managers.

4.2.18 Team work

Senior managers at Telepoint were happy about levels of teamwork. They all insisted that they experience excellent teamwork with the partners.

All operations managers, similarly, reported excellent teamwork with their partners. Steve Hart extended his comments saying, “Even though we don’t work the same way internally”. As Tom reported, in working with partners, they always “try to work as a team, rather than shifting the blame”.

Although blame was seldom mentioned, the tendency to identify small partner shortcomings and indicate that partners needed more training – which Telepoint would provide -suggested that a culture of blame was actively recognised and applied at Telepoint.

4.2.19 Conflict management
Senior management and operations management held a common view that conflicts are managed effectively. None could recall any major conflicts. Even when they had small problems, they agreed, they solved them with no damage to the partnership – “by talking things out with open and honest feedback” (Uri Gelling).

4.2.20 Compatibility of organisational cultures
Compatibility of the partner cultures and understanding each other’s cultures were seen as a very important factor in the success of partnership. The senior managers at Telepoint agreed that both parties try to understand each other’s culture. They reported that they take this into account when selecting partners.

Dick Grayson and Ed Jucat, however, suggested problems still arise from cultural differences between organisations, though they try to overcome the differences as much as possible. Ed Jucat believes that, even though they look for cultural compatibility when selecting a partner, there still needs to be some formal method for establishing whether they will be compatible, because the current process does not help much.

We have a partner selection process, which is too bureaucratic - dozens of long documents to fill in. We need something clear and simple. (Dick Grayson)

Operations managers at Telepoint considered that, most of the time, they are compatible with most of their partners and they usually get along very well without problems. The operations managers respect the fact that they are different in size, business and culture, but consider that, when they work together, they work well.

Tom, nevertheless, observed that Telepoint select the most compatible according to a
defined process, and still the working relationship can sometimes be difficult. Moreover, there is a continuing call for the

Need to have consistency. Some partners are better than others. Performance of partners should be reviewed regularly and take actions to improve problem areas. (Clark Kent)

Nevertheless, operations managers feel marginalised in the partnering process until they are on the job. They argue that,

Our involvement at a high level is limited in partnership. We don’t select partners. We should be able to decide which partner is the best for the project. We are not getting that opportunity. (Steve Hart)

4.2.21 Telepoint response to focus group partnership success factors

At this early stage in the study, it was expected that the responses from senior managers and operations managers would be quite different because they are operating at different levels in the partnering process. However, it was clear that the comments made by both parties were sufficiently similar to each other, at a superficial level at least, to confirm the views of the company as a giant with many heads but a single mind (See Table 4.1). These findings are discussed in greater detail later in this chapter (see section 4.4).

<table>
<thead>
<tr>
<th>Critical Factors</th>
<th>How Telepoint saw it</th>
<th>Senior Management</th>
<th>Operations Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Commitment to partnership</td>
<td>We are all highly committed, but some of our partners don’t share the same level of commitment</td>
<td>Agreed view</td>
<td></td>
</tr>
<tr>
<td>2. Senior management support</td>
<td>Senior management from both sides provide excellent support.</td>
<td>Telepoint Management takes partnering as Top priority. Some partner organisations do not provide the same support. They do not think long term.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>3. Operational support</td>
<td>There is a communication gap between senior management and operational management at Telepoint. Operational managers for both partners should be well informed so they can play a bigger role in partnering for success.</td>
<td>We work hard together on a day to day basis to get the best outcomes for projects and provide any support required for our partners.</td>
<td></td>
</tr>
<tr>
<td>4. Leadership within Partnership</td>
<td>We must lead every partnership to get the proper results. Small partners are unwilling to take leadership; will only work if led and their work monitored.</td>
<td>Agreed view. Also believe small partners should be more proactive, should bring stronger leadership voice to the partnership.</td>
<td></td>
</tr>
<tr>
<td>5. Benefit sharing</td>
<td>Believe benefits and responsibility are equally shared. But Telepoint carry greater share of blame if project fails</td>
<td>Agreed view</td>
<td></td>
</tr>
<tr>
<td>6. Decision-making</td>
<td>Collaborative decisions are made at senior levels</td>
<td>Operations managers are left out of major decision-making</td>
<td></td>
</tr>
<tr>
<td>7. Roles and responsibilities</td>
<td>Very clear in partner organisation. Telepoint is going through too many re-structures so roles can be unclear sometimes.</td>
<td>Clear in both parties</td>
<td></td>
</tr>
<tr>
<td>8. Governance structure</td>
<td>Very clear in partner organisation. Telepoint is going through too many re-structures and can be unclear sometimes.</td>
<td>Clear in both parties</td>
<td></td>
</tr>
<tr>
<td>9. Trust</td>
<td>Good relationships based on trust</td>
<td>Agreed view</td>
<td></td>
</tr>
<tr>
<td>10. Communication</td>
<td>Open, honest and clear communication between both parties.</td>
<td>Agreed view, but can be improved.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>11. Responsiveness</td>
<td>Both parties are fast in responding to issues</td>
<td>Telepoint is very responsive, partners are slow to respond</td>
<td></td>
</tr>
<tr>
<td>12. Resource availability</td>
<td>Telepoint have no problems. Partners sometimes have resource availability issues.</td>
<td>At operational level, Telepoint supports partners if there is a resource issue</td>
<td></td>
</tr>
<tr>
<td>13. Skill levels</td>
<td>Telepoint have skilled people, but partner organisations need more training</td>
<td>Even when the partners are selected based on their skill level, it can be improved.</td>
<td></td>
</tr>
<tr>
<td>14. Market knowledge</td>
<td>Telepoint is good, but partners are only specialised in the areas they work. They can improve their market knowledge.</td>
<td>Generally good in both parties</td>
<td></td>
</tr>
<tr>
<td>15. Technology leadership</td>
<td>Good in both parties</td>
<td>Agreed view</td>
<td></td>
</tr>
<tr>
<td>16. Creative solutions</td>
<td>Telepoint is creative in some areas, but partners are more creative and bring in innovation</td>
<td>Agreed view</td>
<td></td>
</tr>
<tr>
<td>17. Change management</td>
<td>Partner organisations do not follow a proper change management system</td>
<td>Agreed view</td>
<td></td>
</tr>
<tr>
<td>18. Team work</td>
<td>Excellent team work</td>
<td>Same view</td>
<td></td>
</tr>
</tbody>
</table>
19. Conflict management
Open, honest communication allows effective resolution
Same view

20. Compatibility of organisational cultures
Cultural differences exist. Aim to overcome these. Partner selection process needs review.
Work well together, differences are understood. Problems arise if operational managers are not involved partner selection.

Table 3: Table 4.1 The Telepoint view of partnership in action

4.3 Small partner perceptions of partnership
As indicated in the previous chapter (see 3.5.5), semi-structured interviews were undertaken with one operations manager and one senior manager from each small partnering organisation. The small organisations and their respondents are identified in the previous chapter (Table 3.2) and the findings are reported in this section (Table 4.2)

Initially, as at Telepoint, respondents were asked to provide their views on each of the twenty identified factors. In addition, they were then asked to comment specifically on how they thought about Telepoint, the way their organization sees Telepoint, and how they feel Telepoint would assess them with regard to the factors discussed.

<table>
<thead>
<tr>
<th>Critical Factors</th>
<th>How Partners saw it</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Senior Management</td>
<td>Operations</td>
</tr>
<tr>
<td>1. Commitment to partnership</td>
<td>Telepoint is not as committed as its partners. Sometimes Telepoint does not accept how committed its partners are.</td>
<td>Agreed view</td>
</tr>
<tr>
<td>2. Senior management support</td>
<td>Generally good for both partners. Only issue is frequent loss of clear contacts due to many restructures</td>
<td>Agreed view</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>3. Operational support</strong></td>
<td>Some partners are happy, others are highly critical. Partners with a single contact are more active in day to day operational support.</td>
<td>Agreed view.</td>
</tr>
<tr>
<td><strong>4. Leadership within Partnership</strong></td>
<td>Telepoint is leading most of the time and generally not giving partners the opportunity to make decisions, however respects those decisions made by the partners.</td>
<td>Agreed view</td>
</tr>
<tr>
<td><strong>5. Benefit sharing</strong></td>
<td>Majority accept split is fair, Some believe Telepoint benefits more.</td>
<td>Agreed view</td>
</tr>
<tr>
<td><strong>6. Decision-making</strong></td>
<td>Decisions are usually made in collaboration or small partners are at least considered in making decisions. But sometimes small partners are informed after the decision is made.</td>
<td>Agreed view. Telepoint sometimes has to make decisions on their own because of the bureaucratic process or traditional contracting models.</td>
</tr>
<tr>
<td><strong>7. Roles and responsibilities</strong></td>
<td>Telepoint restructures cause changing roles and responsibilities. Small partners have clearly defined roles.</td>
<td>Agreed view.</td>
</tr>
<tr>
<td><strong>8. Governance structure</strong></td>
<td>Majority believe that they have clear governance structures but Telepoint does not. Restructures damage Telepoint governance.</td>
<td>Agreed view.</td>
</tr>
<tr>
<td><strong>9. Trust</strong></td>
<td>Trust is an issue. Some partners said they have trust in the partnership, others disagree.</td>
<td>Agreed view.</td>
</tr>
<tr>
<td><strong>10. Communication</strong></td>
<td>At operational level, communication is usually good. Strategic level communications occurring through formal meetings is not seen as working together in partnership.</td>
<td>Agreed view.</td>
</tr>
<tr>
<td><strong>11. Responsiveness</strong></td>
<td>Telepoint is usually fast to respond. Delays are often due to too much bureaucracy. Small partners usually respond</td>
<td>Similar view, but some not happy with late responses of Telepoint leading to last minute</td>
</tr>
<tr>
<td>12. Resource availability</td>
<td>Support from Telepoint through resource availability is not an issue.</td>
<td>Agreed view</td>
</tr>
<tr>
<td>13. Skill levels</td>
<td>Skill levels at Telepoint are often only average. Partners have strongly project specific skills.</td>
<td>Partners bring the right skills. Telepoint provide good training when it is required.</td>
</tr>
<tr>
<td>14. Market knowledge</td>
<td>Telepoint has strong market knowledge but partners tend to be undervalued in specialist areas.</td>
<td>Telepoint is not good sharing and informing partners about future prospects.</td>
</tr>
<tr>
<td>15. Technology leadership</td>
<td>Telepoint is the advanced technology leader but partners bring vision and creative energy.</td>
<td>Agreed view.</td>
</tr>
<tr>
<td>16. Creative solutions</td>
<td>Bureaucracy kills creativity at Telepoint. Partners are more creative and innovative.</td>
<td>Agreed view.</td>
</tr>
<tr>
<td>17. Change management</td>
<td>Telepoint has good change control processes, but is sometimes confused in restructures. Partners are generally good at change management because less bureaucracy</td>
<td>Agreed view.</td>
</tr>
<tr>
<td>18. Team work</td>
<td>Both parties try to work as a team. In early stages, the relationship is more like supplier-customer than partnership.</td>
<td>Agreed view.</td>
</tr>
<tr>
<td>19. Conflict management</td>
<td>Mixed responses. Absence or lack in common process at Telepoint.</td>
<td>Due to absence of a common process, even the Smallest issues are escalated to the highest level, damaging the relationship.</td>
</tr>
</tbody>
</table>

Table 4: Table 4.2 all partner view of partnership in action

In common with the Telepoint respondents, the operations and management levels of the smaller partnering companies did not initially appear to be expressing a wide range of different views regarding partnership. Because of this comparatively unexpected convergence of views, opinions and experience, the results have initially been reported together to provide a comparison with the previously reported views of Telepoint.
4.3.1 Commitment to partnership

The majority of the senior managers and operations managers responding to this study believed that Telepoint is committed to the partnership. At Salmon, however, both operations and senior managers were unhappy with Telepoint’s commitment to partnership. Salmon management saw Telepoint as uncommitted, failing to accept partnership as a priority, and not being proactive.

Telepoint is a top heavy organisation. It is going through a difficult time, but it has good intentions and commitment. They have a ‘right’ way of looking at business … on the other hand, we take a proactive approach and do our best. We can do even more in the future for the partnership. (Evan -Salmon)

Illustrating this concern, Minnow operations manager, Liam recalled that Telepoint had approached Minnow only 12 months previously to propose a strategic partnership relationship whereas Minnow already had 6 years of previous dealing with Telepoint. Salmon’s operations manager, Neville, offered independent confirmation of the apparently recent Telepoint “conversion and commitment to partnership” and added that, “It was as if they had never worked with us before.”

Nevertheless, Angel senior management respondent, Andy believed that Telepoint “had good intentions” entering into project partnerships and saw them as being committed. Angel, he reported, is also trying to demonstrate commitment, though this was not yet clear to Telepoint, apparently.

In contrast, Flounder operations manager, Ken did not believe that Telepoint had sufficient commitment to their partnership. Rather, he suggested, he had neither heard nor seen any evidence of commitment from Telepoint. Supporting Ken’s rather pessimistic view, Trout operations manager, Owen believes that Telepoint just wants them to do the work they are given because “they don’t care much about the partnership. They now simply want us to do the work”. More importantly, perhaps, as Flounder senior manager, Bill observed,

Telepoint is very committed and strategically involved but distrusts us, so we are not clear about the future of the partnership. (Bill – Flounder)
Refining this rather polarised view of Telepoint, Minnow senior management respondent, Charles said the commitment was good in both parties, but had only improved during the last six months (since this research study was proposed). Puffer operations head, Malcolm mentioned that Telepoint is more reactive that proactive.

Flounder Management, suggesting that commitment overall is good, says that relations are generally open and honest but reported a weakness is changing relationships, responsibilities and commitment when changing managers at Telepoint.

Because Flounder is small, professional, fast, entrepreneurial, with a good management team, and we have less bureaucracy and more energy, effective partnership with Telepoint is important for us. In some situations, though, we get treated as a sub contractor rather than a partner. They only seem to think sometimes about getting the job done. They don’t put much commitment towards a partnership. (Bill -Flounder)

Flounder operations respondent, Ken supports Bill’s viewpoint saying,

Commitment is not enough due to unpredictable and ongoing changes happening at Telepoint. Formal forms for everything, too much bureaucracy that slows down the work as well. On the other hand, Flounder is flexible, organic, responsive, shares responsibility and takes ownership. Their subcontractor view needs to be eliminated from our mind. (Ken – Flounder)

Trout senior manager, Graeme was willing to give Telepoint the benefit of the doubt regarding commitment to notions of partnership but observed that,

Telepoint places its own customer first in any partnering relationship. We are focused on the functional aspects of the relationship and growing the partnership. (Graeme – Trout)
4.3.2 Senior management support

All but one of the senior managers and operations managers interviewed from the partner organisations reported that top management support was available from within their own organisation, and most of the time also from Telepoint. Angel’s operations manager, however, pointed to the apparent instability among Telepoint management caused by frequent restructuring.

Pointing to their own focus, both operations and senior managers indicated that Telepoint has a strong tendency to interfere in project development at micromanagement levels. Illustrating this point, Trout senior manager, Graeme observed that,

> Telepoint can tend to pull out support staff without understanding the impact. They tend to blame us for not providing IT/technical operational support and use that as an excuse for poor performance. (Graeme – Trout)

Flounder operations and senior managers felt that Telepoint was generally supportive, but that they received better support from their own top management. Flounder Management suggests Telepoint is not visible enough, and not accessible, where Flounder has all the support and wants to work as a partner, not as a subcontractor. Bill, the senior manager at Flounder suggests that although they are ready for partnership – as they have already done with others - Telepoint is still not ready. Instead, he believes,

> Some of our senior managers are still sceptical about the support from Telepoint, due to past experiences. (Bill – Flounder)

Extending the reaction to micromanaging, Salmon’s Neville suggests that the senior management in Telepoint only become involved when things go wrong. As a result, he observes, “We satisfy all their scope demands but Telepoint is not aware of Salmon’s full capabilities”.
Trout senior manager, Graeme believes that Telepoint want to be involved in the strategic aspects but, because of their uncertainty [due to restructures], they become focused on operational issues to achieve contract compliance.

Despite differences in perspective, senior and operations managers in the small organisations generally saw Telepoint as wishing to be supportive but becoming sidetracked into micromanagement and losing project perspective. This, they argued, resulted from what they perceived to be almost constant organisational restructuring at Telepoint rather than any real desire for Telepoint managers to interfere with effective partnerships. As a result, many partners considered that Telepoint still treat them as a sub-contractors, with a consequent loss of real commitment and support.

4.3.3 Operational support

Expanding the dissatisfaction with attempts at micromanagement in day-to-day operations, Angel managers, Andy and Jim each report that Telepoint operations staff are not given enough responsibility and authority. As a result, says Andy, “they are trying to protect their jobs and do not take decisions as required”. The result, as Puffer operations manager Malcolm observes is that,

> We have a very capable team. They can scope out the work and give a quick response … but Telepoint don’t trust us to work that quickly so they step in and micromanage. That slows everything down and then they complain. (Malcolm – Puffer)

The effect of Telepoint’s perceived constant restructuring is a loss of contact with partners at operations level at least.

> Telepoint doesn’t have a dedicated person. They keep changing. Only once have they had a dedicated project manager. We need to have one point of contact. That way, our forecasts can be linked to our deliveries and we have an open communication. (Neville – Salmon)
Trout respondents both believe that day-to-day operational support is haphazard, that links from operational support to senior management often seem to be vague. On the other hand, Trout protects itself against this uncertainty by taking responsibility for delivering according to the contract and conducting measurements daily. Flounder management and operations are similarly displeased with day-to-day support and believe that Telepoint, seeing them as task-oriented, attempt to micro manage.

Salmon Management and operations, however, suggest strong Telepoint support that has made Salmon even better because they have aligned their day-to-day processes with those of Telepoint. Recording good feedback during reviews, Neville says support from Telepoint is good because of the dedication of some of its managers. This support, he observes is mainly due to having a single sustained point of contact.

For the smaller partners, day-to-day operational support appears to depend on the quality of the Telepoint managers they come into contact with. Where stability has been achieved, small partners feel confident that they are supported. Where frequent changes in contact have resulted through restructuring, the smaller partners feel untrusted, micro-managed and, generally, treated as no more than sub-contractors.

4.3.4 Leadership within partnership

The majority of the small partner respondents believe that Telepoint demands the leading role. As Flounder operations manager Ken reports, “Telepoint leaders drive the partnership.” Nevertheless, Angel’s operations manager accepts that leadership may be shared and his senior manager, Bill observes that, “They have higher levels of partnership at global levels.

Supporting the general concern about micro-managing, Salmon operations manager, Neville suggests that leadership, for Telepoint, is about “identifying gaps and pitfalls”. His view has wide currency. While Puffer manager, Dave reports that they “work hard to become approved partners”, Minnow, manager maintains that, “there is a perception at Telepoint that we are just another supplier working for many clients.”
Angel senior manager, Andy, however, believes that Telepoint offers a clear message about project leadership and that this is played out in the partnership.

Telepoint instigate the work and lead all the way. They are leaders in the industry, and they are leading the partnership. We cannot provide the leadership because of our size. But we support Telepoint in the projects and they respect the decisions we make. (Andy – Angel)

Andys operations manager, Jim disagrees – as he does on almost all of the points they discuss during their interviews. In this context, it is difficult to suggest why the difference is so clearly defined.

Despite some differences in perception, it is generally accepted by senior managers that Telepoint have both a right and the responsibility to lead because they are large, because they have an international reputation and because they 'own' the customer base. Operations managers are less accepting of the lack of consultation and lack of acknowledgement of their own skills. As a result, tensions clearly exist at different levels across the small partner sample with some recognising the value of alignment with their larger partner and others disputing the impact of the large bureaucracy.

4.3.5 Benefit sharing

No respondent suggested that, as the smaller partner, they benefited more than the large partner. The majority either accepted that they received a reasonable split or that Telepoint was the major beneficiary of the unequal partnership. Reporting that they had only recently entered into partnership with Telepoint, Minnow senior manager Charles felt that it was too early for them to comment.

Flounder senior manager, Bill echoed Puffer comments that, “There can be financial and strategic benefits. Usually it’s a reasonable split.” While Salmon’s Evan felt that, “We are happy with the way the benefits are shared.”
Trout respondents both suggested sharing had been beneficial because,

Telepoint recognises the need for our company to make a commercially sustainable profit and they support this. We also understand Telepoint’s need for cost reduction and we help them to achieve that. Telepoint knows we are cost-conscious and we focus on fixed price contracts on a 2-year basis. (Graeme – Trout)

Despite the apparent agreement on benefit sharing, Puffer operations manager, Malcolm maintained that he was, “… not convinced that Telepoint is looking at a fair split.”

4.3.6 Decision-making

Discussing the collaborative level of decision-making within partnerships, small partner company respondents reported a range of processes depending on their position in the potential decision-making process. Most agreed that the process was collaborative. However, while senior managers generally reported being included or at least considered in the process, operations managers were far more likely to indicate that they were informed after the decisions were made – usually unilaterally -by Telepoint. Defending the range of decision-making processes, Angel senior manager, Andy asserted that, “Every decision is made on a commercial basis”, from which it seems appropriate, as Angel operations manager, Jim disputed and Flounder senior manager, Bill confirmed, “We only get to know about it after the decision is made.”

However Telepoint consider them in making decisions. Operations believed that they are being informed after the decision is made.

Describing the bureaucratic structure of the Telepoint decision-making process in some detail, Puffer senior manager, Dave returned to the unequal nature of the partnership.

Telepoint makes the decisions most of the time because they run with the traditional sub-contractor model. We are treated as the junior partner and sub-contractor. At Telepoint, decision-making happens at very few levels because it is
very structured. (Dave – Puffer)

Confirming Dave’s observation, Salmon operations manager, Neville observed that, “Telepoint make decisions for the best interests of Telepoint, for them to look good.” As a result, Neville adds, Flounder are sometimes considered in making decisions but they are more usually informed after the decision is made.

Salmon senior manager, Evan, however, disagrees with his operations manager, saying that,

Telepoint probably consider Salmon in decision-making. However, when Salmon makes decisions, we make them collaboratively with Telepoint. (Evan – Salmon) Evan believes that Salmon is very good at making decisions collaboratively, and that it is in their best interest to make Telepoint look good to the end customer. The extent of Salmon’s own customer base, a point of difference with the even smaller partners, suggests that this may make collaboration an appropriate strategy for Telepoint.

In substantial agreement with his fellow respondents, Trout Operations manager, Owen observes that day-to-day decision making, is usually collaborative, “and we have weekly meetings where we make the decisions together.”

Though respondents express little open dissatisfaction with the decision-making processes affecting their partnership, it seems clear that Telepoint collaborates when it is apparently in their best interest but default to the sub-contracting model if they are able. At an operational level, however, individual relationships and the immediacy of the agreed project seem to generate a more collaborative atmosphere

4.3.7 Roles and responsibilities

Too many faces are changing too fast at Telepoint. Fortunately, we have a more stable organisation. Our roles are clearly defined and we know what we have to do – even if we can’t always find out who we’re supposed to be doing it with. (Charles – Minnow)

Charles summarises the experience of the senior managers whereas Puffer operations manager, Malcolm sees things from a more immediate viewpoint when
he says,
Because we need to contact different people at different times, it gets awful confusing. We can’t be sure who to contact. (Charles – Minnow)

Despite apparent confusions and the potential for improvement as stability returns to Telepoint, at least, most of the small partner respondents accepted that roles are fairly well defined most of the time in both organisations. Accepting that roles were generally clearer in their small organisations, Angel manager, Andy maintained that “there are too many faces in Telepoint and they keep changing too fast.”

4.3.8 Governance structure
Respondents from the smaller organizations informing this study held the common view that their own company had clear governance structures while Telepoint had become increasingly complicated. The extent to which this perception stems from their experience of frequent recent restructuring at Telepoint seems obvious.

Senior managers all observed the constant changing as a generally negative process while accepting that operations at the project level were basically unaffected.

We know ho the project manager is so we know who to talk to. And so we know the structure. We keep good records so we can track the changes. What happens above us is pretty confusing I think. (Neville – Salmon)

In Trout operations manager, Owen’s observations confirm Neville’s experience.

Telepoint doesn’t seem to be able to keep up with the documentation so we usually find out about big changes through another player. Our organization charts and responsibility are well documented and communicated to customer so our day-to-day dealings are a bit easier than at higher levels. (Owen – Trout)
4.3.9 Trust

At senior management levels, all respondents suggested that they had established strong trust in their partnership. Some of them said they came a long way and they had to work really hard to establish that trust in the relationship and they are getting even closer with the trust they have.

While some of the operations managers recorded agreement with their senior managers, Angel operations manager, Jim disagreed again with his colleague. Perhaps suspicious of his lack of inclusion in decision-making, Jim observed, “I haven’t seen any evidence that they trust us yet. I don’t think they’re showing us the big picture”. Neither Puffer nor Flounder operations managers felt there was sufficient trust in their capacity from Telepoint. Each suggested that it was an issue that needed constant work.

Telepoint knows we work with no hidden agendas, and we get good feedback from Telepoint project managers. (Owen – Trout)

4.3.10 Communication

Unsurprisingly, given their dissenting feelings about trust levels, senior managers and their operational counterparts held differing views about communication effectiveness with Telepoint. Minnow respondents were happy with the communication between parties. Trout respondents agreed,

Reporting is efficient. communication through “regular weekly and monthly reviews, plenty of e-mails and telephone calls” (Owen - Trout).

In contrast, senior and operations managers at Puffer both suggested that communication with Telepoint was bad, that they wasted time following up on routine issues and seldom received initiating messages. Flounder supported Puffer’s view adding that Telepoint were using formal meetings to communicate operational matters rather than communicating as partners.
Angel senior manager, Andy observed that there was not enough communication from Telepoint.

There seems to be a lot of outside influence in decision-making, and you don’t know who to contact sometimes. Angel tries to see itself as a partner, but we are still being treated as a sub contractor by Telepoint, and that’s not working together effectively. (Andy – Angel)

Appreciating the importance of shared trust and commitment from both sides, the smaller companies argued for increased openness. Providing an operational perspective, however, Jim observed that communication with Telepoint was acceptable at project level though it lacked, as Andy observed, strategic levels.

While Salmon’s operations manager felt that communication was good between both parties, his senior manager did not agree. Salmon senior manager, Evan considered that communication was “not good” and that, in particular, they were not given the opportunity to link easily with senior managers at Telepoint. From this basis, Evan was concerned that Telepoint senior management could not come to know Salmon’s capabilities.

Pointing to the historical problems generated by repeated Telepoint restructuring, Angel senior manager, Andy hoped that the new structure of Telepoint would reduce communication problems. Minnow’s senior management said feedback mechanisms were improving from Telepoint whereas Flounder’s senior manager felt that Telepoint did not have any feedback mechanism in place. In contrast, Flounder reported receiving effective feedback by e-mail while Trout management indicated that Telepoint’s feedback mechanisms were, at best, *ad hoc*. Trout’s operations manager, on the other hand, indicated that measures were readily available but that, although Telepoint had plenty of tools and plenty of knowledge, access to the tools was very difficult.

Communications between Telepoint and its smaller partners appears to satisfy the operational needs of project management, even if rather clumsily, while remaining a difficult area for senior managers.
4.3.11 Responsiveness

Accepting the inadequacies in communication at senior management level in particular, Angel senior manager, Andy felt that Telepoint were agreeably responsive when he needed to initiate communications.

Even within Telepoint, some respondents are better than others. Some respondents have unrealistic expectations. I know that Jim [operations] is not that happy though, because he gets too many last minute requests. And that’s due to no planning or forecasting from Telepoint. (Andy – Angel)

Puffer senior and operations managers both suggested that Telepoint is reactive. Flounder manager Bill added that “Because they are big and bureaucratic, their response is slow.” Salmon respondents provided similar reasons for Telepoint’s lack of responsiveness. However, Neville added, “Telepoint is methodological”. Extending this line, Trout senior manager, Graeme said, “Telepoint will generally act quickly when their customers are affected or when it might impact profitability or efficiency. They’re quite a little bit slower when the issue is internal.”

4.3.12 Resource availability from Telepoint

It was evident that the majority of the small players believed Telepoint to be very well resourced while their own resource capability, because of their relatively smaller size, was always closer to meeting their immediate needs. In some instances, however, they felt that Telepoint was over-resourced.

It’s not so much that they don’t have the resources, it just that with all this reshuffling, it is still hard to find the person with the right authority to access resources at Telepoint. (Bill – Flounder)

Salmon senior manager, Evan reports using permanent staff to assure high quality while suggesting that competitors may compromise quality by resorting to sub-contractors to fill gaps at peak project periods. Trout’s Graeme accepts that Telepoint may see them to be scrambling at times but insists that Trout respond more quickly than Telepoint so their resources are better utilised, even when restructuring is underway.
Operations managers, in general, reported more consistently that both Telepoint and their own companies were appropriately resourced for the projects they partnered in.

### 4.3.13 Skill levels

In a moment of agreement, Angel’s Andy and Jim report having highly technical personnel with strong engineering and project management skills. In contrast they perceive Telepoint as tending to appoint people with the required skill levels to the wrong jobs. In consequence, they each observe, Telepoint project personnel tend to be less clearly motivated and lacking in specific project knowledge. Flounder operations manager, Ken confirms the view of Puffer’s Dave who suggests that,

> We have very competent staff. Our specialties are the area we partner in so we are better at it than Telepoint. That’s supposed to be why they are partnering anyway. (Dave – Puffer)

While the Minnow experience of Telepoint skill levels is positive, Salmon respondents suggest that Telepoint project managers tend to lack specific project knowledge and clear understanding of any contract clauses.

Focusing on their own perceived weaknesses, Trout respondents suggested that Telepoint skill levels are excellent whereas Trout lack large project experience. In this regard, they each report that Telepoint training has been invaluable to them.

### 4.3.14 Market knowledge

Small partner respondents display differences in perception between companies and between management and operations levels. Senior managers tend to rate themselves as having greater market knowledge than Telepoint where partnership has been established on the basis of their own expertise. As Flounder senior manager, Bill observes,

> We have stronger market knowledge [than Telepoint] because we have experience in the local market. (Bill – Flounder)
Puffer’s Dave reports similarly that although,

We are not into marketing so we’re not an effective sales organisation [however], we know the niche market and we have a skilful team. (Dave – Puffer)

Angel’s senior manager, Andy observes that Telepoint may have lost focus on its core business through its various restructures. As a result, he suggests,

Telepoint needs to think about what its future is going to be. At the moment it is too slow to respond to market needs so the competition is taking advantage …. Maybe Telepoint should focus on a few key areas where they have the expertise. (Angel – Andy)

The core business of the partner determines its concern for marketing. Similarly, the focus of the respondent clearly affects the extent to which marketing concerns are addressed. Operations managers tended to report that while Telepoint were good at marketing, they took too little account of the knowledge of their partners and were unwilling to share information about future prospects. As Minnow’s Liam observed,

Telepoint is good at market knowledge but they are not good at sharing their information. So we are not convinced that Telepoint know how good we are. Maybe we need to convince them with a presentation of our capabilities again. (Liam – Minnow)

4.3.15 Technology Leadership
The common view of the small company partners was that Telepoint provides technology leadership in the industry.

Nevertheless, as Minnow’s Charles reported, “Leadership is only as strong as the last success.” and while Telepoint understands and provides for existing situations, it did not seem to be able to identify where the market is going.
**4.3.16 Creativity**

Angel operations manager, Jim believes that creativity can only occur easily when project partners share a common purpose. For him, “Once the proposed guidelines for partnering success are aligned, then both parties can be creative and innovative.”

Minnow’s Charles, however, believes that there is a long way to go for Minnow, “Because we are more structured so we [tend to] lack creativity”. In contrast, Charles perceives Telepoint as creative because, “They sell things well and think differently.” Flounder’s Bill, on the other hand, believes that, “Bureaucracy murders creativity in Telepoint.” His opinion is echoed by Ken, his operations manager who reports that,

> We are creative in what we do. We find more economic and better ways do things. Telepoint processes destroy ones creativity. (Ken – Flounder)

The Flounder perception that Telepoint lacks creativity is supported by the Trout respondents.

> Telepoint is not very creative. Their processes are often efficient in principle but they can be bureaucratic and slow. And actually, there are just too many processes and procedures. In Trout, new processes are developed quickly to maximise efficiency and profit. We ditch our old processes, Telepoint adds more and then proceeds in the same old way. (Owen-Trout)

**4.3.17 Change management**

Despite earlier expressed concerns about Telepoint’s bureaucratic rigidity and lack of creativity, Angel’s Andy was unwilling to comment on their change management processes. Instead, he suggested that it is too early in the process. Again, operations manager, Jim disagreed with his senior manager, asserting instead that Telepoint maintained good change control processes at operational levels.

Suggesting that change control is quite poor at Telepoint, Minnow senior manager, Charles proposed that Telepoint were largely unaware of the impact of the changes that they, themselves, were making through their restructures. As at Angel, the
Minnow’s Liam disagreed with his senior manager while Trout’s Graeme observed that,

Variations are well managed but financial impacts and contractual implications are not worked through very well at all. (Liam – Minnow)

Liam’s view gained support at Salmon where Neville suggested that,

Telepoint doesn’t have enough knowledge in scoping. They are good at the micro-managing stuff. They have processes for all of that. But this is where their lack of creativity kicks in. They are good at variations but they lose the plot when bigger changes need to be made. (Neville – Salmon)

The respondents to this study addressed change management at both contractual and project levels. Some considered change in terms of Telepoint restructuring and how that affected partnerships. Others addressed project variation at the operational level. This range of approaches, as a result, tended to confirm previous observations rather than illuminating a potentially important partnership success factor.

4.3.18 Teamwork

Small companies suggested that both partners were trying to work as a team in their partnership, however, it was evident that most are still at the early stages of forming a team relationship. Instead, they report that, to date, they still have a customer supplier relationship rather than a partnership. More importantly, perhaps, they generally believe that they are not being given the opportunity to work as a team. Few felt that they had a reasonably good or even average team relationship. The more common opinion was that the small partners wanted to work as a team, but the large company, Telepoint, did not encourage it. As Salmon’s Neville recorded,

We are a family based company and we believe that we need excellent teamwork based on strong communication. We talk every day and we are more than willing to work as a team but we are not given many opportunities. (Neville – Salmon)
4.3.19 Conflict management

As expected on the basis of the range of experiences reported and the different focus of the respondents, questions of conflict management generated mixed responses. Only Minnow and Angel senior managers and Salmon operations were happy with the way conflicts were managed. Puffer and Salmon managers did not want to comment. The majority of respondents, however, complained of an absence of conflict management processes. Neither senior nor operations managers felt satisfied with this absence. Where Flounder’s Bill observed that, “We’ve had conflicts but we managed to resolve them effectively”, his operations manager felt that both parties needed a conflict management process. Puffer’s Dave reported that,

We have meetings, talking about partnership performance, but they are not as regular as they should be… Where there is a conflict, Telepoint escalate it to the highest level. We take a softer approach, not to damage the relationship. We see Telepoint as a customer. We try to be patient, and listen to them. (Dave– Puffer)

Observing Telepoint’s hierarchical management structure, Puffer’s operations manager, Malcolm reports similar experiences to his senior manager.

Escalation is part of its culture. But they see us as a sub-contractor, not a partner. We try to see them as the customer. With partners you can have more openness. (Malcolm -Puffer)

Where Angel identified a single person as responsible for handling conflicts, Trout suggested that although there was a process for resolving conflicts arising from contracting, it was not always followed. More importantly, observed Jim, “lack of information can slow the process of conflict resolution.”

4.3.20 Compatibility of organizational cultures

Telepoint selects its partners on the basis of their apparent cultural compatibility as approved service partners. However, as partners get to know each other better, they invariably try to understand their partner’s cultures better.
The small partner respondents to this study recognise that the global size of Telepoint results in its necessity for substantial structural and process uniformity. They also acknowledge potential efficiencies resulting Telepoint’s operational scale. As Angel senior manager, Andy observes,

> Telepoint can afford to run with huge overheads. It can withstand its own internal politics and it can afford disagreements with the customers. “However, acknowledging the elements of the Telepoint culture does not mean acceptance. (Andy – Angel)

As Angel operations manager, Jim observes,

> There are no Empire State buildings and huge hierarchies at Angel. We run lean and mean, we rely on each other and we rely on Telepoint for marketing. (Jim – Angel)

Telepoint’s apparent lack of structural stability, the result of repeated restructuring, appears to have led to a loss of confidence in partnership among the smaller partners. Varying seeing their relationship as “master/Slave” (Minnow), “Big fish/small fish” (Puffer) and “contractor/sub-contractor” (Flounder, Trout), the smaller partners point to both desirable and undesirable elements of the Telepoint culture to support their views. Angel senior manager, Andy appreciates the, “need to be more diverse, work as joint committees, and work together internally.” And believes that Angel would benefit from working with Telepoint through joint committee structures. Minnow identifies the value of, professional work ethics and focused culture.

Despite feeling that they are in a master-slave relationship, Minnow senior manager, Charles suggests that they need to see value in the working relationship because Telepoint’s outside influence directly acts on partnership. Charles believes that Minnow should put more trust in to partnership” because “a true partnership is required.
Although there is a general belief that partnerships with Telepoint are slowly changing both partners and that there are advantages to some of these changes, the broader sense is at their own expense. Puffer respondents, for example, did not want to make any comment on cultural compatibility at all. Identifying the obvious differences in size and organisational structure, operations manager, Malcolm suggested only that Telepoint, “has limited flexibility”.

Flounder’s Bill, pointing out the “culture of large, process oriented manufacturing company” observed that,

They don’t have the operational efficiencies, creativity or energy that we have. They can control their partner’s ability but we have a can-do attitude and the energy to get things done promptly. (Bill – Flounder)

Supporting Bill’s view, Flounder operations manager, Ken reflected that,

Telepoint has a mechanistic culture and Flounder has an organic culture. Flounder has a matrix set up and it’s flexible. (Ken – Flounder)

Flexibility seemed to be a recognised point of cultural difference for Flounder, Trout and Salmon with Salmon’s senior manager pointing out that,

We’re a small company with flexibility, and we’ve got local knowledge and expertise. On the other hand, Telepoint has an established system, quality assurance and other processes. Telepoint and Salmon work together sharing these experiences. (Evan – Salmon)

Supporting his senior manager’s view, Owen observes, from an operational viewpoint, that Telepoint has some good processes that Salmon now utilise. On the other hand, he observes, “Salmon provides a service sometimes, filling all the gaps in projects, but not charging for the service”.
Expressing similar views to Salmon, Trout observe that they fit together well in partnership because,

Telepoint has specialist managers who mainly make technical decisions and Trout has generalist managers who make a range of decisions. Acknowledging that this, can cause conflict because Trout has a contract management mindset and actively tries to plug in to the customer culture. (Owen – Trout)

Owen reflects that Telepoint might sometimes be uncomfortable with Trout’s “urgency” but that the, “mix of culture helps us to understand how things need to be done.”

Respondents from small companies emphasised the importance of being honest with, and appreciating each other. They sought what they considered to be “true partnership” and suggested that the size and slowness of large companies can cause problems in partnership with small and fast companies.

Identifying operational capacity issues as creating differing cultural expectations, small partner respondents invariably suggested that large companies should keep their expectations realistic and seek to be proactive in identifying and communicating potential concerns rather than being punitively reactive when things go wrong.

4.3.21 Small partner responses to focus group partnership success factors

Where the Telepoint respondents tended to identify with their company as a giant with many heads and a single mind, the smaller partners offered a more dispersed view. Generally agreeing that they were still treated as sub-contractors rather than partners, they saw advantages in the size difference, in the range of opportunities presented by this difference and in the potential to maintain creativity and flexibility at the expense of their larger partner (See Table 4.2). At an operational level, the smaller partners tended to confirm that issues generated by repeated restructuring left them without clear communication lines and prone to criticism for factors beyond their control. These findings are discussed in the next section (see 4.4)
4.4 Success in partnership

Notions of commitment to partnership vary substantially between Telepoint and its smaller partners. The frequently reported reactivity of Telepoint and Telepoint’s own observation that smaller partners need to be “trained and contained” (Clark Kent) because they are “not pro-active”, each suggests that while the language of partnership may be reaching into Telepoint documentation, it is having little impact on attitudes towards “sub-contractors” -at the senior management level, at least.

Despite their assertions to the contrary, trust appears to be minimal at the management level at Telepoint though the language of the Telepoint documentation is well understood. This lack of trust appears to be far more substantial at senior management than operational level where it seems that working together on a project allows partners to see each others skills, teamwork capacity, resourcing and technology and creative strengths in action.

Although the Telepoint focus group initially identified 20 factors for success and these are variously supported in the literature of partnership, many of these factors are referred to in practice as elements of a single more embracing factor.

The factors seen as significant to partnership success in this study are discussed in the development of the partnership model presented in the following chapter.

4.5 Chapter conclusion

This chapter has provided an extended discussion and analysis of the collaborative partnering relationship between Telepoint and its small partners, in relation to various factors, which influence the partnership.

As indicated in the previous section, the following chapter provides a synthesis of these factors as the integrating feature for a proposed model of partnership towards project success between unequal partners.
5. Towards a model for successful partnership

Many types of Partnering arrangements between organisations have been discussed by many researchers. As previously discussed (see chapter 2), the results of this reported research have opened a broad field for consideration but have yet to establish an accepted set of criteria for successful partnering. More specifically, and for practical purposes, more importantly, partnering between large and small organisations has not been researched in any detail though it is variously assumed.

5.1 Success in an unequal partnership

Charles Handy's (2001) “Elephant and the Flea” provides a metaphoric narrative describing how elephants benefit from the flea and how to make the partnership between the two successful. Specifically, the narrative suggests how both parties can benefit from the partnering. While the literature related to partnering between large and small organisations has provided an overview of agreed success factors, the findings of this study suggest a substantial difference in perception between large and smaller organisations in partnership. As described (see chapter 3), the research was carried out with particular attention to project partnering arrangements, where it was anticipated, both parties expected to benefit in their projects through collaboration.

This chapter discusses the findings of the present study in pursuit of a preliminary model for improved partnership. Particularly, it reduces the proliferation of identifiable success factors to create a strategic framework for operational success in shared project management.

5.2 The research question revisited

As previously described (see 3.5.2), initial data collection directly addressed the research question:

*What are the critical factors influencing the success of the partnering relationship between a large company and a small local company?*
The practical purpose of this success factor identification was to identify:

*How do these factors need to be applied in an unequal partnership to foster project management success?*

As previously acknowledged (see 4.1), many of the factors agreed by the focus group in this study have been identified previously by some researchers. There remains, however, insufficient empirical evidence to clearly establish that each or all of these factors necessarily influence the success or failure of collaborative partnership between large and small organisations in a similar setting. The interview responses informing this study suggest that the factors vary in importance in differing partnerships, at differing levels and for differing projects.

The purpose of this study is to improve understanding of the relative importance of identified success factors to successful project management partnership: *How do these success factors need to be applied in an unequal partnership to foster project management success?* (see 3.2.2).

Key informant interview responses were undertaken to validate the data collected through the focus group. Using a grounded theory approach (3.6.2), data was carefully reviewed and analysed to arrive at a set of generally agreed factors specifically affecting large company project management partnership with small companies.

Based on this evaluation, it was established that while the 20 factors identified initially (see fig. 4.1) contribute to the success of partnering, their ongoing influence may better be categorised into six basic elements (see Figure 5.1).

**5.3 Evaluating critical success factors**

The grouping of identified success factors according to apparently inter-related concerns among the respondents to this study has been made in recognition of a discernible difference in experience between the senior managers and the operational managers informing the study.
Despite apparent agreement in principle and an apparent convergence of opinion between Telepoint and small partner informants, the experiences informing responses frequently suggested that interpretation was a significant source of variation between respondents while their responses looked, superficially at least, to express agreement.

Because of this variation, the factors informing the grouping of elements proposed (see Table 4.1) has been included into the table. Specific elements affecting how this grouping was developed are discussed in the following section.

![Diagram of Proposed Successful Partnering Model](image)

**Fig 5.1:** Proposed successful partnering model: Critical factors influencing the success of project management in unequal partnership

Figure 3: Figure 5.1 Proposed successful partnering model
5.3.1 Consistent approach as a mark of commitment towards partners

Whereas different views of the partnership will necessarily arise from senior managers and operations managers dealing with different contacts at Telepoint, the small partner respondents to this study repeatedly report a lack of consistency in the way Telepoint operates in strategic partnering. It may be more appropriate to observe that different managers working with the same counterparts hold differing views of the process. In this context, it appears that relationship management and cultural difference may be contributing factors to the observed difference.

While it is clear that repeated restructuring has destabilised a number of partnership relationship, Telepoint does not appear to have a consistent approach to its strategic partnering process. In consequence, several of the reported partnerships, at least, have become personality dependent. As a result, it can be generally observed that, “Some individuals are better than others at partnership”. Telepoint, as the host or “Big fish” needs to take this into consideration to maintain successful strategic partnering in project management.

5.3.2 Senior management and operational support as elements of trust and commitment

It was evident from the interviews that senior management and operational support were essential to every partnering relationship and most of the partners, and Telepoint suggested that both parties are fully committed to the partnership. However, as individual respondents began to identify themselves as more committed than their partner, the Telepoint sub-contractor or supplier approach revealed substantial breakdowns in trust and, consequently, sharing across the partnerships. Most frequently, these were identified at operational levels.

5.3.3 Leadership as willingness to share

Where Telepoint suggested that small companies were unable to lead, smaller partners observed that they were sometimes deprived of the opportunity to do so. This is not really the case, according to some of the small partners. The reality of leadership role distribution was complicated by the frequently identified issue of restructuring at Telepoint. Within this confusion, relative responsibilities and role clarity were seen to
impact on organisational decision making. Small partners were generally comfortable with collaborative decision-making and expected to work in this manner with their partners. Instead, it was evident that although decisions were usually made collaboratively at operational level, this was not the case at senior management levels. The identified unwillingness to share impacted on trust, disrupted effective and, ultimately, led to a perception that sharing was not equally beneficial.

5.3.4 Trust and cultural difference
Although respondents reported trust in their relationships at personal levels, concern with corporate partnership capacities was frequently identified as a reason for communication breakdown or even the apportioning of blame when project partnerships foundered. The self-perception of large partner informants that they maintained superior capacity, knowledge and management skills invariably devalued the capacity of the smaller partner and, in return, generated resentment over failure to recognise the purpose of the partnership. This cultural disrespect between partners, again, displayed itself in reduced trust levels.

5.3.5 Open, regular and responsive communication
Despite overt claims of trust, sharing and commitment to the partnership process, it was evident among the majority of respondents to this study that open, regular and honest communication were exceptions rather than the rule. On one hand, Telepoint perceptions of the inability of smaller partners to reach significant decisions impacted change management processes resulting in decisions being “passed down from on high” (Liam – Minnow) and generating unnecessary feelings of conflict. On the other hand, small partner perceptions that they were more flexible, faster moving and more creative led them to distrust the partnership process as a means of leveraging their own capacity.

5.3.6 Governance and teamwork in supportive systems development
Apparently repeated changes in Telepoint governance structures had led to difficulties in partnership for many of the respondents to this study because of the tendency to lose established contacts and, therefore, effective communication at line and sometimes senior management level. In general, operational management was more
severely impacted by the loss of communication and reported difficulties establishing and maintaining effective teamwork under these conditions. Both Telepoint and small partner senior managers identified loss or lack of effective systems of change and conflict management, incoherent resourcing and lack of identification and deployment of skills as significant partnership issues. Observing that the aim of the partnership was related to sharing resources and skills, all respondents recognised the need for coherent and continuous systems and agreed processes.

Different parties had different views on market knowledge each other have and their technology leadership. If this is the reason for the partners enter into the partnership, it cannot be taken lightly as it can creates problems in the partnership, if expectations are not met.

5.3.7 Culture as a moving target

In selecting preferred partners, Telepoint claim to pay considerable attention to cultural compatibility. This study suggests, however, that partners seldom recognise their cultural differences until communication breakdowns and role definitions begin to impact on team development at the operational level. Successful partnerships, this study suggests, depends on effective role separation, strong communication and individual integrity. Agreed processes, structures and responsibilities appear to reduce confusion, inter-organisational jealousies and the feelings of disempowerment that can arise from ill-defined specifications.

5.4 Strategic planning for successful collaborative project management

The grouping of 20 originally identified success factors to establish six core elements for effective partnership between unequal partners in project management offers potential for the development of a coherent model for strategic partnership development (see fig 5.2).

<table>
<thead>
<tr>
<th>1: Partner Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suggested Strategies:</td>
</tr>
<tr>
<td>- Project based partnering rather than selecting someone from an approved partners list. (Telepoint currently choose partners based on its approved list)</td>
</tr>
<tr>
<td>- Answer the questions; why, when and how long we are going to be in</td>
</tr>
</tbody>
</table>
partnership, in selecting the suitable partner. Do not just pick the one who can come up with the cheapest quote from the approved partner list. Again, project based partner selection is recommended.

- Diversity in cultures encourages innovation. Pick partners with diverse background and focus on relationship rather than structural issues.

2. Partnering Agreements that meet the expectations of both parties

Suggested Strategies:
- Agreement focused on ‘soft’ issues including trust, communication and willingness to share, the critical success factors in partnering (Figure 5.2). This is very important as cultural compatibility was the key issue seen by Telepoint at the beginning of the research.
- Both parties provide input in preparing the partnering agreement, as small partners see their involvement is not encouraged by the large organisation.
- If there are more than one party involved similar terms for all the parties enter into the partnering agreement.
- Memorandum of Understanding MOU/Letter of Intent LOI and Non-disclosure Agreement NDA to be signed at all times

3. Managing Project:

Suggested Strategies for Collaborative Project Management:
- Planning the projects together, not as a buyer seller relationship.
- Web base controlling function where everyone has access to information.
- Manage relationships at all levels, with a key point of contact as the project interface—preferably not changing the person too often.

4. Managing Partnering Process:

Strategies for On-going Partner Management
- Use a consistent approach towards all partners
- Collaborative decision making
- Open and honest communication at all levels
- Clear roles and responsibilities
- Ensure all the other success factors in Figure 5.2 are also met.

Figure 5.2: Strategic planning for successful collaborative project management: a proposed model

5.5 Proposed changes to the organisational structure

It was evident from this study that senior managers and operations managers at Telepoint did not share their views on partnering arrangements. Telepoint documentation suggests that there current structure (see fig 5.3 – left side model) may be largely responsible for the divisions observed. The selection of partners, the development of partnership processes and the responsibility structure established for partnership are divorced, in this model, from the operation of the partnership through the project management office. Internal conflict and confusion could be reduced if partnering was seen as an operational solution to a strategic issue rather than as an adjunct to strategic management itself (see fig 5.3-right side model).
This proposed link between Partnering and the Project Management Office would identify partners with their operational opposites, increase the potential for open and responsive communication and streamline the operational effectiveness of Telepoint.

With the Partnering Division operating through the Project Management office, Telepoint has the capacity to establish the clear structure, more coherent governance and clearly defined roles and responsibilities which have been highlighted as the key factors influencing the success of partnering between large and small companies.

**Current Structure**

**Proposed Structure**

*Figure 5: Fig 5.3: Suggested Changes to the Telepoint Organisational Structure*
Having Partnering division as part of the Project Management office should also help in minimising conflicts, allowing for agreement on appropriate change management processes. Aligning culturally compatible operations personnel would enable the co-location of partners at management level to facilitate leadership, teamwork, commitment levels and trust within the partnership. It would also establish a single point of contact for all the issues related to the partnering; regardless of whether they are management or project issues. The common escalation of change and conflict issues to inappropriate levels would then become unnecessary.

The model for suggested structural change addresses the key criteria for partnering success identified from this study. Its implementation could be expected to enhance the success of all the aspects of partnering between Telepoint and its small partner organisations.

5.6 Key Success Criteria in Unequal Partnerships - a Conceptual Model

A Conceptual model for successful partnering is also recommended based on trust, commitment and communication which have been highlighted as the key criteria for partnering success during this research. (Figure 5.4)
Trust is build through continuous and open communication between two committed parties.

Innovation and creativity are fostered through the new collaboration.

New and organic collaborative organisational culture represents a mix of both organisational cultures offering shared values and norms and encouraging innovative ways of working together.
5.7 Chapter conclusion

This chapter has grouped the 20 success factors originally identified by the Telepoint focus group (see 4.1) to describe six inter-related and critical factors leading to the success of innovative collaborations between large and small organisations engaged in project management partnerships. Developing a strategic approach to the application of these success criteria (see fig. 5.2), this thesis has then proposed a practical model for successful partnering (see fig 5.3) and suggested advantages that this model could be expected to generate in achieving successful unequal partnering relationships for Telepoint.

The following chapter identifies a series of conclusions drawn from the findings of this study before proposing recommendations for their practical application and for future research in the field of effective collaboration between unequal partners.
6. Conclusions and recommendations

This chapter is presented in two sections:

- Summary and Conclusions
- Practical implications and recommendations for future research

6.1 The research question

This study was initiated to establish a practical response to the research question,

What are the critical factors influencing the success of the partnering relationship between a large company and a small local company?

The research was based on a case study of strategic partnership between a large multinational organisation, fictionally identified as Telepoint, and six of its small partner organisations. This qualitative exploration of factors identified as influencing the success of partnering between large and small organisations with specific reference to project management was completed with the aim of developing an operational response to the derivative but practical question,

How do these success factors need to be applied in an unequal partnership to foster project management success?

6.2 The study sample

The sample used in this research involved respondents from both Telepoint and its smaller partner organisations. All eight of the senior and operational managers experienced in Partnering from Telepoint agreed to inform this study (see 3.5.2). Opposite senior and operational managers from 6 recent or ongoing partnerships completed the respondent sample.
6.3 The genesis of the study
Telepoint recognised the importance of successful partnering for continued organisational success and for specific project success. Repeated restructuring and established project management practices, however, had made it increasingly difficult for them to choose partnering as the preferred option. This research started with the objective of developing strategies to minimise these shortcomings and to facilitate the successes promised by partnering proponents.

6.4 Proposed model for successful partnering in project management
Based on the findings (see chapter 4), this thesis proposes a model for successful partnering (see fig 5.3) between a large organisation and a small organisation based on the application of six key success criteria (see figure 5.1). The thesis then proposes strategies for new partner selection and collaborative project management together with recommendations for organisational strategic changes to facilitate successful partnering (see figure 5.2). It also provides suggestions for changes to the current organisational structure of Telepoint to operationalise these proposals and recommendations (Figure 5.3). It also provides a conceptual model for key success criteria in unequal partnerships (Figure 5.4)

6.5 Conclusions

6.5.1 Organisational culture clashes
The role of organisational culture in the partnering success has been previously established and the findings of this study confirm its centrality. Telepoint respondents believed that cultural differences between Telepoint and its smaller partners represented the key reason for any failure or success they had in their partnering arrangements. The findings of this study, however, suggest that, while cultural compatibility is an important element in establishing partnership success, it is displayed in tandem with more immediately acknowledged elements involving leadership, commitment to partnership, trust in partners and transparency of processes.

As KPMG (2000) survey suggested, and the findings of this study confirm, partner selection should focus on relational rather than structural issues (see figure 5.2). Agreed systems, trust, commitment, and communication are each important in deciding on
which partner to choose but none alone assures cultural compatibility. Agreed change and conflict management processes, willingness to share skills and resources, and openness to change are equally important. The findings of this study suggest that unequal partnership is unlikely to succeed unless both partners accept that,

**Conclusion 1:** Managing cultural difference requires acceptance of, and respect for organisational differences.

### 6.5.2 Transition management

Telepoint’s smaller partners were concerned at the apparent inequality of their treatment. Having worked hard to become partners of Telepoint, they expected that, in return, Telepoint would accept their proven capacity. Telepoint managers, in contrast, were concerned that suppliers or sub-contractors should expect to be treated as strategic partners of Telepoint.

Lack of trust between two partners amplified cultural differences. Smaller partners came to believe that Telepoint were using partnership for their own benefit; the relationship was seen as a customer-supplier relationship, with Telepoint requesting then demanding service at an increasingly lesser price. Small partners were not convinced that the existing partnering strategies will lead to long term and mutual partnering arrangements in the near future.

Without appropriate transition processes for managing the shift from sub-contracting to partnership, it was clear that Telepoint would continue to see itself as dominant and the need for cooperative and collaborative work to be a veneer of semantics. The findings of this study suggest that unequal partnership is unlikely to succeed unless both partners accept that,

**Conclusion 2:** Support for the transition from *Supplier/Sub-Contractor* to *Strategic Partner* Relationship needs to be established.
6.5.3 Communication builds trust

This study confirmed that smaller partners recognise and generally acknowledge the necessity of the “Big Fish/Small Fish” relationship. Less certainly, it established that trust may be related to perceived ability to achieve deliverables. Where open, continuous, and honest communication between partners had been established, trust levels were high and confidence in the partnership was strong; where these were missing, blame and project failure were more common.

The findings of this study suggest that unequal partnership is unlikely to succeed unless both partners accept that,

Conclusion 3: Clear and open communication is essential before trust can be established.

6.5.4 Leadership is a shared benefit

Although Telepoint managers tended to assume that they must accept project leadership, those who displayed confidence in the capacities of their smaller partners built more successful partnerships because each observed the shared benefits they derived. Though the willingness of smaller partners to assume leadership may have been based on demonstrated ability, the responsibility of Telepoint managers to their organisational leaders played an identifiable role in their unwillingness to accept smaller partner initiatives. Without changes in the rigidly hierarchical structure of Telepoint, successful partnership involving leadership sharing seems unlikely. However, the findings of this study suggest that unequal partnership is unlikely to succeed unless both partners accept that,

Conclusion 4: Partnering success may require the devolution of responsibility for project leadership.

6.5.5 Collaborative decision-making

The findings of the study confirmed that decisions were most likely to be made by the large organisation. To the extent that Telepoint identified the customer and scoped the project, the approach seems both reasonable and appropriate. To the extent that
they identified a sub-contractor or supplier to complete the project for them, their decision-making process remains appropriate.

Confirming previous research, however, the smaller partners informing this present study observe that when they have both the skills and the capacity to compete with Telepoint, the basis for partnership becomes apparent. At this point, they argue, strategic decision-making needs to become a collaborative process.

The findings of this study suggest that unequal partnership is unlikely to succeed unless both partners accept that,

**Conclusion 5:** Collaborative decision-making is essential to the success of a strategic partnership.

### 6.5.6 Commitment to processes and systems

The findings of this study confirm that clear governance structures, and clear roles and responsibilities make things easier for partners in the partnership. In contrast, restructuring, changes in senior management and role confusion reduce confidence in the levels of commitment of partners to the project and trust in each other.

The response of managers at both strategic and operations level in both the large and smaller partner organisations in this study strongly suggest that smaller partners were often poorly informed of changes that impacted on their strategic planning and ongoing project management. In the absence of transparent decision-making processes, coordination from strategic planning to strategy implementation at operational levels resulted in errors, inefficiencies and, ultimately, increased project failure levels. This lack of success led to longer term loss of trust and commitment to ongoing or repeat partnership relations.

**Conclusion 6:** Supporting structures inspire commitment and trust to the partnering process
6.5.7 Partnership for innovation

Both Telepoint and its partners suggested that innovation played a key role in their partnerships and, in some instances, was pre-requisite to the partnering arrangement. Freed from its own bureaucratic processes, Telepoint expected its partners to be innovative and fast, and to generate economies of scale, as a product of the size.

There was a common agreement that creativity was not always a function of organisational size, however. Acknowledging the substantial resources and skills of Telepoint, smaller partners observed that, if processes were clearer and bureaucracy reduced, Telepoint almost certainly had the capacity to complete most projects on its own. Challenged with this observation, Telepoint operations managers agreed though senior managers were less convinced.

The innovation or creativity of smaller partner organisations identified by the majority of respondents to this study, however, was considered to be a minor element in their capacity to partner successfully.

The findings of this study suggest that,

**Conclusion 7:** Innovation and creativity may be undervalued in unequal project management partnerships.

6.6 Implications for practice

6.6.1 Generalisation

As previously established (see 3.2.2.3), qualitative exploratory case study research is poorly designed for the creation of generalisations. Findings from this study broadly confirm the existing literature on partnership while suggesting that Telepoint’s recent restructuring history has a substantial influence on the success of its partnership history. Similarly, Telepoint documentation appears to be ahead of its implementation. Telepoint and smaller partner managers speak knowledgably about the factors affecting
partnership but characterised these factors with such divergent examples that they demonstrate a range of different perceptions. In the absence of an agreed language, it is not possible to suggest the findings of the study represent a singular experience of unequal partnering in project management.

6.6.2 Organisational restructure at Telepoint
To reduce the disparity in partnering experience, it has been proposed (see 5.5) that a further (minor) restructure be undertaken at Telepoint to relocate the Partnering Division with the Project Management office to increase partner alignment at an operational level.

6.6.3 Partnership success factors
While the identification of 20 success factors for partnership encompasses most of the findings from the literature, it also confirms the observation that success can be judged from a range of perspectives, quantified according to a range of scales and based on a diversity of experience.

The findings from this study, as might be expected, fall into two clearly identifiable groups, those of the smaller partners and those of Telepoint. As the findings are more closely analysed, the division between operational and general management concerns begins to emerge. Further analysis reveals that partnership experiences texture individual responses. Each of these variations suggests its own research development. The following section, without presuming to be exhaustive, identifies some of the implications of the findings from this study for future research.

6.7 Recommendations for future research

6.7.1 Organisational culture and partnership
This research is based on the finding of an exploratory qualitative case study of strategic partnership between unequal partners in the field of project management. The large organisation, a multinational telecommunications provider, maintains a strong international influence over its organisational culture. It seems almost certain that the findings from this study conducted with a large Australian telco would be different. A comparison of partnering experiences with large local and international organisations
focused on the effect of organisational culture would provide a useful additional perspective on the findings of this present study.

6.7.2 Inter-relationship between partnership success factors

While the integration of identified success factors in this present study suggests that trust and commitment derive from clear communication and strong systems development, the findings are driven by the culture of project management. How partnership might work in a different sector of a different industry would begin to confirm whether the grouping of success factors proposed in this thesis might be fairly generalised.

6.7.3 Quantification of success factors

Despite the exploratory nature of this study, the high level of alignment between partnership success factors identified in this and previous studies suggests that the factors, themselves might be reasonably safely assumed in subsequent research. As a result, it seems, the extent to which the effect of these can be quantified would now provide a substantial research contribution to the increasing collaboration consciousness of the emerging global village.

6.8 Conclusion

The conclusions drawn from this study support previous findings in the field of partnering. More importantly, they suggest that the competitive edge to be gained from the innovation and creativity of a smaller company may become an early casualty to unequal partnership. Additionally, they confirm the centrality of open communication and shared decision-making to the development of commitment and trust through shared benefit and respect for cultural difference. To this extent, the thesis provides confirmation and, perhaps, some increase in understanding of existing knowledge of the nature of partnership.

The grouping of success factors to create a dynamic partnering success model and the model for increasing partnering success at Telepoint, it is argued, represent a substantial contribution to our understanding of how unequal partnering in the field of project management can be facilitated.
This study provides insights into the emerging application of partnership principles to previously contract-driven outsourcing approaches to project management. The study identifies features unique to the Telepoint experience and informs these from the perspective of both operational and general managers in the smaller partner organisations. It is expected that the proposed model and the insights offered by the thesis will inform the future development of the Telepoint strategic partnering process.
Bibliography


Berg, B.L. 2001, Qualitative Research Methodology for the Social Sciences, Allyn & Bacon, Boston.


Brody, R.J. 1996, Effective Partnering, A report to congress on federal technology partnerships, U.S. Department of Commerce, Office of Technology Policy


Business Week, October 25, 1999, p. 72.


Fernando, M, 2007, DBA Thesis on Factors Influencing Innovation Strategies in Projects, Australian Graduate School of Entrepreneurship, Swinburne University, Melbourne.


Kok G. KPMG Alliance, 2000, Diagnosing the Alliance Capabilities of your company, EFQM Conference 7th April 2000, Amsterdam

Kok, G. Murphy, A. KPMG Alliance, 2000, EFQM Conference 7th April 2000, Leap into the Future: Managing the Differences, Amsterdam


McKenzie, K. 2003, 'Interpersonal knowledge exchange in specialised communities of practice: How consultants source, exchange and deliver 'payload knowledge' to solve

Morse, J.M. Field, P.A. 1995, Principles of Data Analysis, Qualitative Research Methods for Health Professionals, California, p.125-149.

Nortel Partnership Targets Southeast Europe., TelecomWeb News Digest, 30th Nov 2006


Partnering Capabilities Survey: Global Pharmaceutical Companies: Summary Results, PriceWaterHouseCoopers, 2000


Segil, L. 2004, Measuring the Value of Partnering: How to Use Metrics to Plan, Develop,
and Implement Successful Alliances, American Management Association


Strategic Partnering, Strategic Management Series, CPA Australia, 1998.


Teresko, J, Learning from Toyota, Industry Week, Feb 2006, p.40

The Power to Innovate: A Bright Prognosis, Fortune Magazine, No 21, 4th December 2006


Walker, D.H.T, Hampson, K. Peters, R. 2000, Relationship-Based Procurement Strategies for the 21st Century, RMIT & Queensland University of Technology


Wargin, K. 1992, Arizona Department of Transportation team on 'Partnering' pilot

Wong, A. 1999, Partnering through cooperative goals in supply chain relationships, Total Quality Management, July, p.786


Appendices
Appendix A
Indicative questions prepared for semi-structured interviews
<table>
<thead>
<tr>
<th></th>
<th>WHAT DO YOU THINK ABOUT YOUR ORGANISATION IN THIS PARTNERSHIP</th>
<th>IN YOUR OPINION, WHAT DOES YOUR PARTNER THINK ABOUT YOUR ORGANISATION</th>
<th>WHAT DO YOU THINK ABOUT YOUR PARTNER ORGANISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Are you committed to the Partnership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Do you trust each other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Responsiveness?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>How do you communicate effectively?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Is Senior Management Support there?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Day to Day Operational Management Support?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Who takes the leadership within Partnership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Benefit shared equally?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Are the objectives of the organisation aligned with Partnership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>How do you taking Organisational decisions that effect the Partnership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Roles are clearly defined</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Do you have a clear governance structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Legal agreements?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>How do you integrate the Processes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Technology shared?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Resources shared?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Skill Levels?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>Market Knowledge?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>How do you manage changes?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>How do you deal with cultural differences?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21.</td>
<td>Financial Support?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22.</td>
<td>Who is more innovative and creative? Does it help?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23.</td>
<td>How do you manage Conflicts?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24.</td>
<td>Any other factors</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Appendix B
Sample transcript analysis

Appendix B: Categorisation of Data: Transcripts summary from the Interviews with small partners

Partners are identified with the following fictional names:
ANGEL, FLOUNDER, MINNOW, PUFFER, SALMON, TROUT

<table>
<thead>
<tr>
<th>1. Commitment to Partnership</th>
<th>Senior Management at Partner Organisations</th>
<th>Operations at Partner Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telepoint is not committed as partners are, and sometimes Telepoint does not understand that the partners are committed. However we are highly committed to the partnership. General Manager of ANGEL says, “Telepoint is a top heavy organisation. It is going through a difficult time, but has good intentions and commitment. They have a right way of looking at business. Telepoint need partners who understand the projects and technology”, “on the other hand we try to do the best for Telepoint. We take a proactive approach and do our best. We can do even more in the future for the partnership” “Telepoint was committed in the past. They now want us to simply do the work” – General Manager of FLOUNDER He extends that, FLOUNDER is committed than Telepoint and Telepoint can’t see their commitment” “We both have commitment. But Telepoint is more reactive than proactive” General Manager of MINNOW General Manager of PUFFER – “Telepoint’s large bureaucratic structure is confusing. We are struggling to come with theory and operations of partnering. However, they are open, honest, trustworthy, and people with integrity. They always put Telepoint position first”. General Manager of PUFFER also says, “Telepoint is changing responsibilities with many changes, and relationship should be kept as it is”. General Manager of PUFFER says, “On the other hand, PUFFER is small entrepreneurial fast, preferential, and have a good management. We have less bureaucracy and more energy. Telepoint is a very important part of our future. But we are not sure whether they are just looking for a partner or less/preferred prices. And, “Strategically Telepoint is not involved. Not clear about the future of the partnership between Telepoint and us. This happens at Project Management level and below. “They seem insecure” Operations Manager at FLOUNDER. He further adds, “Telepoint think if they do the work themselves they can make profit, and there is a distrust” “Only last 6 months, Telepoint realise they need partnership”. Operations Manager of MINNOW “We hear about commitment, but not seeing. So the Partnership agreement is vital to us” ANGEL Operations Manager “Telepoint have forms for everything. Too much bureaucracy slows downs work. We have a flexible structure, we take ownership. Responsive. Very organic organisation. People are happy.” Operations Manager of PUFFER Operations Manager of SALMON – “Partnering is at more project level and commitment from Telepoint is not there. There are issues with internal boundaries; you have to satisfy all the requirements”</td>
<td>“Strategically Telepoint is not involved. Not clear about the future of the partnership between Telepoint and us. This happens at Project Management level and below. “They seem insecure” Operations Manager at FLOUNDER. He further adds, “Telepoint think if they do the work themselves they can make profit, and there is a distrust” “Only last 6 months, Telepoint realise they need partnership”. Operations Manager of MINNOW “We hear about commitment, but not seeing. So the Partnership agreement is vital to us” ANGEL Operations Manager “Telepoint have forms for everything. Too much bureaucracy slows downs work. We have a flexible structure, we take ownership. Responsive. Very organic organisation. People are happy.” Operations Manager of PUFFER Operations Manager of SALMON – “Partnering is at more project level and commitment from Telepoint is not there. There are issues with internal boundaries; you have to satisfy all the requirements”</td>
<td></td>
</tr>
</tbody>
</table>
Telepoint might be thinking about getting the job done, not about partnership. We have a long way to go in partnering.

Not proactive management, Telepoint has not made partnering a priority. We had 6 years dealing with Telepoint, but they have approached us only 6 months ago regarding partnering. They only create an awareness, not a commitment. General Manager of SALMON

"Telepoint is committed to long term partnering relationship & understands most of the issues surrounding these relationships. Telepoint places its own customer first in any partner relationship. We are focused on the functional aspects of the relationship and growing the partnership". General Manager of TROUT

<table>
<thead>
<tr>
<th>2. Senior Management Support</th>
<th>Generally good at both parties. Senior management at Telepoint is very supportive. Only issue is changing management frequently due to too many restructures</th>
</tr>
</thead>
</table>
| ANGEL General Manager says, "both parties are very committed. But Telepoint managers are unstable due to restructures, and this has a demoralising effect. Everyone is thinking about their jobs"

|  | "Some of our senior managers are still sceptical about the support from Telepoint, due to their past experiences" FLOUNDER General Manager. |
| | "Would like to see more. More reactive. Friday phone calls for people need on Mondays. No forecasting" MINNOW General Manager. |
| General Manager of PUFFER – “Little visibility, no insight into Telepoint. Support is a talk level, not at doing level. We need to work as partner, not as a sub contractor” |
| General Manager of SALMON – Senior management not involved in most of the activities. |
| General Manager of TROUT – “Telepoint senior management supports well and will pay additional cost to ensure a good outcome. They regularly conduct strategic planning reviews. We want to be involved in the strategic aspects, but necessarily the focus is on the operational issues to achieve contract compliance” | **“Telepoint rely on partnership and provides support. Market diminishes and percentage of market share diminishes. So both parties know we must need a good partnership”**. FLOUNDER Operations Manager

‘We are always putting customers’ hat on. No communication from the top regarding new projects’ Operations Manager of MINNOW

ANGEL Operations Manager – “With current changes, do not know what Telepoint’s direction. There is a confusion”

"Things not move along the way we like. We are ready for partnership; we have done it with others. Telepoint senior management see our capabilities, and we are looking forward to a better partnership” Operations Manager of PUFFER

Operations Manager of SALMON – Senior managers at Telepoint only get involved when things go wrong. We satisfy all demands with scope of work. Telepoint do not know our full capacity.

Operations Manager of TROUT – Because of the continuous re-structuring, information transfer is not effective.
| 3. Day to day operational support | Mixed responses on day to day operational support. Some partners are happy and some say there is a lot to improve, at Telepoint. However, partners are more active in day to day operational support. Specially, we have one point of contact, which Telepoint keeps changing. “Our PMs have authority, but Telepoint PMs have no authority. They cannot make decisions and it is frustrating. People trying to protect their heads due to continuous internal re-structures. They are not involved much in day to day activities” ANGEL General Manager. “No reviews, not so much working together” General Manager of MINNOW General Manager of PUFFER – “See PUFFER as more task oriented, and attempts to micro manage. But we provide excellent service, and we are getting better all the time. During last 18 months, we have successfully delivered all we have committed. We have more skills now”. Our day to day interactions align with Telepoint processes. Project stakeholders are happy with the support. – General Manager of SALMON “Telepoint can tend to pull out support staff without understanding the impact. Link from operations to senior management is not working. Telepoint may feel that we blame us for not providing IT/Technical operational support and use as an excuse for poor performance. But we take responsibility for delivering to contract.” General Manager of TROUT. | Same view. “Telepoint wants the product to be delivered, so provides support in day to day operations. In our organisation, lot of people resist the change. Telepoint thinks that we are issuing change variations most of times, and there is a lot of room to improve” FLOUNDER Operations Manager ANGEL Operations Manager – “good communication and support. Telepoint thinks we need support more than what we need, especially with the implementation” “Support is at micro level- it takes some effort to get answer back. We have a happy and an excellent team. We are capable to scope out the work and give quick response. Telepoint micro-manage. They should trust us” says Operations Manager of PUFFER. Telepoint doesn’t have a dedicated person; they keep changing, only once they had a dedicated project manager. We have a one point of contact. Our forecasts are linked to the deliveries, and we have an open communication” Operations Manager, SALMON |
| 4. Leadership within the Partnership | Telepoint is leading most of the time and generally not giving partners the opportunity to make decisions, however respects decisions made by the partners. “Telepoint is leading. They instigate work. They have higher level of partnerships at global level” ANGEL General Manager. “Telepoint leading and not giving the opportunity, and there is a perception at Telepoint that we are just another supplier working for many clients”. MINNOW General Manager. “Both parties need to think on the same line. We work hard to become approved partners. But we are still talking about it. | Same view. “Telepoint leaders drive partnership” FLOUNDER Operations Manager “Not seeing either party is leading” ANGEL Operations Manager “Telepoint initiate partnership. Cultural differences within the organisation” MINNOW Operations Manager “Strong Project management at Telepoint, not agreeing for all what customer says. Leadership to Telepoint is identifying gaps and pitfalls” Operations Manager, SALMON |
Need implementing” General Manager of PUFFER

Telepoint are the leaders in their industry, and they are leading the partnership. We cannot provide a leadership as Telepoint does due to the size of our organisation. But we always support Telepoint in all projects. We have a common vision. Telepoint also respect the decisions made by us – General Manager of SALMON

Telepoint divisional structure tends to use leadership to get people working together. Partnering management uses influence, and authority to achieve results. We are small and the management structure leads itself to quick decision making. Its focused, and no bureaucracy. Managing Director available to act for anything. - General Manager of TROUT

<table>
<thead>
<tr>
<th>5. Equal benefit sharing between partners</th>
<th>Majority believes its reasonable split, and some partners believe Telepoint benefit more.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“There is a reasonable split. But perceived level of work is not there” ANGEL General Manager.</td>
</tr>
<tr>
<td></td>
<td>“Both parties don’t get much benefit at this stage, and too early to come to conclusions at this stage, as Partnering really hasn’t happened. Some instances it works” FLOUNDER General Manager.</td>
</tr>
<tr>
<td></td>
<td>“Difficult to say, because there can be financial or strategic benefits. Usually it’s a reasonable split” General Manager of PUFFER.</td>
</tr>
<tr>
<td></td>
<td>General Manager of SALMON – We are happy with the way benefit is shared.</td>
</tr>
<tr>
<td></td>
<td>Telepoint recognises the need for our company to make a commercially substantial profit and support this. We also understand that Telepoint’s need for cost reduction, cost drive, and help them to achieve this. Telepoint may think we are cost conscious and will focus on fixed price contracts on 2 year basis. General Manager of TROUT</td>
</tr>
<tr>
<td>6. Decision making</td>
<td>Most of the time decisions are made in collaborations or small partners are considered in making decisions. But sometimes small partners are informed after the decision is made. “Every decision is made on commercial basis” ANGEL General Manager.</td>
</tr>
<tr>
<td></td>
<td>Same view</td>
</tr>
<tr>
<td></td>
<td>Same view and they believe when Telepoint has to make decisions on their own, it must be because of the bureaucratic process or traditional contracting models.</td>
</tr>
<tr>
<td></td>
<td>ANGEL Operations Manager – “We are</td>
</tr>
<tr>
<td>7. Clear governance structure</td>
<td>Majority believes even though they have a clear governance structure, Telepoint does not have it. Telepoint go through too many restructures.</td>
</tr>
<tr>
<td></td>
<td>“Telepoint keeps changing the structure. Still changing” FLOUNDER General Manager.</td>
</tr>
<tr>
<td></td>
<td>ANGEL General Manager says, ‘it depends on who you’ll talk to. Structure is not clearly defined yet. Too many people’</td>
</tr>
<tr>
<td></td>
<td>“Telepoint operational level, structure is clear but at the senior management level it keeps changing. We have a small organisation with a simple structure” General Manager of PUFFER</td>
</tr>
<tr>
<td></td>
<td>Not a clear structure, we don’t know who to contact. We have a one point of contact. General Manager of SALMON</td>
</tr>
</tbody>
</table>

| 8. Clearly defined roles | Telepoint go through too many restructures, and keep changing roles and responsibilities. Small partners have clearly defined roles. | Same view. “At Telepoint it is still developing, and has room to improve. In our organisation also, there is a need for lot of improvement” FLOUNDER Operations Manager |
| | ANGEL General Manager “too many faces changing too fast at Telepoint. We have a more stable organisation” | “We need to contact different people at different times. We are not sure who to contact” PUFFER Operations Manager. |
| | “Telepoint is still changing roles and nothing is clearly defined” says, FLOUNDER General Manager. | “At operational level, it’s clear” TROUT Operations Manager. |
| | “Telepoint operational level, roles are clearly defined, but there are so many | |
| 9. Trust | Trust is seen as an issue. Some partners said they have trust in the partnership, while others didn’t agree. “We came a long way to build the level of trust now we have. Still there is distrust sometimes…” FLOUNDER General Manager. “There is willingness to trust, but need more time” PUFFER General Manager. “We trust each other in the partnership” SALMON General Manager. Telepoint does what they say they will do. We are also transparent; we will only change our minds if later proved wrong. TROUT General Manager. | ANGEL Operations Manager – “not yet seeing in the partnership. Telepoint is not telling the bigger picture” “Operationally its bit low. Not enough trust” – PUFFER Operations Manager. “Telepoint knows we work with no hidden agendas, and we get good feedback from Telepoint Project managers” – SALMON Operations Manager. |
| 10. Communication | At operational level communication was good. Strategic level communications happens mainly through formal meetings. Not working together as partners. ANGEL General Manager – “communication is not enough. There is am outside influence in decision making in Telepoint. Any good partner cannot work if there are other influences involved. It’s about who do you know and in what level” “Not enough communication, need some formal meetings” PUFFER General Manager. No communication from the senior management. We are not given the opportunity to link with the senior management at Telepoint. They don’t know our capabilities. SALMON General Manager. Regular weekly and monthly reviews, operational meetings, plenty of emails and telephone calls….. TROUT General Manager. | Same view. “Poor. No formal planning/forecasting done by Telepoint” ANGEL Operations Manager “We have formal meetings. Not communicating as partners. We only use emails. Better communication and feedback needed” PUFFER Operations Manager. “We get good feedback from Telepoint” SALMON Operations Manager. “We have a very good day to day communication, and feedback. There are plenty of tools used to give and measure feedback. Even weekly.” TROUT Operations Manager. |
| 11. Responsiveness | Most of the time Telepoint is fast in responding. But sometimes it delays due to | Similar view, but some were not happy with the late responses of Telepoint which |
too much bureaucracy. Small partners are usually faster in responding than Telepoint.

“Both parties are reasonably responsive. Some individuals are more responsive. It comes down to who you are working with. Some Telepoint people do not appreciate the complexity of work” ANGEL General Manager. He adds, “Some people make last minute requests, and have unnecessary expectations. Project Managers are not appointed properly to respond to the business requirements”

PUFFER General Manager “Telepoint is big, and bureaucratic. Response is usually slow. We can do better, because we are small and fast. Telepoint also expect us to get the job done faster”

General Manager of SALMON “Not very effective”

Telepoint will generally act quickly when their customers are affected, and a little more slowly for other issues. We respect very quickly to the matters affecting our profitability or efficiency. Formal reporting can be slower. General Manager of TROUT

12. Resource Availability
Partners have not seen resource availability at Telepoint for support as an issue.

ANGEL General Manager – “We have adequate resources. We are project driven, and have skilled resources. However, Telepoint is down-sizing, they are over-resourced, and too many levels. Overall you can see inefficiency”.

PUFFER General Manager “At Telepoint, matter of finding the right person who has the authority. We are excellent at finding right person to do the job”

We use only our permanent staff to assure high quality. Other Telepoint partners use subcontractors. SALMON General Manager.

Have not experienced a problem, even when redundancies are underway. Our company is quick to react with resource requirements. May be seemed to be scrambling for resources at times. TROUT General Manager.

“Telepoint, resources available to respond, but finding the right person is hard. We have right skills and quality” PUFFER Operations Manager.

No issue there – SALMON Operations Manager.

13. Skill levels
Partners seen skill levels at Telepoint is as average, while they had the right skills and the project specific skills.

At operational level, partners believed they had people with the right skills. Wherever there was a gap, Telepoint has provided the required training to partners.
| 14. Market Knowledge | Telepoint had a good knowledge in the market. Partners had expertise in their own areas. ANGEL General Manager says, "Telepoint needs to think what the future will be. Telepoint is too slow to respond to market needs. Competition takes its advantage. They need to do something to catch up with the race. May be Telepoint should focus on few key areas they have the expertise" He extends, "we understand the market and identify where the market is going, and provide the necessary service. FLOUNDER General Manager says "Telepoint is poor in this area, and we are better at market knowledge with our experience in the local market" "We are not much into marketing. Not an effective sales organisation. More operational. We know the niche market, and have a skilful team" PUFFER General Manager. Telepoint would not call us immediately with the opportunity, but we call them on numerous opportunities. Senior management at Telepoint is not aware that we provide info on opportunities" SALMON General Manager. Telepoint pass adequate knowledge to us to meet the requirements – TROUT General Manager. Telepoint had the knowledge, but not good in sharing, or not informing partners about future prospects. "Telepoint is good at Market knowledge. But we are not convinced that Telepoint knows how good we are. We need to convince them with a presentation on our capabilities again" ANGEL Operations Manager. "Scope of the work is not clear to Telepoint sometimes. Our market knowledge is better than Telepoint" PUFFER Operations Manager. "Telepoint has the market leadership" SALMON Operations Manager. |
|----------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 15. Technology Leadership | All partners agreed that Telepoint was leading with advanced technology. Partners also had technology to meet Telepoint requirements. | Same view. |
| 16. Creative Solutions | Bureaucracy kills creativity at Telepoint. Partners are more creative and innovative. "With what we are doing, there is a long | FLOUNDER Operations Manager says "Telepoint is creative in its processes, solutions and fulfilling market needs. Telepoint thinks differently. Telepoint |
way to go, to talk about creativity” says FLOUNDER General Manager

“Long way to go” ANGEL General Manager
“and, we like to be more proactive. By minimising double handling, and minimising waste of work”

“Bureaucracy murders creativity at Telepoint. We all need to be creative as technology changes, competition grows” PUFFER General Manager

General Manager of TROUT says, “Processes are often efficient with principle, but can be bureaucratic and slow. Processes are developed quickly to maximise efficiency and profit”.

package the solutions. Our organisation seems to be more structured. There is a lack of change”

ANGEL Operations Manager – Once the process is aligned, we can be innovative. Definitely got the potential to be innovative.

Too much of processes and procedures at Telepoint. We are creative in what we do – PUFFER Operations Manager.

<table>
<thead>
<tr>
<th>17. Change Management</th>
<th>Telepoint had a good change control process, but sometimes change management was an average level. Majority of the partners were good in change control, while few were not so good in change management. “Change management at Telepoint is poor. Should be more aware of change” FLOUNDER General Manager. “Variations are managed; however financial impacts/ contractual impacts are not worked through”. TROUT General Manager.</th>
<th>Same view. “need to be much more adaptive &amp; flexible” – PUFFER Operations Manager. “Telepoint does not have enough knowledge in scoping. They are good at variations. We are better at scoping and change management” SALMON Operations Manager.</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Team work</td>
<td>Both parties are trying to work as a team. But still in early stages, and the relationship is more like supplier-customer, rather than partners. “Both partners are trying. Telepoint have other partners. Need to manage them as well” ANGEL General Manager. “Not yet” FLOUNDER General Manager. “There is a willingness to work as a team. Not working as a Tem at this point. Long way to go” PUFFER General Manager. Not given the opportunity to work as a team – SALMON General Manager. Good teamwork between all participants, even when conflict emerges – TROUT General Manager.</td>
<td>FLOUNDER Operations Manager says, “Telepoint may think we are working against. Partnership and teamwork is not really working”. FLOUNDER Operations Manager says, “Still customer-supplier relationship. Not partnership” “Telepoint doesn’t know the meaning of team” PUFFER Operations Manager. “We work as an excellent team. Talk everyday. We come from a family base company”. SALMON Operations Manager.</td>
</tr>
</tbody>
</table>
| 19. Conflict management | Mixed responses, due to absence or no common process at Telepoint, for managing conflicts between partners. ‘We had conflicts, but managed to resolve them effectively”, FLOUNDER General Manager. | Due to absence of a common process, at operational level, even the smallest issues were escalated to the highest level, damaging the partner relationship. FLOUNDER Operations Manager says, “both parties need a conflict management
| 20. Compatibility of organisational cultures | “We have meetings, talking about the partnership performance, but they are not regular as they should be. We can resolve conflicts at regular meetings. When there is a conflict Telepoint escalate it to the highest level. We take softer approach, not to damage the relationship. We see Telepoint as a customer and they see us as a subcontractor, not a partner, with partners you can have more openness” PUFFER General Manager.|
| | No formal process observed for conflict management (except in contract which was not followed), Partnering division of the organisation has been effectively involved in resolving conflict. We are also generally proactive to resolving conflict. No formal resolution procedure is in place. Lack of information can slow the conflict resolution process” TROUT General Manager. |
| | “We don’t have a formal conflict management process. But we have a single point of contact for conflict management, and have team briefs internally” ANGEL Operations Manager,|
| | Hierarchical system of escalation at Telepoint. ‘Escalation is part of its culture. They see us as subcontractor; we see them as the customer. No partnership—PUFFER Operations Manager. |
| | We manage to resolve issues without any problems – SALMON Operations Manager. |
| | “Telepoint has a professional work ethic culture, we don’t!”, and ‘we are a combination of technical people, less educated in commercial. Our structure needs to be improved” Operations Manager, FLOUNDER. |
| | ANGEL Operations Manager - “Telepoint is bigger and has many layers. We have a simple structure. Telepoint can have a join committee, briefs for operations, etc” He adds: "genuine commitment and openness from both sides is a must to work together as partners” |
| | Mechanistic and organic cultures are in two organisations. We are more organic than Telepoint. Structural differences, and very much divisional. We have a matrix set up and we are more flexible- PUFFER Operations Manager. |
| | “We utilise Telepoint processes, and fill any gaps”. SALMON Operations Manager. |
| | “Good mix of culture. We understand how things need to be done the way Telepoint expects. We focus on the bottom line operation” TROUT Operations Manager. |
| | “Telepoint still run with a big overhead. We run lean and mean. Direct access to the CEO is difficult at Telepoint. There are internal politics, disagreements when meeting customers. Telepoint has no unified presence in the meetings, giving uncertain feelings. We are relying on Telepoint’s marketing capabilities. Our people are interrelated with one another, and there is no empire building. Our company is run by Engineers, not by Accountants. Both parties need to be honest with each other and appreciate each other” says, ANGEL General Manager. |
| | “Telepoint consider its Master-slave relationship. They need to see the value of working relationship, and should be more open” says, General Manager of FLOUNDER. |
| | He adds, “there is a lot more trust we need to put into the partnership. We rely on outside influences and information, and it is important to get direct info from Telepoint, and work as partners”. |
| | “We are different in size; flexibility, hierarchy, and Telepoint have a big fish/small fish relationship with us”. General Manager of MINNOW |
| | “We picture Telepoint as large, |
manufacturing, process oriented organisation. We have a degree of reasonable amount of process. Can Do Attitude is what makes us different. Everybody makes decisions. If we become big we will need more processes. To be compatible with big, multinational culture, we will never have the operational efficiencies or energy to do that. Partners’ ability can be controlled by the large organisation. So we are getting the worst side of the partnership” General Manager of PUFFER

Key issues are the too many layers of Telepoint, and slowness of Telepoint. They have a formal QA system, OHS policies, and other standards, which we have adopted. And, also we have local knowledge and expertise to compliment that. We are also a small company with flexibility. – General Manager of SALMON

I think Telepoint fits in well with our company. However, we have generalist managers who make a wide range of discussions where Telepoint has specialist managers who mainly make technical decisions. This can cause conflict. Also, our company has a contract manufacturing / repair mindset and actively tries to plug in to the customer culture. General Manager of TROUT.