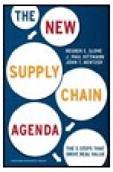

The New Supply Chain Agenda: The Five Steps That Drive Real Value

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Chapter 6: Collaborating Externally

Collaboration with suppliers and customers is the fourth step along the pathway to building a strategy to deliver supply chain excellence. Senior executives and their supply chain staffs should pay special attention to the best practices for collaboration outlined in this chapter to ensure success. Unfortunately, as one executive sadly told us when describing the failed efforts in his firm, “When all was said and done, there was far more said than done.” His firm made some fundamental mistakes in its collaboration initiatives. But other companies have shown that success is possible. Through examples, we show how the hard work of collaboration can produce outstanding results.

What Is External Collaboration?

External collaboration consists of a supplier and a customer working together to achieve mutual improvement. That’s easy to say, but very difficult to do. In our work with hundreds of firms, there are far more examples of adversarial relationships than collaborative partnerships. In the minority of firms that do collaborate successfully, we’ve seen three stages in their evolving relationships:

> *Stage one*—This stage starts when both parties recognize the potential power of collaboration, which requires some supply chain sophistication on both sides. Senior executive support and encouragement also is a common factor in early collaborative relationships. And, finally, success in getting started depends on both parties acknowledging that it will involve a lot of time and effort.
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> *Stage two*—The companies at this stage have a supply chain strategy with collaboration as one of the core elements. The partners have worked together enough to develop the trust to openly share data and strategies. They have a mutual plan to *sustain* the effort, even as people inevitably change jobs over time.
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> *Stage three*—At this stage, the parties mutually develop key performance indicators and jointly measure success as a common group. At the final level of maturity, they agree to equitably share the savings from their joint improvement efforts. Companies that reach stage three have better fill rates, lower inventories, and lower costs, and thus higher economic profit. (The companies in the examples in this chapter have strong elements of stage three.)

The CEO’s Role in Collaboration

Firms like Lowe’s, OfficeMax, Avery Dennison, Michelin, and West Marine in the examples we discuss next benefit from collaboration, both inside the firm, and with their outside partners. They often see changes in all economic profit drivers such as improved fill rates, reduced lead times, lower inventories, and lower costs. No matter how good the supply chain strategy or how talented the supply chain leader, benefits rarely occur unless the CEO sets the right tone. Almost always, he or she needs guidance from his or her supply chain staff to know what to emphasize to most effectively support supplier collaboration efforts. Without visible support, the CEO may cripple the efforts to meet and surpass competition. Functional alignment, discussed in the previous chapter, is a critical precursor to developing the ability to collaborate externally. As we discussed, the CEO, with the advice of the supply chain leadership, can facilitate the alignment of objectives across major functional areas. The CEO must create an environment for collaboration with suppliers and customers to flourish.

Do CEOs understand their role? The CEO of a multibillion-dollar consumer goods manufacturer said he liked to see friction and tension between functions and encouraged intense debate in his meetings. He further demanded a tough-guy approach with suppliers, encouraging aggressive demands without sharing any information or strategy insights. In our experience, this approach virtually eliminates suggestions for improvements from suppliers, leading to delivery problems, long lead times, and quality issues—all destroyers of economic profit. A small but growing number of CEOs we have talked with see the advantage of cooperation with partners, largely because they hear from their supply chain organizations about the major benefits other firms are achieving. This chapter contains a road map for how senior executives and supply chain leaders can move their organizations toward breakthrough performance by setting the foundation for external collaboration.

Does Collaboration Pay Off?

As part of the revival of the Whirlpool supply chain that we participated in (which we’ll examine in detail in chapter 8), one of the cornerstones was to develop collaborative forecasts with its three biggest customers, including its largest customer, Sears.[1] (At that time, Sears represented nearly a third of Whirlpool’s revenue in North America.) Whirlpool approached Sears and proposed that the two firms develop a joint forecast. The new process consisted of three elements:

1. Each firm developed the best four-month forecast possible for the business.
2. Both companies compared forecasts at the SKU level and limited their focus to areas where differences between the SKU forecasts for the two companies exceeded 10 percent to keep the time commitment reasonable.
3. At a weekly meeting, Whirlpool and Sears teams together discussed the reason for the differences.

For example, in one situation, Sears believed that a certain washing machine model would sell fifteen thousand units in March. The Whirlpool forecast for the same model was only three thousand units, a 400 percent difference. When the teams discussed the reasons for such an extreme gap, they discovered that Sears was planning a promotion for March that Whirlpool was unaware of. Interchanges such as this, occurring weekly, caused an immediate breakthrough in forecast accuracy. Accuracy at the SKU level improved by nearly 50 percent within a few months.

The Sears-Whirlpool supply chain relationship blossomed over time. The two companies’ headquarters were separated only by the waters of Lake Michigan, but they had a long history with no formal contract in place. Executives from both companies joked that “the relationship is like a handshake across Lake Michigan . . . with the trigger finger drawn." But over time, as we participated in many monthly face-to-face meetings, each side grew to trust the other, and together we launched a number of mutually beneficial supply chain projects.

[1]Reuben Slone, "Leading a Supply Chain Turnaround," *Harvard Business Review*, October 2004, 114–121.

Growing Interest in Collaboration

In our experience, successful collaborative relationships between a firm and its core suppliers are still rare. For every positive example, such as Toyota and its supply base or Procter & Gamble and Walmart, there are far more examples of failure to reach even the first stage of collaboration. Successful collaboration between supply chain partners demands a lot of hard work, with mutual trust built slowly over a long period of time. In our supply chain audits, we see more companies beginning to break through the barriers. Recent discussions in our supply chain forum involving forty leading firms indicate the growing interest in collaboration and an appreciation for its potential benefits. Supply chain leaders in these companies report that some CEOs are starting to appreciate the potential.

Much of the motivation for collaboration stems from the common practice of supplier rationalization. When firms reduce their supply base through a supplier-reduction program, they become more dependent on their core suppliers. Companies quickly realize the importance of becoming a preferred customer to their suppliers. Strong suppliers can decide which of their customers will be the first to get the new technology they develop. A firm's innovation pipeline often depends on a partnership with a few core suppliers. World-class firms know they are only as good as their suppliers. This means pushing the supplier to be the best possible, but with full sharing of information, strategy, and technology.

For example, a large consumer packaged-goods manufacturer developed a new hair product. It offered the product first to a retailer with whom it had a strong collaborative relationship. The relationship allowed the manufacturer to get quick feedback and develop an efficient retail supply chain. The retailer was able to have exclusive access to the new product for six months, which allowed it to establish a stronger presence in the hair-product marketplace. In another example, Procter & Gamble developed a new R&D strategy, called C+D—connect (with the outside) and develop. The goal is for 50 percent of innovations to come from outside suppliers versus 10 percent in 2001. Procter & Gamble in effect depends on its suppliers for much of its innovation pipeline.

Toyota pioneered the collaborative supply chain with the *keiretsu* concept, starting in the 1940s.[2] By the 1980s, supplier collaboration appeared more frequently in other industrial societies, proving that it did not depend on the Japanese culture. This approach clearly contrasted to most American manufacturers' standard approach of that era, particularly the automotive manufacturers, that maintained an adversarial relationship (rather than a collaborative one) with their key suppliers. A confrontational relationship chokes off improvement ideas from suppliers, as they focus only on striving to obey the dictates of their customer.

Successful strategies involving a firm's suppliers currently operate over a wide spectrum. As we interact with the supply chain executives from hundreds of companies through our supply chain audits, projects, and forum meetings, they tell us that they are pursuing a combination of three strategies with their supply base:

1. Supplier rationalization
2. Outsourcing to low-cost countries
3. Supplier collaboration

Based on this feedback, we've learned that collaborative relationships are the most difficult to execute successfully and therefore the least common of the three strategies. Only 10 percent of the firms are truly collaborating successfully with their core suppliers, meaning that they have reached the third collaboration stage defined earlier and together are producing positive bottom-line results for each party.

[2]*Keiretsu* refers to a family of companies forming a tight-knit alliance to work together for each other's mutual success.

Technology and Supplier Collaboration

Nothing replaces face-to-face communication in establishing and maintaining a collaborative relationship. However, ongoing transactions between two partners must be hassle-free to avoid creating roadblocks. This should be facilitated with technology. Thirty-nine percent of global companies surveyed use automated supplier communications to streamline the processes between the two partners.[3]

For example, IBM implemented a process with its suppliers that eliminated the purchase order.[4] The suppliers simply commit to maintain a certain level of inventory onsite at IBM. In the past, linkages could only occur between suppliers and customers through complex, inflexible, and expensive computer-to-computer links. But in the early 2000s, Web portals became commonly available, causing a dramatic reduction in the cost of supplier interaction, opening the door for all suppliers to come on board, and removing a potential irritant from developing the true collaborative relationship.

With only a Web browser, suppliers and their customers can interface closely with each other. They can use Web-based tools to update their product catalog; track payment status; receive and track orders; and download forecast, inventory, and supply chain plans from the customer firm. Suppliers can enter automatic shipment notices (ASNs) online. They can download and use the customer's program to print bar-code labels. The system can track receipts and automatically generate a scorecard for each supplier. When a condition falls outside the norm, e-mail alerts can occur automatically.

In 2003, Sears and Michelin received recognition from the Voluntary Interindustry Commerce Solutions Association (VICS) for implementing one of the best collaborations.[5] The companies used a Web portal to share information about Michelin supply and Sears demand and inventory status. Sears also communicated planned order requirements and planned inventory levels to Michelin. Later, Sears added other tire suppliers, so they could manage the overall tire supply for Sears stores. Both Sears and its tire suppliers viewed the information in almost real time, collapsing the time required for decision cycles and allowing Sears to avoid out-of-stocks on tires while reducing inventory 25 percent.

[3]Voluntary Inter-Industry Commerce Solution, “Implementing Successful Large Scale CPFR Programs and Onboarding Trading Partners Business Process Guide,” Version 1.0, August 2007, http://www.VICS.org.

[4]Thomas Fleck, “Supplier Collaboration in Action at IBM,” *Supply Chain Management Review*, March 2008, 30–37.

[5]VICS is an industry association consisting of over two hundred companies devoted to improving efficiency and effectiveness of the supply chain.

Examples of Successful Collaboration

The following examples identify several factors critical to establishing and maintaining a successful collaborative framework. To summarize, each side must first be mutually committed to the relationship and grounded in the strong belief that the process creates breakthrough results for both firms. This translates into real action, such as longer-term contracts and higher revenues for both parties, bringing about strong mutual dependence. Frequent face-to-face meetings then serve as a foundation for establishing trust over time. Finally, successful joint initiatives cement the relationship. All of this obviously requires much time, effort, and leadership. Next, we discuss successful examples for OfficeMax and Avery Dennison, for Lowe’s and one of its major suppliers, and for West Marine and its suppliers.

OfficeMax and Avery Dennison

In 2005, Reuben Slone (one of the authors) joined OfficeMax and quickly saw that the relationship between OfficeMax, the large office supplies retailers, and Avery Dennison, one of its major suppliers, involved a lot of firefighting and an arm’s-length communication. Meetings sometimes involved emotional exchanges, with Avery people feeling that OfficeMax people made unreasonable demands, and OfficeMax reacting to the intense pressure of customer complaints about out-of-stocks in its stores. With the sales function at Avery interfacing only with the merchandizing function at OfficeMax, supply chain issues in both companies took a backseat, resulting in poor service, high cost, and high inventory levels. Surprises occurred frequently as actual requirements deviated greatly from forecasts. Confrontations occurred all too often as the firms worked to resolve customer complaints. Past efforts to launch joint improvement projects failed either initially or eventually. Operational issues constantly stalled the efforts to drive sales growth. In addition, the aftermath of a 2003 merger for OfficeMax caused the distractions to multiply.

When the new OfficeMax supply chain team took over (led by Slone), the team members quickly realized that the situation with key suppliers had to change. They decided to become a best customer to their suppliers through a real collaboration process. In Avery Dennison, they found a sophisticated supply chain partner willing and able to tackle this challenge.

OfficeMax first established a supplier development team, which provided key data to Avery through a vendor portal. This served as a foundation to identify issues in a fact-based environment before they became a crisis. The supplier development team at OfficeMax involved representatives from several functions, including supply chain and merchandising. This provided the critical mass to address the tough cross-functional issues. Avery matched OfficeMax’s team with its group. It further made a substantial investment in additional people to support the new collaborative relationship, including a customer logistics leader who was supported by analytical resources. The additional people served as the resources needed to launch projects to reduce lead time, improve forecast accuracy, and cut inventory, while at the same time improving customer availability, thus driving economic profit for both firms.

To oversee the process, both Avery and OfficeMax established a joint steering committee responsible for setting expectations, establishing strategic and tactical priorities, clarifying accountabilities, and managing performance to tough new targets for inventory and availability. The steering committee agreed on a set of mutual key performance indicators, including metrics such as:

- In-stock percentage
- Customer line fill rate
- Lead time
- On-time delivery from Avery to OfficeMax
- Avery outbound fill rate
- Order forecast accuracy
- Inventory turns

The first meetings allowed people to get to know each other. As Dov Shenkman, Slone’s senior vice president of inventory management, said: “We had to feel each other out and slowly build a level of trust. At the start, even the smallest things took a lot of time, including setting the initial meeting agendas. We had to get beyond the belief that the other party had a hidden agenda to gain information that would help in a future negotiation. We had to do the little things right, like share information and plans openly. We had to look for win-wins. We found that once we took the time to get to know each other, everything went better than expected.”

At this point, the relationship had matured enough to undertake another major initiative. OfficeMax leveraged Avery’s advanced skills in lean manufacturing to improve operations in its own warehouses. This included an intense focus on cycle-time reduction, employee involvement, and continuous improvement (*kaizen*) activities. Once the initiatives were launched, the companies then implemented a plan-do-check-act (PDCA) process to drive sustained improvement. The plan phase included how the joint supply chain could improve business performance for both companies. This moved into a process, called objectives-goals-strategies-measures (OGSM), that aligned the supply chain teams in both companies on priorities, expectations, and key initiatives. A joint value-stream mapping exercise of the overall supply chain process across both firms then identified the key opportunities for improvement. (Value-stream mapping is a technique to visually display the detail of a process in order to see nonvalue-added activities that should be eliminated.)

Did this process produce bottom-line results? The metrics tell a very good story. In-stock fill rates rose significantly to nearly 99 percent from below 95 percent. Lead times were reduced nearly 60 percent. Forecast accuracy improved by over 30 percent, and inventory turnover increased 9 percent. Thanks to the improved trust, OfficeMax was comfortable with lower inventory levels in general and especially lower levels prior to the critical back-to-school peak. Previously, OfficeMax shied away from such practices, fearing that competitors would "steal" inventory from OfficeMax if shortages occurred. Most importantly, the two firms focused much more on driving growth, rather than reactive firefighting. Both partners realize that even with this successful track record, sustaining the forward momentum will be hard work. They look at collaboration as a journey, not a destination. They know that sustaining the momentum will be as difficult as initiating it.

Slone and Steve Burns, vice president of supply chain at Avery Dennison, both say there were some major lessons that drove the success. They agreed on six valuable requirements that resulted in this successful collaboration:

1. A sophisticated supply chain function in OfficeMax and Avery Dennison
2. Investment in additional people to make the collaboration work
3. Trust and willingness to share data openly
4. Mutually developed and shared key performance indicators
5. A shared vision for improvement (lean manufacturing, in this case)
6. A plan to sustain the progress

Lowe's and One of Its Suppliers

The Lowe's supply base consists of a wide range of companies from small regional players to major global corporations. Managing that group of suppliers is a constant challenge with many problems and crises to overcome almost daily. In 2003, one of Lowe's largest suppliers struggled to provide product on time and damage free. That supplier approached Lowe's with a proposal to collaborate to help improve the process. The Lowe's supply chain organization could have taken an arm's-length, confrontational approach, but instead it agreed to work with the supplier to improve its performance.

This supplier sold over $700 million annually to Lowe's, making the relationship very important to Lowe's and nearly life or death to the supplier. The supplier delivered directly to each of Lowe's stores from its regional distribution centers network, consisting of ten centers. The product flowed from the factories to the regional centers and then on to the retailer's stores. Both firms realized that this service model led to problems on a number of dimensions, with availability and damage not meeting the customers' expectations, despite the manufacturer having a high cost-to-serve model and high inventory levels.

A huge advantage is gained if collaboration is grounded in CEO support, and this had two extremely capable CEOs who trusted each other. Robert Tillman, CEO of Lowe's at the time, was especially supportive of collaborating in the supply chain area. Under their sponsorship, each firm created a team and focused on bilateral problem solving.

There was no question that the supplier needed to work with Lowe's to fix all the availability and damage problems. And Lowe's placed a huge incentive on the table. It promised that once the problems were resolved and performance improved to world-class levels, it would increase purchases 30 percent to 40 percent. With this much at stake, both firms invested major resources in the effort. Subteams were first created to use supply chain practices and six sigma techniques to improve the fill rate.

A new collaborative forecasting process resulted in a major improvement in forecasting errors at the SKU level. The process consisted of weekly calls in which the teams from both companies compared independently derived forecasts. This process operated at the SKU level. Because of all the detail involved, collaboration software initially helped compare the forecasts and display the exceptions for the weekly discussions. Both companies quickly realized that the weekly process of meeting and discussing was the key, not the software. In fact, the collaboration software was later abandoned as they found they could compare forecasts simply using Excel.

Supply and demand integration serves as the foundation for any major improvement in availability, and these two companies were no exception. In support, both firms reorganized their operations. The supplier executed a major supply chain reorganization to better integrate operations and supply with demand in a formal S&OP process. Lowe's did its part as well, with such actions as co-locating its demand planners with its supply planners. Forecast collaboration and demand-supply integration led to major breakthrough improvement in availability.

Subteams also attacked the damage problem. These teams used value-stream mapping for the entire logistics process and identified areas for change. Improvements were made everywhere, from the manufacturer's regional distribution centers to the retail stores. A dedicated subteam trained the stores how to properly handle the product. Another subteam focused on store delivery communications.

Within a year, the initiatives clearly produced enough benefit that the companies established a joint savings pool, fed by inventory and cost-to-serve savings from the 2003 baseline. These savings were reinvested in the business, with the retailer increasing national advertising and the supplier supporting incentives for the retailer's store sales staff. In addition, the manufacturer supported the migration to the Lowe's warehouse network, helping Lowe's fill trucks and increase its store delivery frequency. In addition, the supplier developed an education and training program to provide expertise on the handling of products in the Lowe's warehouses to avoid damage.

The management teams in both companies told us that the success of this collaboration effort rested on five principles:

1. Senior management support
2. Trust painstakingly built from hundreds of hours working together
3. A consistent, defined supply chain strategy
4. Full sharing of information on a weekly basis
5. Agreement to reinvest the savings for a win-win relationship

This example shows again how the hard work of collaboration pays off. Lowe's had the foresight to commit to this collaborative relationship, avoiding the confrontational style that characterizes so many customer-supplier relationships. Collaboration is not easy, both to start and to maintain. It takes a full commitment from each side, but clearly the results are well worth the effort.

West Marine and Supplier Collaboration

In 2003, West Marine made an acquisition that complicated an already complex supply chain.[6] Then CEO John Edmondson understood that his company suffered from a supply chain that he characterized as complex, difficult, broken, and a barrier to success. In-stock rates at the retail stores reached an all-time low. Vendors reacted on a purchase-order to purchase-order basis, with no ability for them to plan and optimize their operations.

Larry Smith, vice president of planning and replenishment, and his team developed a new strategy. The center piece involved increased collaboration with suppliers to get out of this reactionary mode. They decided to try collaborative planning, forecasting, and replenishment (CPFR). The process starts with the exchange of timely, realistic forecast data between the supplier and customer, a somewhat counterintuitive approach to many who had been raised in an era of arm's-length, confrontational relationships. After that, planned replenishment orders are created.

West Marine asked VICS to assist in developing a standard process for it. VICS subsequently updated the process, which is called "Collaborative Planning Forecasting and Replenishment."[7]

West Marine improved its forecasts and began sharing them, starting with twelve core suppliers, and eventually expanding to a hundred fifty. In-stock rates improved drastically as did forecast accuracy, inventory turnover, and cost. Even with this obvious improvement, there were pockets of initial resistance within West Marine, as procurement managers had to make a transition from a confrontational to a collaborative relationship. The collaboration team continually promoted the benefits not only to its suppliers, but also inside the company, learning that success depended just as much on ongoing change management as it did with the new process and technology.

The lessons learned here were very similar to those in the two earlier examples. In addition, the West Marine example demonstrates the need to continuously sell the effort inside both organizations at all levels.

[6]Hau Lee, "West Marine: Driving Growth Through Shipshape Supply Chain Management," Case GS-34 (Palo Alto, CA: Stanford Graduate School of Business, 2004).

[7]Voluntary Inter-Industry Commerce Solution (VICS) is an industry association consisting of over two hundred companies devoted to improving efficiency and effectiveness of the supply chain, http://www.VICS.org.

The Secret Sauce in a Recipe for Successful Collaboration

What ingredients make up the recipe for successful collaboration? What allows two companies to progress through the stages of collaboration we outlined at the start of the chapter? The companies in our examples started with a mutual recognition of the power of collaboration and strong commitment to make it work. This philosophy existed on both sides of the relationship in all three situations. These examples, and many others we've gathered from our interactions with hundreds of companies, confirm that if only one party is committed to collaboration, it cannot succeed. Therefore, the first ingredient is *a strong belief by both potential partners in the power of collaboration*.

The examples show the commitment of both parties to invest in the hard work required to make collaboration successful. Countless hours spent in face-to-face meetings and even the investment in additional people clearly showed the dedication of both parties to the relationship. Given the extensive commitment of time and resources for successful collaborations, they clearly must be limited to a small number of core partners. One senior executive believes that the biggest barrier to success centers on the people assigned. They need to be the best and brightest, the A players. This leads to the second ingredient*, a commitment to invest significant time and resources in the relationship*.

In all the examples, the investment of time and resources led to strong mutual trust and a definition of the right goals for both organizations, leading to shared information, technology, and strategies. Many people on both sides of the relationship trusted each other. Otherwise, the loss of a key individual could severely undermine years of work. A formal plan and documented procedures were critical to maintaining the relationship over time. The third ingredient is *trust, grounded in a documented process to sustain the relationship*.

Once the three ingredients are in place, good things happen. Firms evolve through the three stages of collaboration discussed at the beginning of the chapter. As the process matures to its full level, firms commit to sharing the savings equitably, thereby formalizing the win-win relationship. They develop mutual goals and key performance indicators, and measure their performance together as a team. Finally, bottom-line improvements for both partners fully solidify the relationship. Nothing breeds commitment like bottom-line results.

Collaboration with International Partners

The recipe for a successful collaboration described works for local partners. But can we say the same for the global marketplace? There are many more barriers in a global collaboration relationship. The dimensions of distance, time zones, language, and culture conspire to make collaboration exponentially more difficult. Even tougher than the challenge of distance are the differences in language and culture. English is the common language of business, but few speak “global English” well. (Experts in global English speak slowly and free of accents, acronyms, and idioms, and are culturally neutral.) Cultural issues are even more problematic than language.

Cultural Issues

Most cultures depend on personal relationships, but in a few, such as the culture in the United States, they are not as critical. U.S. businesspeople are perfectly comfortable getting right down to business without knowing any personal details about their counterparts. The people in some cultures say what’s on their minds, and others do not. In China, it’s much more important to avoid disagreements than it is in the United States. Some cultures are driven by the clock, and others are not. Some live to work, and others work to live. And, even if words are understood, they may have different meanings in different cultures. A *contract*, for example, has a firm legal meaning in the United States, but may just express initial intent in other societies.

Assuming that all the examples in this chapter prove the critical importance of collaboration, does that mean the firms should reconsider some global business opportunities? Firms must take into account the risk when they decide to pursue global strategies like outsourcing. Abandoning the power of collaboration and the resulting continuous rapid improvement is not an acceptable option. Firms must break the code for collaborating with their global partners, with intense dedication to making it work across cultures. Three steps for building a global external collaboration plan to support a supply chain excellence strategy are:

1. Embrace, do not avoid, the challenge of global collaboration.
2. Accept that the challenge and time required for collaboration will be much greater, at least double the effort. Commit to and plan for the effort.
3. Strive to become savvy in the global environment, and learn and experience other cultures.

Conclusion

The supply chain process extends backward to a firm’s suppliers and forward to its customers. Therefore, this fourth step—external collaboration—is a fundamental component of developing a strategy to drive supply chain excellence. Collaboration is not easy, but if a firm follows the lessons from the examples in the chapter, breakthrough results can happen, contributing strongly to economic profit for all parties. Of course, all of the work involved in following these four steps is for naught without a solid process for getting new things done in the supply chain area. We address that critical fifth and last step in the next chapter.

ACTION STEPS

1. Become the “best customer” for your core suppliers by openly sharing information and launching joint improvement initiatives.
2. Learn from the successes of other firms and apply the best practices from the examples in the chapter by committing the time and resources, by openly sharing information, by mutually developing joint performance measures, and by sharing the benefits in a win-win relationship.
3. Work even more intensely on collaborative relationships in the more challenging global environment.