

VESTED[®]



Five Rules That Transform Business Relationships

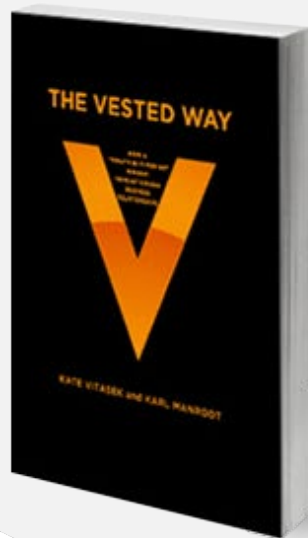
Based on research with...
T HASLAM
COLLEGE OF BUSINESS
THE UNIVERSITY OF TENNESSEE, KNOXVILLE

Based on research with...



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WHY



WHAT



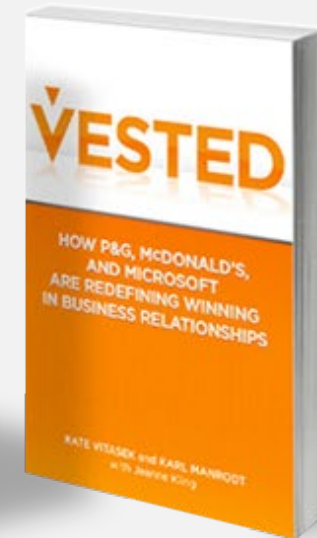
HOW



WHEN



NEGOTIATE THE
RELATIONSHIP



TELLS THE REAL
STORIES

Our Research Found.....



what's in fit for **work** we

The Best Had a Different Mindset





Win-Win Is Steeped in Research

John Nash received a Nobel Prize in 1994

There have been a total of 8 Nobel Prizes awarded for the study of behavioral economics / cooperation.



Source: [http://en.wikipedia.org/wiki/A_Beautiful_Mind_\(film\)](http://en.wikipedia.org/wiki/A_Beautiful_Mind_(film))

Win-Win Thinking Is Steeped in Research...

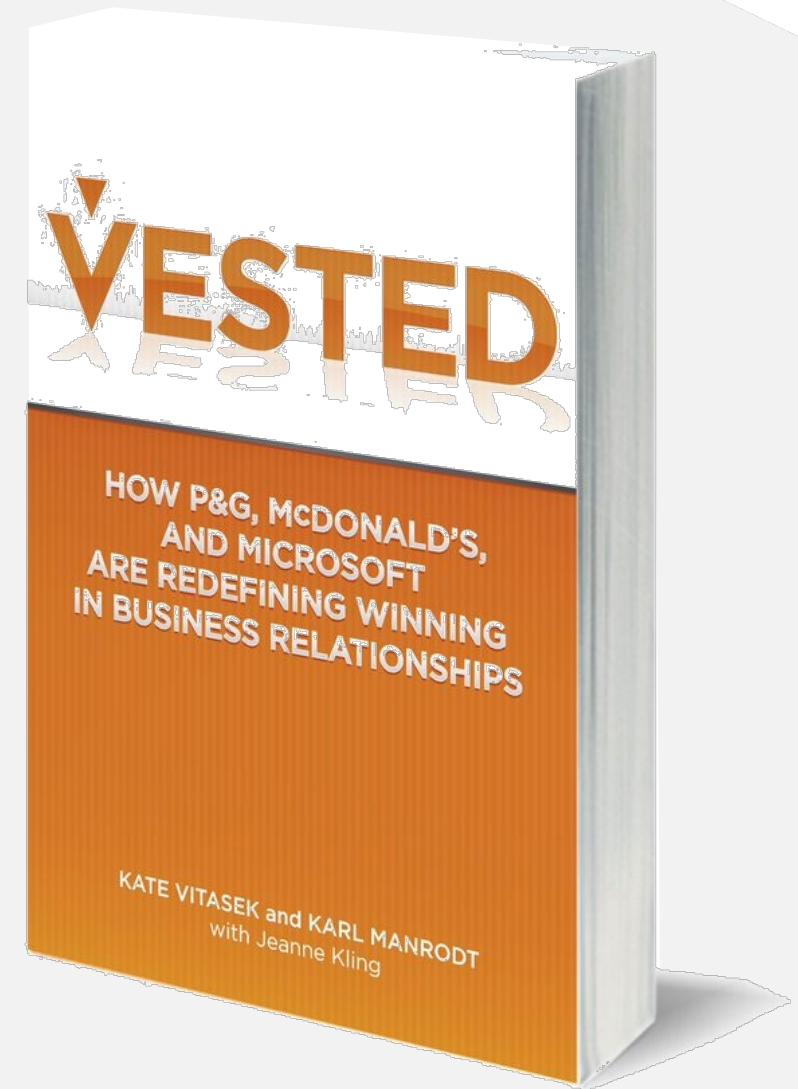


		Buyer	
		Command	Cooperate
Supplier	Cooperate		
	Command		



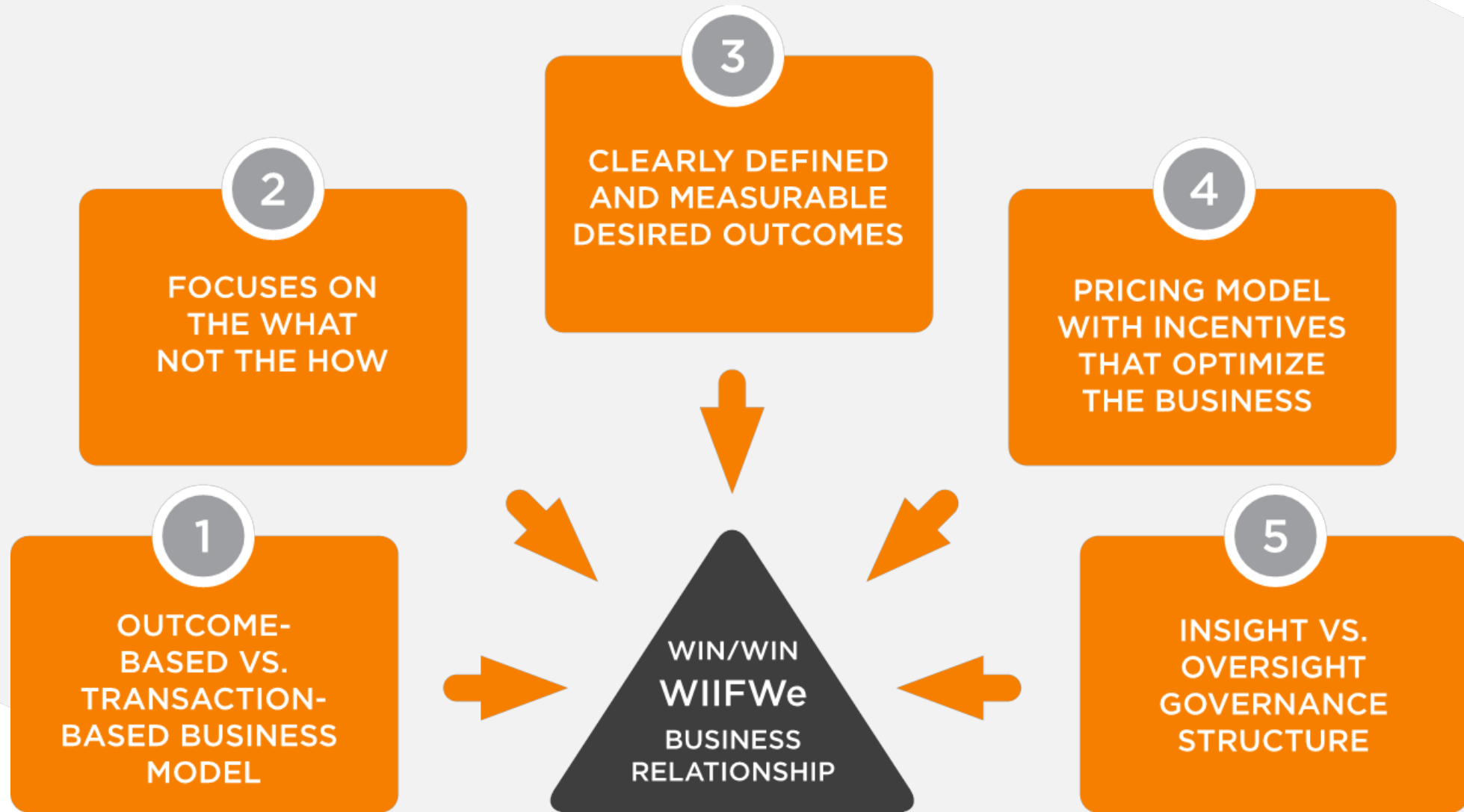
A Vested Way Mindset Really Works!

- *P&G (Real Estate/Facilities Management)*
- *Microsoft (BPO)*
- *McDonald's (Supply Chain)*
- *U.S. Dept. of Energy (Environmental Services)*
- *State of Minnesota Dept. of Transportation (Construction)*
- *Integrated Management Services (Staffing)*
- *Diversey (IT)*
- *Water for People (non-profit NGO support in developing countries)*





They Rely on Five Key “Rules”



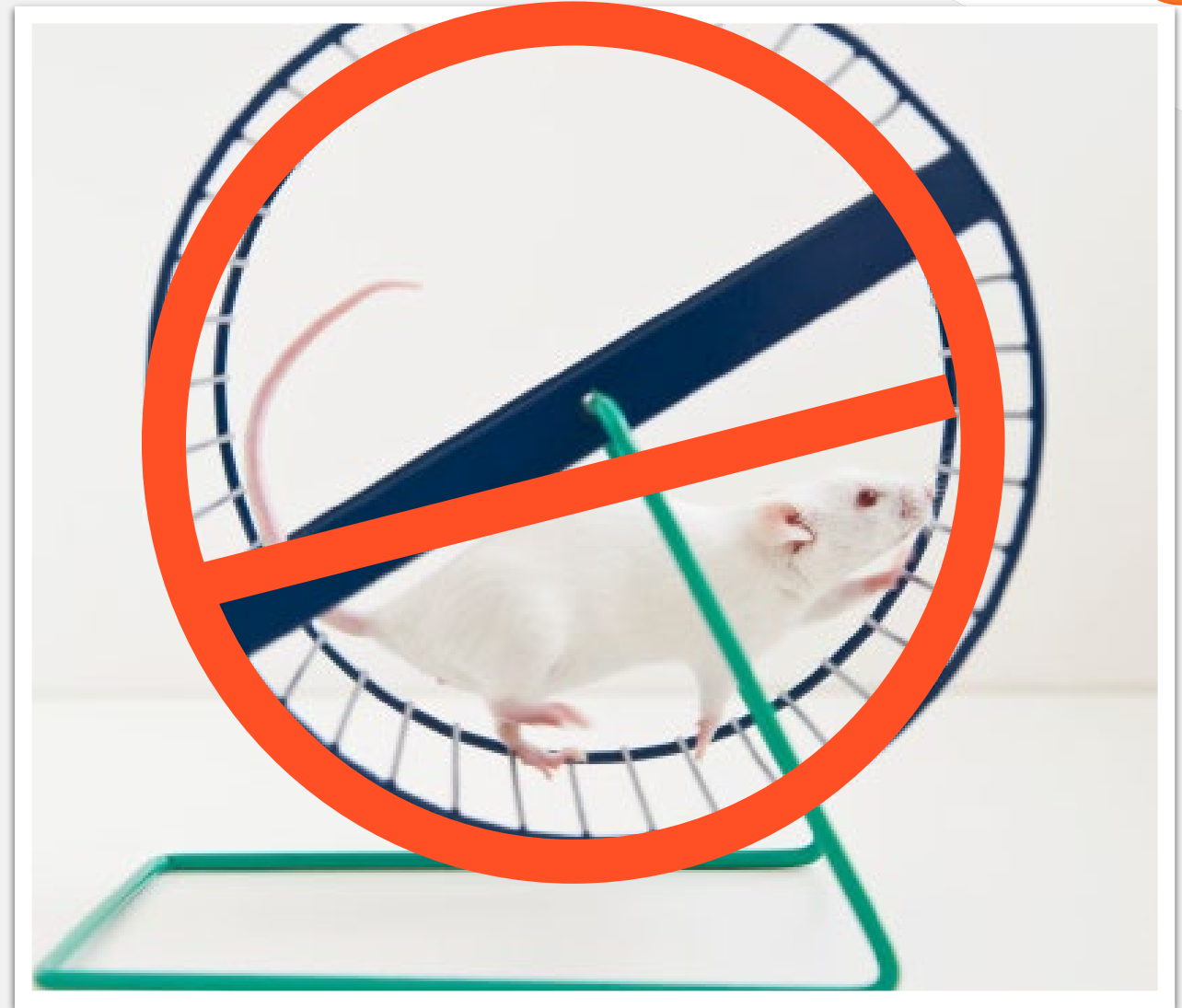
Source: Vested®



Rule

1

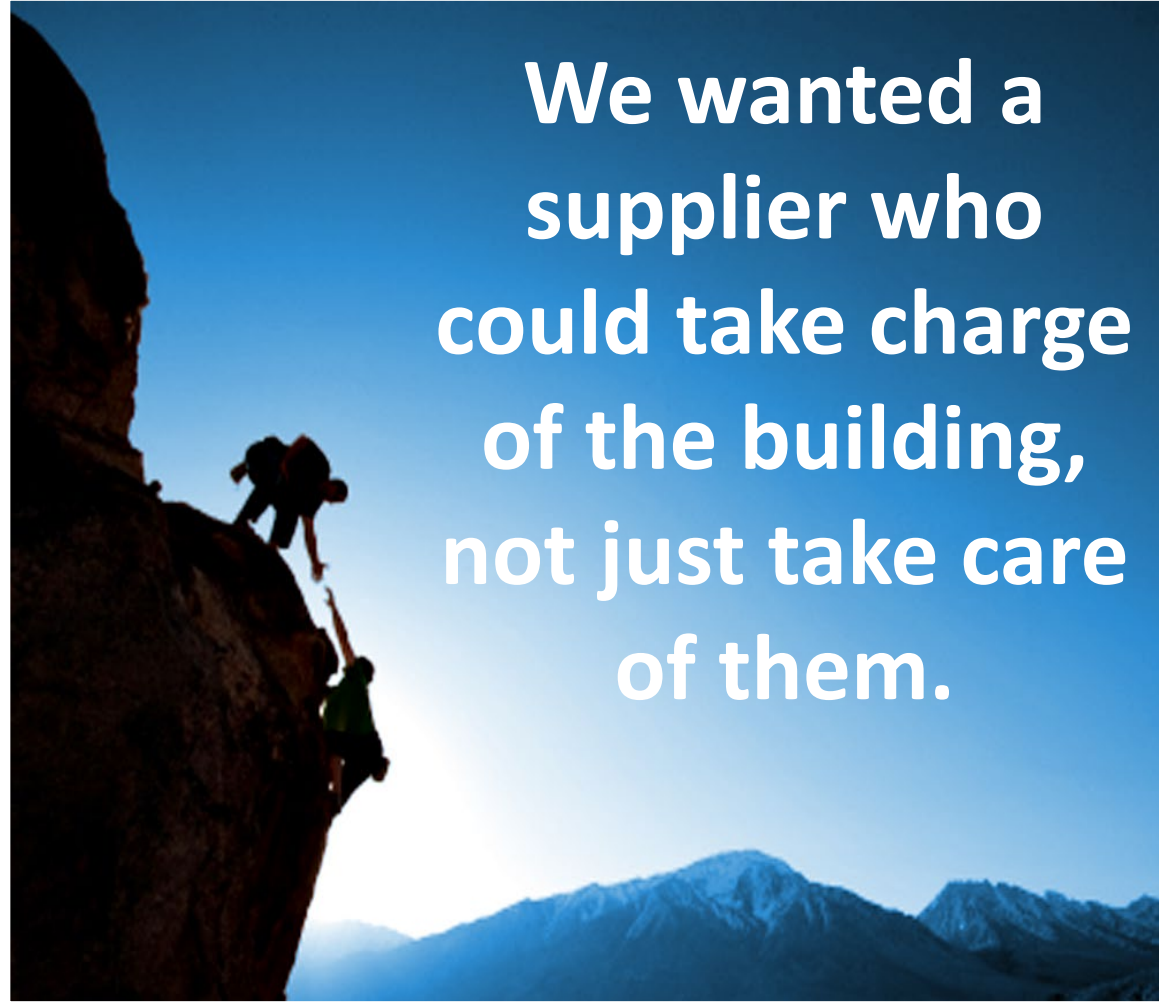
Outcome-Based vs. Transaction-Based Business Model



"We wanted a supplier that could take charge... of the buildings... not just take care of them."



In their words...



William Reeves

Director of Employee & Workplace
Design & Delivery Services
Procter & Gamble

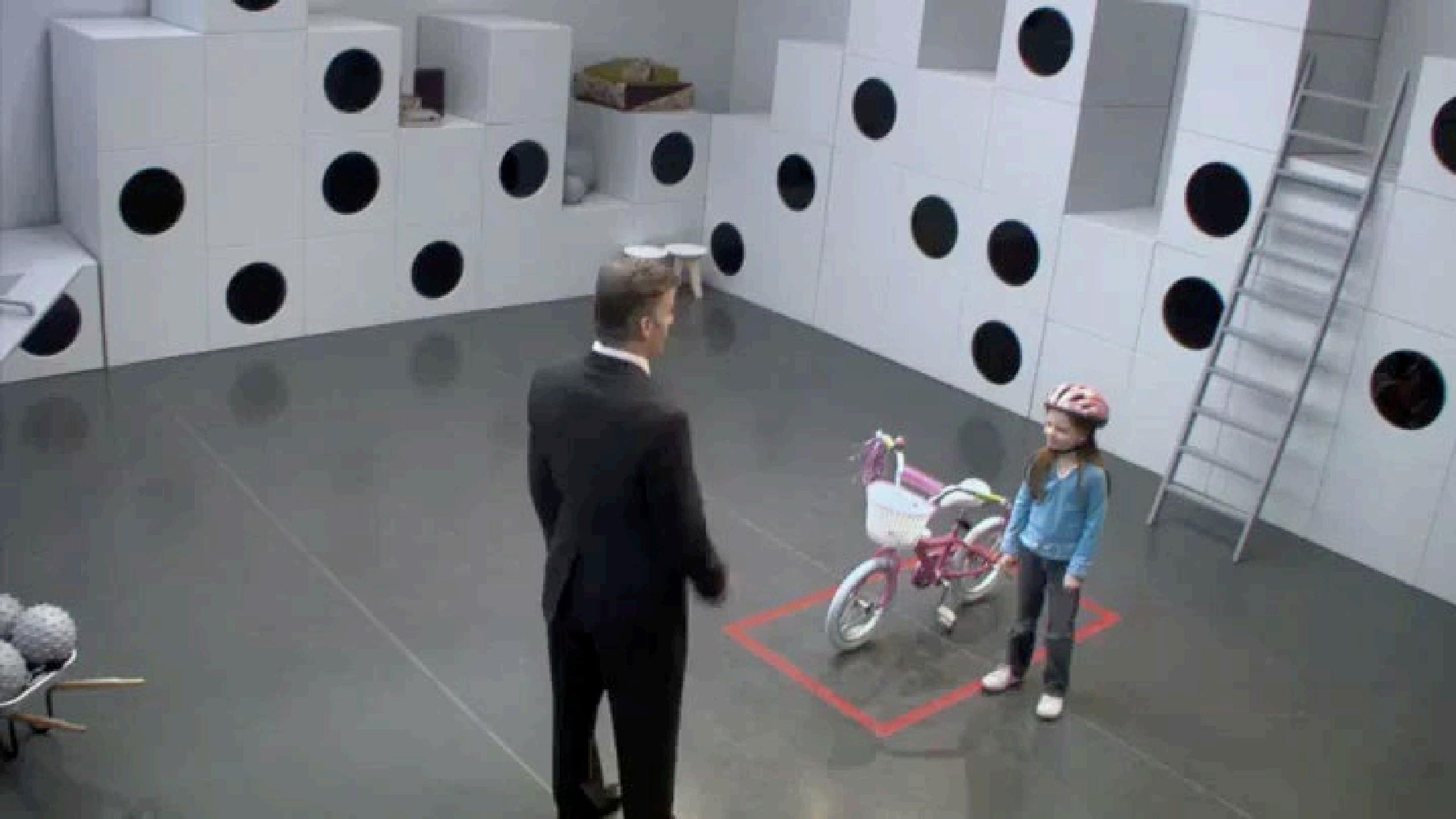


Rule

2

**Focus
on the
WHAT,
not the
HOW**







Over 200 Innovations....

“Seek ways to accelerate cleanup actions and eliminate unnecessary tasks and reviews, by requiring that the Parties work together.”

“Proved the flexibility to modify the work scope and schedules, recognizing that priorities may change due to emerging information on the site conditions, risks and resources.”

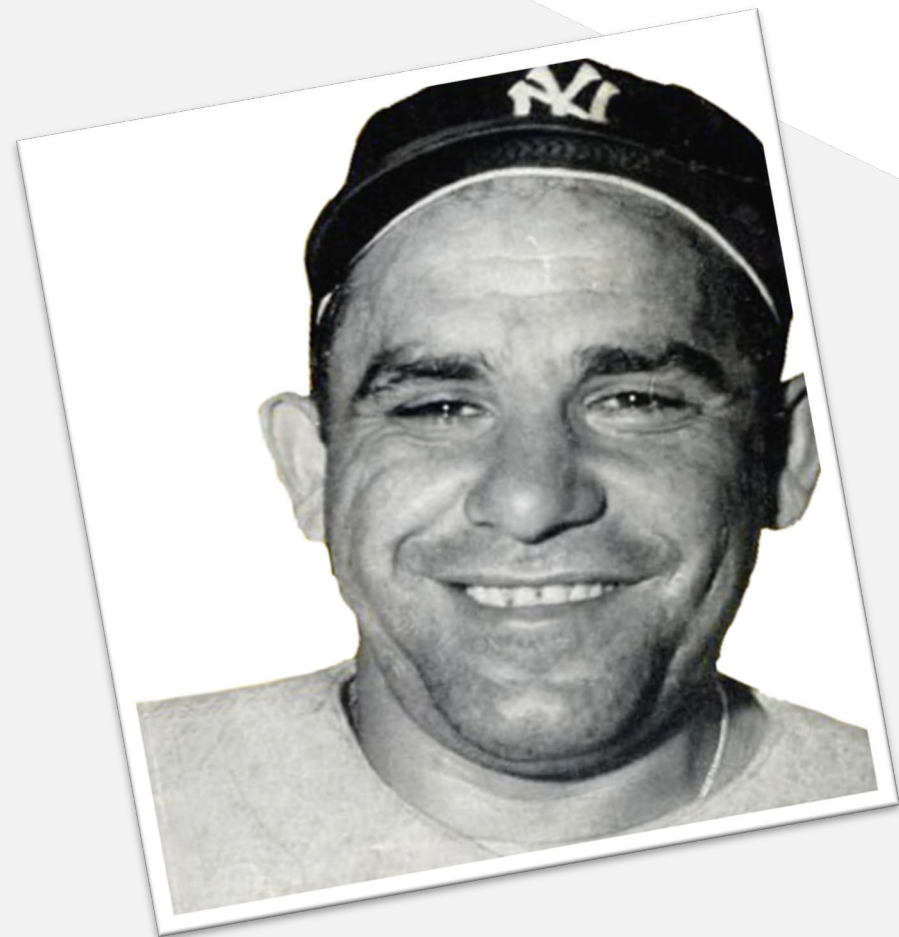




Rule

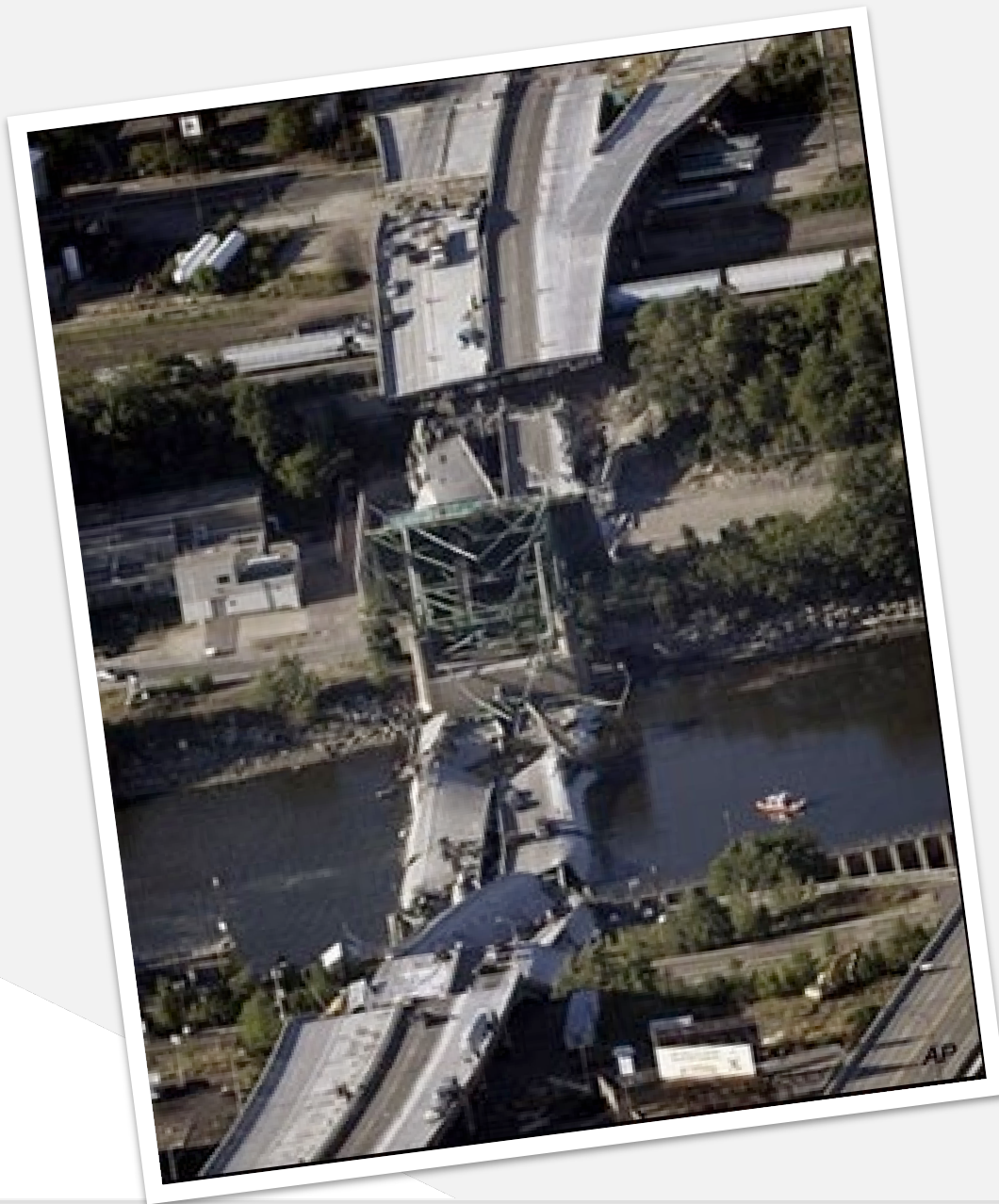
3

Clearly Defined and Measurable Desired Outcomes



You got to be very careful if you don't know where you're going, because you might not get there.

- Yogi Berra



“Rebuild the bridge
by December 24th,
2008”

*(and 5 other key success
indicators)*

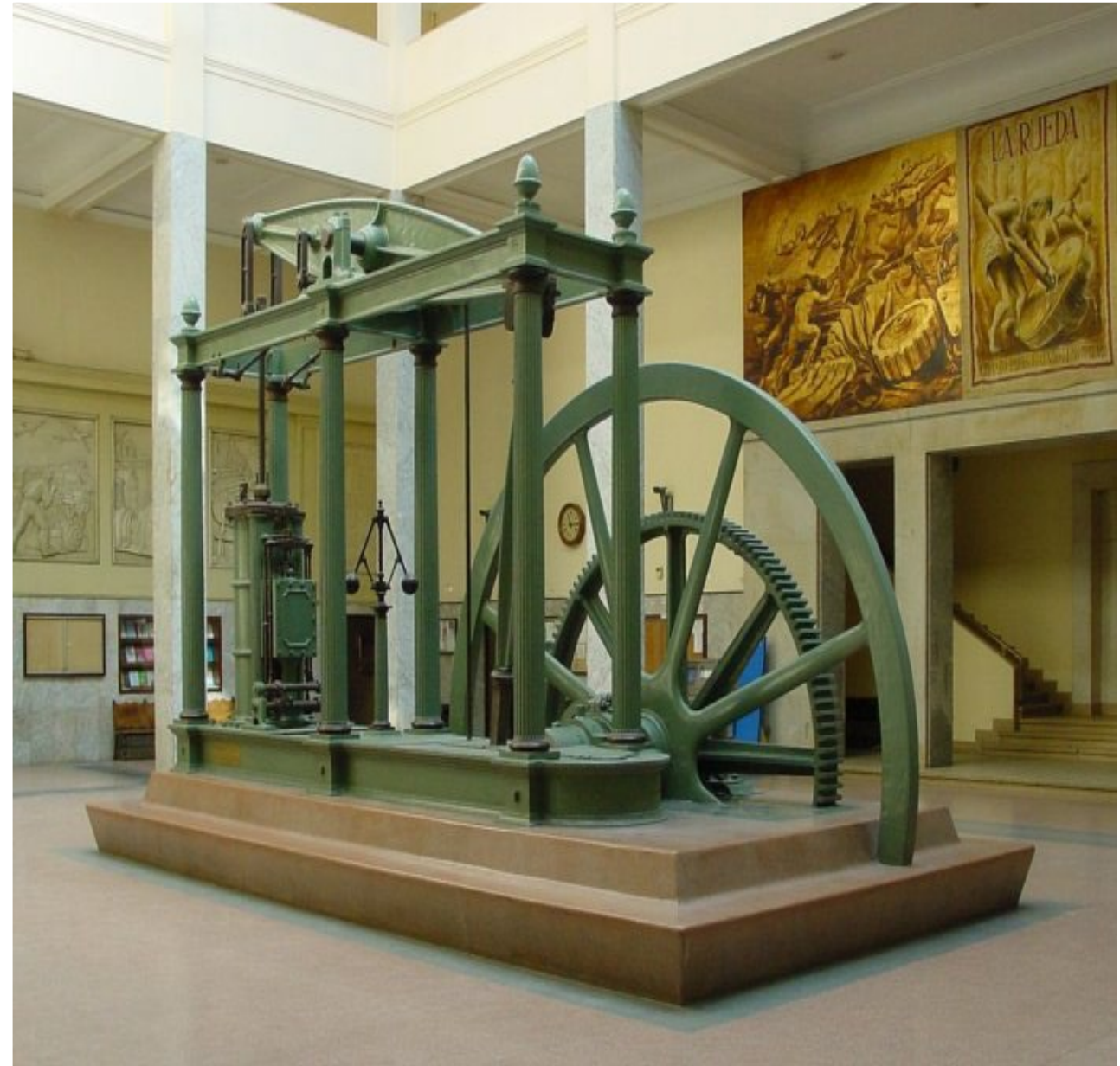
Tim Pawlenty
Former Governor
Minnesota



Rule

4

Pricing Model with Incentives to Optimize the Business

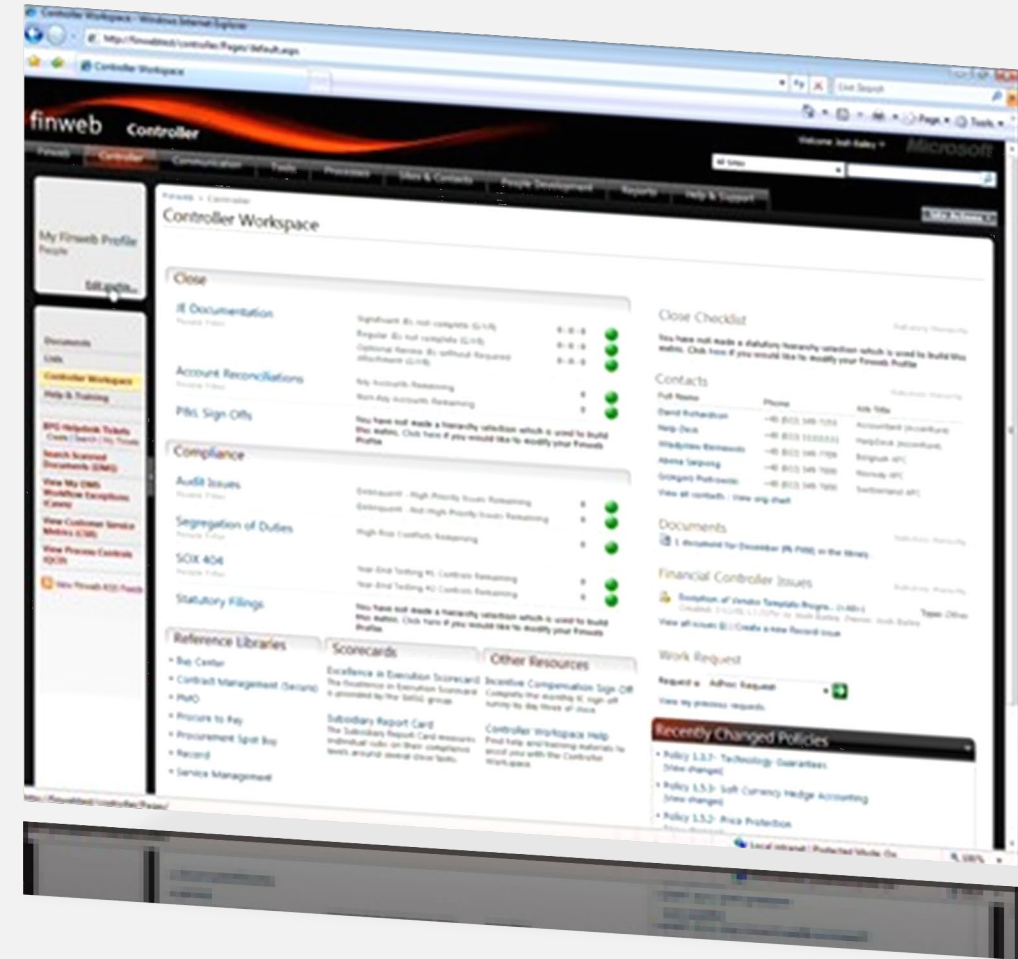




PRICE

vs.

PRICING MODEL





In their words...

“We could “lift and shift” where the service provider **would as quickly as possible** determine a clear and accurate baseline which they would be expected to improve with Microsoft.

The service provider would then be **highly compensated** for achieving transformational results.”



Taylor Hawes

General Manager and Controller
Finance Ops. Microsoft



Rule
5

**Insight
vs.
Oversight
Governance**

ME



WE

***Manage the Business...
Not Just the Supplier***

What is it NOT

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“It’s the next level of real-time vendor relations. But we’re still beta testing.”



In their words...

“None of us is
as good as all
of us.”



Ray Kroc

Founder
McDonald's



Who ran out of chicken during the Asian Avian Flu crisis?

Source: photo used with permission from McDonald's

Barrier Busting



What Is YOUR Mt. Everest?



Photo by Alison Levine

Source: P&G

Contact Me with Questions



- Email me at kvitasek@utk.edu
- Visit the University of Tennessee's dedicated Vested website at www.vestedway.com





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