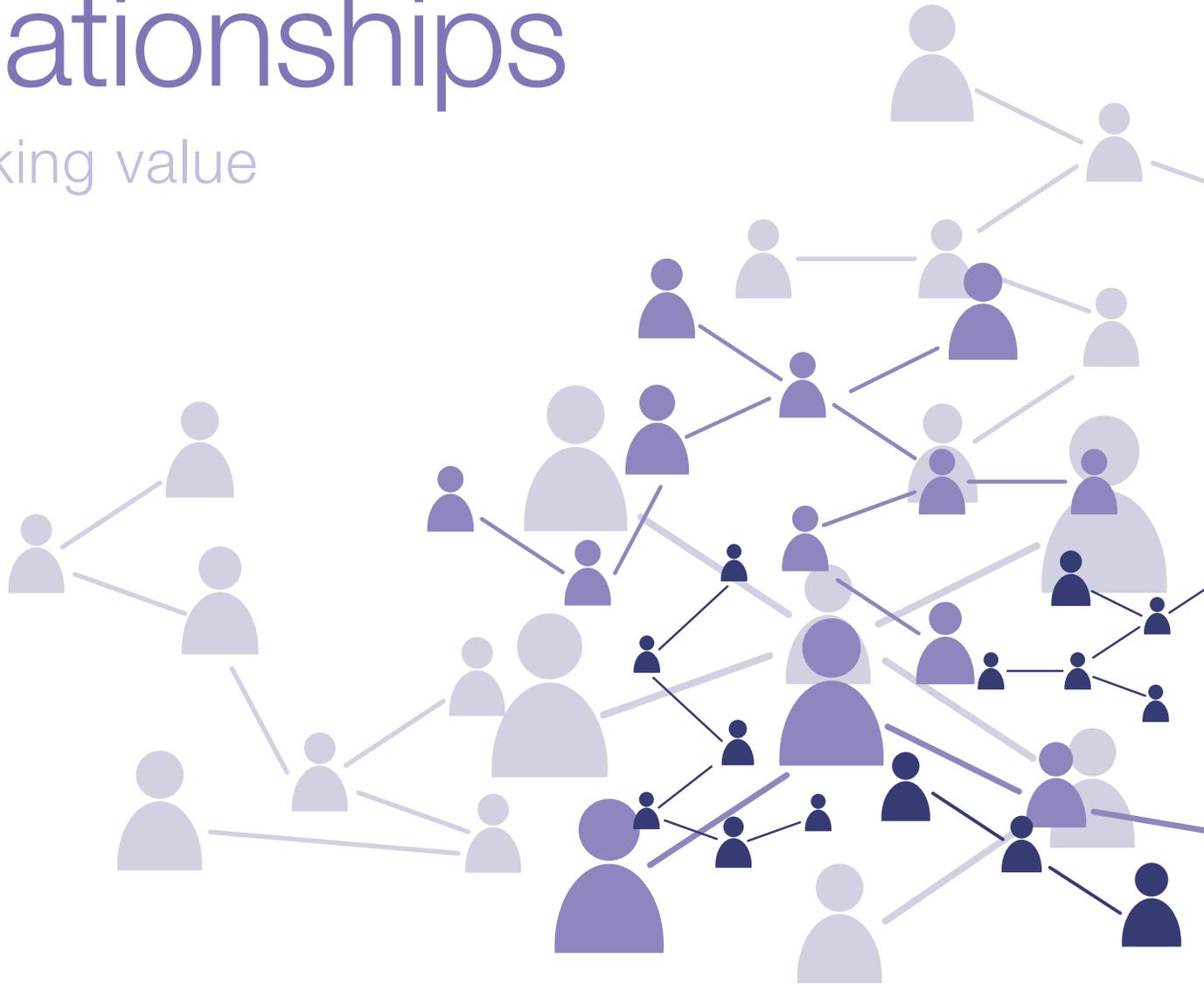


# Tomorrow's Relationships

Unlocking value



Linklaters

tomorrow's  
company

# Contents

02	<b>Foreword</b>
04	<b>At a glance...</b>
06	<b>Why focus on relationships?</b>
08	<b>What do we mean by effective relationships?</b>
11	<b>Building effective relationships</b>
12	– The role of the board and senior management – embedding a relational approach
19	– Identifying key relationships
24	– Tuning in to relationships
27	– Measuring the effectiveness of relationships
30	– Reporting on the effectiveness of relationships
35	<b>Building effective relationships in practice</b>
38	<b>Sources and notes</b>
40	<b>Acknowledgements</b>

# Tomorrow's Relationships

Unlocking value

## Foreword

People are our greatest asset – how often have we heard this from leaders and then seen evidence from the behaviours of the organisations they lead which suggests otherwise?

We need to close the gap between what is said and what is done to build relationships that are resilient and robust to ensure lasting success for the business over the short, medium and long term. This requires authenticity, trust and engagement in relationships.

Most fundamentally, our convictions are that it is not organisations that have relationships – it is the people within and between those organisations. This means that a relationship with another person cannot simply be a means to an end, but is a worthwhile aim in itself; and that a ‘stakeholder’ is not an object, but a subject with whom mutual respect unlocks value that is created together.

We’re not alone in our view that business is all about relationships, and it is now commonly acknowledged that four-fifths of the market value of a business is in ‘intangibles’.

But all too often business processes undervalue or erode relationships, increasing risk, reducing resilience, destroying value. Many organisations are feeling their way forward making explicit these issues and seeking a practical approach.

We recognise that there is much that has been written about human and social capital, and other aspects of people and relationships. While this is valuable, there is a gap. There is little understanding of how relationships contribute to sustainable business success or work that looks at relationships more holistically and considers how to systematically develop effective relationships.

This guide, *Tomorrow’s Relationships*, seeks to recognise the full value of relationships. It provides a practical resource for boards and senior management teams to help them map the relationships of their business, understand how and why they are important and help them decide what to do next.



**Charles Tilley**



**Vanessa Robinson**



**Vincent Neate**



**Richard Godden**



**Tony Manwaring**

Recognising the fundamental importance of relationships, and doing so in the way we set out, means rethinking how business is done – from boards to executives and beyond, from governance to supply chains.

As we have been working together we have become conscious of how ‘business as usual’ can work against a relational approach. Relationships are dynamic, ambiguous and often require language that is uncomfortable in business. Business traditionally tends to put things into categories and to plan in straight lines. Relationships, however, need to be understood and navigated intuitively as well as analytically. We need to recognise that we sometimes feel awkward when talking about relationships. Yet if we work to make the relationship more effective for both parties, the effect is transformational.

We hope that *Tomorrow’s Relationships* helps inform a different understanding of the value of people in your business – for their own success as well as that of the business and the communities of which your business is a part.

A handwritten signature in blue ink that reads "Charles Tilley".

**Charles Tilley**  
Chief executive, CIMA

A handwritten signature in blue ink that reads "Vanessa Robinson".

**Vanessa Robinson**  
Head of research, CIPD

A handwritten signature in blue ink that reads "Vincent Neate".

**Vincent Neate**  
Partner, KPMG LLP (UK)

A handwritten signature in blue ink that reads "Richard Godden".

**Richard Godden**  
Partner, Linklaters

A handwritten signature in blue ink that reads "Tony Manwaring".

**Tony Manwaring**  
Chief executive, Tomorrow’s Company

## At a glance...

History is littered with examples of where value has been destroyed because of failures in relationships.

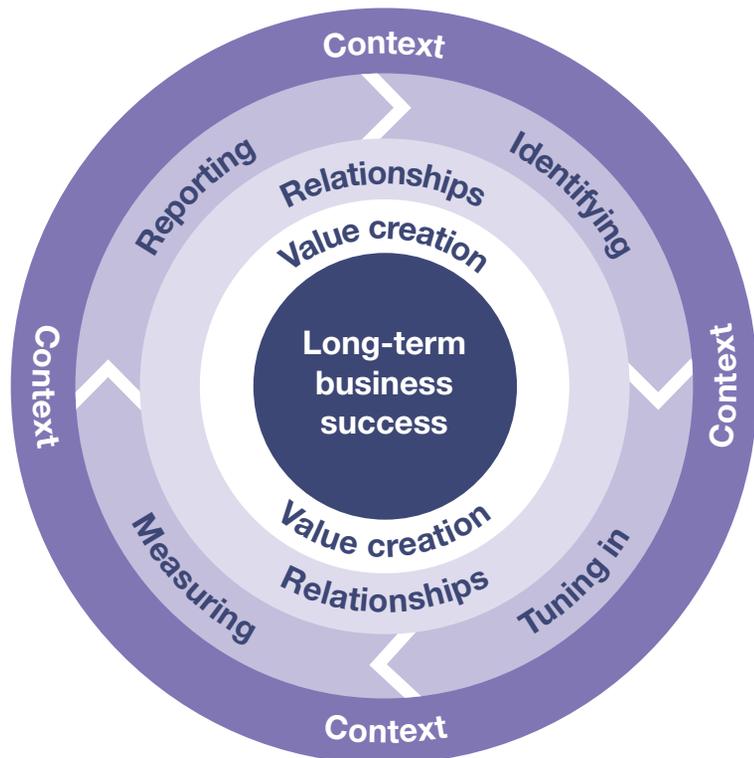
In an ever more complex and connected business environment, the ability to form effective relationships is vital.

Stakeholder management and engagement have got us so far but are not fit for purpose in the future. We need to move beyond these approaches and take a relational view of business.

Effective relationships are ones that are mutually beneficial and create value for all parties involved. Building these takes time, care and commitment.

This guide provides ways to more systematically improve the relationships through which long-term sustainable business success will be secured.

We present four key elements to building effective relationships and outline the critical role of boards and senior management in embedding a relational approach.



## Why focus on relationships?

Managing relationships has always been important but even more so now.

The business environment is ever more complex, competitive and connected. For some years, old hierarchies of command and control have been giving way to flatter more organic structures built on networks of relationships and influence. Value is created as much outside an organisation's walls as within – through collaboration and integrated value chains that cross organisational boundaries and can span the globe.

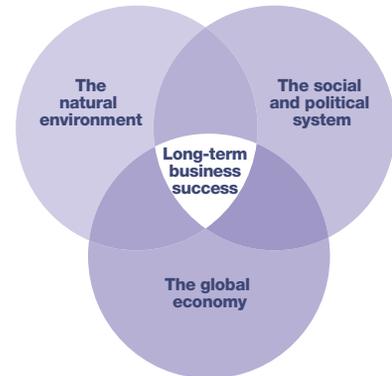
In the past quarter century or so, a large and striking macroeconomic value inversion has occurred. In 1975, more than 80% of corporate value reflected in the S&P 500 was tangible assets, while intangible assets comprised less than 20% of market capitalisation. By 2010 intangible assets had grown to 80% of market capitalisation.<sup>1</sup>

Long-term business success depends on understanding and responding to this changing context – aligning economic, environmental, and social interests and nurturing the relationships that support the health of this interconnected context. Tomorrow's Company calls this the 'triple context'.

Businesses are an integral part of society. The relationships that influence any business are growing and so are their expectations of that business.

Creating effective internal as well as external relationships is important – the two are inevitably intertwined. Society is not something that exists 'outside' of the organisation. A business is given its licence to operate by meeting the minimum expectation of groups outside of the organisation and creates value by exceeding those expectations. Internal relationships help understand and meet those expectations. It is also important to recognise that individuals within those groups are people and as people we wear many hats – we can be an employee and a customer and sometimes investor in the same organisation.

### The triple context



With the changing environment comes greater risk but also greater opportunity. Are today's organisations prepared for this? Are they developing their approach to business relationships as quickly as the environment in which the relationships now have to operate?

We don't believe they are.

We believe a step change is needed in how organisations think and act when it comes to relationships. We need to identify the relationships in and around businesses, understand how they add value, and translate this value into information relevant for effective management and decision-making. We need to move beyond stakeholder management and engagement and take a relational view to achieve lasting business success.

This guide, aimed at boards and senior management, presents the practical learning from an 18-month project which set out to explore what it means to develop more effective relationships.

It has been supported by CIMA, the CIPD, KPMG and Linklaters and draws on discussions with companies, professional bodies, practitioners and academics who have a passion for the importance of relationships.



To accompany this guide, a summary is provided of some of the most often used models, frameworks, tools and other materials which touch upon relationships. This can be found at [www.tomorrowscompodium.com](http://www.tomorrowscompodium.com).

The purpose of this resource is not to suggest that any one tool or method is better than another. It is designed to help you navigate the available management tools so that you can customise them to the needs of your particular organisation structure and culture.

Enclosed in this guide are also two 'tool-kits' designed to help boards and senior management think more deeply about effective relationships.

## What do we mean by effective relationships?

‘Good’ relationships are not necessarily effective relationships. Neither is satisfaction a good measure of whether a relationship is an effective one.

There is a tendency to assess the quality of a relationship on the basis of how ‘satisfied’ someone is with the relationship. However, a relationship where one or both parties is satisfied is not necessarily a relationship that is helping both parties to achieve their goals, even if they are compatible. We believe it is better to focus on the effectiveness of a relationship in that it satisfies both parties’ goals. Happiness, or satisfaction, is a beneficial but not essential side effect.

Relationships are all about creating an environment in which everybody can thrive – which is all about behaviour.

Treating the other party to the relationship as a means to one’s own ends is not the route to building an effective relationship and such a short-term view is ultimately destructive in the long term. It is only through treating the other party as an end in their own right that a mutually beneficial relationship is created.

Much of the available data uses the term ‘stakeholder’ reflecting common use. We use the term relationships because taking a ‘stakeholder’ view risks introducing a degree of remoteness and suggests a purely rational approach.

However, when we think in terms of ‘relationships’, an emotional element is introduced which needs to be recognised to deal with the relationship in the right way. How people feel is critical to the quality of the relationship. And they will often see themselves in a different relationship than the relationship you think you have with them!

## Relational Proximity Framework™

Many approaches to stakeholder management only touch on relationships and those that do tend to measure 'satisfaction', an often vague and unhelpful indicator of how effective that relationship is at meeting the needs of specific groups. This measure of satisfaction is often 'one directional' and a weak indicator of what aspects of the relationship work well and which can be improved.

One tool, the Relational Proximity Framework™ (RPF), developed over 20 years, has been created as a solution to these challenges. It seeks to enable an unbiased, quantitative understanding of business-critical relationships. It allows the accredited practitioners to work with the business and its stakeholders to leverage strengths and improve other aspects to deliver much more effective relationships that in turn deliver greater value to both parties. Importantly, it works by working with both sides of a relationship to understand how well it is working to meet their expectations of optimal effectiveness.

Relational Research, who are continuing to develop the tool, define Relational Proximity® as a measure of the distance in the relationship between two people, groups or organisations. It determines how well each can understand the intentions and performance of the other. It is a prerequisite for identifying opportunities for taking greater responsibility for the relationship's effectiveness – the more remote businesses are from their stakeholders, the less they feel responsible for them. Through greater proximity, groups can understand and interact with each other more effectively.

The model provides those in a relationship (which is everyone) with the language to measure, explore and understand the 20 different drivers that can impact the effectiveness of that relationship. At a high level, this proximity can be analysed across five domains which characterise all relationships, whether between organisations or individuals. Five drivers (built from 20 sub-drivers) create effective collaboration within these domains and it is these that the tool measures and allows to be enhanced.

Further information can be found at: [www.relational-analytics.com](http://www.relational-analytics.com)

## How to thrive in the court of public opinion

### **Kevin Murray, chairman of The Good Relations Group and author of The Language of Leaders**

In today's hugely connected, radically transparent world, the influence of relationships on an organisation's performance is greater than ever. Relationships are, perhaps, the greatest intangible asset of all, and are the engines of success. The state of your relationships impacts on cashflow, and on capital value. Businesses cannot grow in a society that is bankrupt, so it is enlightened self-interest to create the right social, economic and environmental conditions that enable everyone to thrive.

Every company has its own court of public opinion. Understanding who is important to you, in granular detail, is critical in a world of great fluidity and radical transparency. Relationships today have such a dynamic nature that they need to be managed more proactively than ever before.

However, few organisations focus on relationships in a mutually beneficial way. If it is a relationship, then you have to be mindful in it. Otherwise it won't be a quality relationship – it will just be something that you mark on a card but don't do much about. You cannot manage reputation. Reputation is a consequence of what you do, how you engage with people, and then what they say about you. You have to earn their trust.

Being trustworthy has a monetary value. Highly trusted organisations get things to market faster and spend less on marketing. They are able to move quickly to innovate without going through regulations and other hurdles that slow them down and cost them more money.

If you have got loyal customers who are inclined to buy from you and recommend you, shareholders who really believe in you and want to give you their money, suppliers who are queuing at your door to enter into partnerships, employees who are highly engaged and really motivated – then you have a successful company. You create competitive edge and improve your chances of sustainable success.

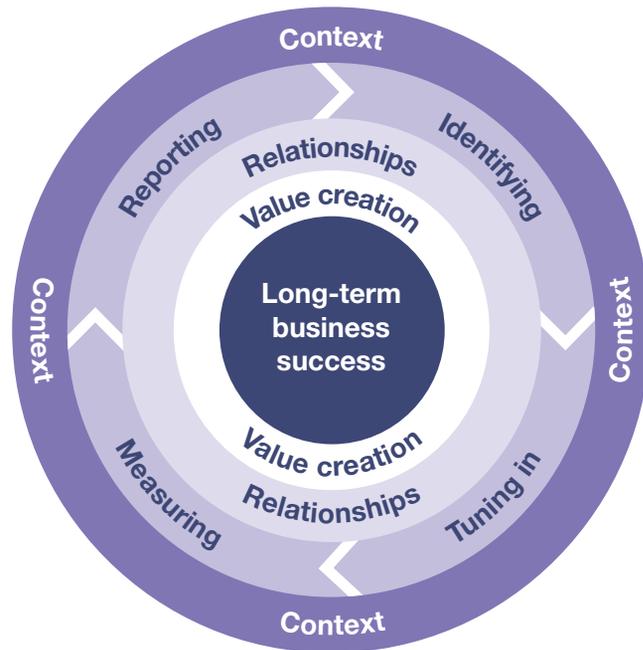


**Kevin Murray**

## Building effective relationships

There are four aspects to creating effective relationships:

- identifying key relationships
- tuning in to relationships
- measuring the effectiveness of relationships
- reporting on the effectiveness of relationships.



Before we discuss each of these in detail we first look at the critical role of boards and senior management in embedding a relational approach.

## The role of the board and senior management – embedding a relational approach

Embedding a relational approach starts with the board treating relationships with the same importance as any other business-critical issue.

Relationships are being developed everyday by everyone in the organisation. A board cannot be involved in all of them or seek to manage them. The key role of the board is to:

- set the tone from the top
- discuss relationships on a regular basis as part of the board agenda
- foster the right environment to ensure that all the relationships which are important to its long-term business success are identified and being nurtured and valued by everyone
- assure themselves that the necessary systems are in place to monitor, measure and report on the effectiveness of relationships.

Embedding a relational approach requires consistency in thought and action. This starts with the board having a shared view of what the company is seeking to achieve and how. This depends on the quality of the relationships and discussions within the board itself.

To help boards create this shared view, a ‘tool-kit’ of questions that boards should ask of themselves is provided with this guide.

Also, the Good Governance Forum, convened by Tomorrow’s Company, advocates the use of a ‘board mandate’ to help create a shared understanding. This is a living statement about what the company stands for and how it wishes to be known to all of its stakeholders.<sup>2</sup> Creating and refreshing such a mandate requires deep and comprehensive thinking and discussion by a board.<sup>3</sup>

*“S172. Duty to promote the success of the company*

- (1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to –*
- a) the likely consequences of any decision in the long term,*
  - b) the interests of the company’s employees,*
  - c) the need to foster the company’s business relationships with suppliers, customers and others,*
  - d) the impact of the company’s operations on the community and the environment,*
  - e) the desirability of the company maintaining a reputation for high standards of business conduct, and*
  - f) the need to act fairly as between members of the company.”*

Extract from the UK Companies Act 2006<sup>4</sup>

*“The corporate governance framework should recognise the rights of stakeholders established by law or through mutual agreements and encourage active co-operation between corporations and stake holders in creating wealth, jobs, and the sustainability of financially sound enterprises.”*

Extract from the OECD Principles of Corporate Governance<sup>5</sup>

*“You all have heard of ‘the tone at the top’. I talk about ‘the tone at the top, the tune in the middle, and the beat of the feet at the bottom’. The board and top management have to make sure that the whole company has bought into the new strategy and is facing in the same direction. I know from my executive days that if you get your strategy right and you get buy-in, you get ordinary people to achieve the most extraordinary things! But if you don’t get it right and it doesn’t fit in with the milieu of the day, you can have the most extraordinary people, but you won’t even achieve ordinary things.”*

Mervyn King, chairman of the King Committee on Corporate Governance in South Africa<sup>6</sup>

## ‘Roads to Ruin’ and ‘Roads to Resilience’

**Paul Hopkin, technical director, Airmic**

The *Roads to Ruin* report highlighted the problem of ‘board risk blindness’ and the consequences of a ‘glass ceiling’ that prevents risk information from reaching the board.<sup>7</sup>

The report concluded that the ‘firms most badly affected had underlying weaknesses that made them especially prone both to crisis and to the escalation of that crisis into a disaster’. Following publication of this report, Airmic commissioned further research into the features of resilient companies, published in *Roads to Resilience*.<sup>8</sup>

It was discovered that five principles must be present in a company if it is to achieve increased resilience. These interdependent principles of resilience are illustrated in the diagram.

In order to become resilient, companies need to fulfil the following:

1. exceptional risk radar that gives early warning of changing risks
2. resources and assets that are flexible and diversified
3. strong relationships and networks that proactively manage risk
4. decisive and rapid response to deal with risks
5. ability to review and adapt to changes and adverse events.



**Paul Hopkin**

The importance of relationships is emphasised by the resilience research and can be summarised as follows:

*“Resilient organisations realise that suppliers, contractors, business partners and customers represent a network of relationships aimed towards a common purpose. Ultimately, the external reputation of an organisation is built on the way that relationships are managed within its business networks.”*

No organisation can be effective at managing risk in isolation. As well as strong internal working relationships, leading organisations also build strong and extensive external relationships and networks. This is created by engendering trust, a desire to collaborate and a willingness to share information, even if it is bad news. These relationships ensure that risk information flows freely throughout the organisation up to directors to prevent the ‘risk blindness’ that afflicts many boards.

In this way problems can be detected early and, when an incident occurs or an opportunity arises, stakeholders communicate with each other so that the response can be rapid. Resilient organisations value and build strong relationships and networks through the following:

1. Shared purpose and values: when employees share a common purpose and values, trust emerges and helps to build strong relationships across organisational boundaries.
2. No-blame culture: strong relationships are nurtured when a no-blame culture is clearly present, although accountability is maintained, including the reporting of near-miss incidents.
3. Open communication: the development of strong relationships is often allied with flatter organisational forms, increased cross-functional collaboration and self-organising teams.
4. Customer focus: the research confirmed the importance of the customer experience is recognised, including assessment of reputation risks.

## Relationships are at the heart of our business

### **Amanda Mellor, group secretary and head of corporate governance, M&S**

It is often said that the M&S brand is our biggest asset – occupying a unique place in the minds of the British public.

From your first school uniform, a suit for an interview, flowers for your partner, or our trusted quality food for special occasions, M&S has been there for its customers, through various stages of their lives for 130 years. The relationships we have built stand firm upon our founding values of quality, value, service, innovation and trust.

Delivering the brand ultimately comes down to the quality of all of our relationships, with our employees, customers, suppliers, investors or the communities in which we operate. Take our aim to become the world's most sustainable retailer, our Plan A, is at the very heart of how we do business. It's not just about reducing the packaging in our products, or reducing our carbon footprint it's also about how we build our factories, how we can help further educate those that work with us – how we can bring that M&S difference wherever we are.

The need for these relationships is recognised by the board and seen as a fundamental element to the decision-making process. Relationships don't form part of the formal agenda but there isn't a board meeting that goes by without some discussion about 'what do our customers think?', 'what will be the impact on our employees?' And the feedback we receive comes with passion; from our employee engagement group BIG (Business Involvement Group), our independent shareholder review, which engages with a mix of long-term and short-term shareholders, to our private investor feedback cards distributed with the annual report or from our customer service centre. It all makes its way to the boardroom.

We know that it is our relationships with our suppliers, our employees and our customers that underpin the trust in the M&S brand – and is what makes the M&S difference across the 54 territories in which we now operate.



**Amanda Mellor**



**Vincent Neate**

## The role of chief relationship officer

### **Vincent Neate, partner, KPMG**

When we started to research for *Tomorrow's Relationships*, our searches kept bringing up an idea for a job that none of us had really given much thought to previously – the chief relationship officer (CRO). We latched on to the idea with glee – surely if our overarching premise was right, and a new model of relationship for the business community is emerging, then there could be no better evidence for this than the rise of the CRO.

Clearly this required further investigation and this revealed two different perspectives. The first we might call traditional, the second, a *Tomorrow's Relationships* CRO.

The traditional is characterised by an emphasis on customers and prospects. This is a leadership role with which all major business-to-business organisations are infinitely familiar. It is a vital role designed to move complex matrix organisations away from functional, relational sales.

The *Tomorrow's Relationships* CRO is something different. The role is not just that it focuses beyond the customer but it emphasises what is becoming known as the 'relationship ecosystem'. It recognises that businesses only succeed for the long term through relationships and it puts structure around the creation of lasting, quality relationships.

Perhaps most importantly, the modern conception of the CRO attributes relationship to a different value set, mainly the quality of all relationships the organisation has is an end in itself, rather than a service of means to ends.

When you make this distinction, the number of *Tomorrow's Relationships* CROs being recruited may work out to be fewer than we at first thought. But they are being recruited, and if our premise is right, this can only be good for resilience, productivity and responsibility in business.

## The role of corporate stakeholder relationship officer

### Mervyn King, chairman of the International Integrated Reporting Council

Strate (Pty) Ltd is the company which settles trades for financial instruments in South Africa. In terms of legislation, it not only settles such trades but regulates the custodians. In South Africa the major custodians include its four major banks as well as a number of international banks.<sup>9</sup>

As a regulator and a service provider to settle trades, it was inevitable that a custodian would become disgruntled, more especially when Strate as the regulator penalised them for some or other breach. At the same time the custodian would be paying Strate fees for settling its trades. Consequently, there was some hostility between these major stakeholders and the company.

I suggested to the chief executive, and the board eventually agreed, to the appointment of a senior executive who we named the 'corporate stakeholder relationship officer' (CSRO). Their job is to communicate with Strate's stakeholders, both internally and externally, inform management of their legitimate and reasonable needs, interests and expectations of Strate and let the stakeholders know what Strate expected from them. The ongoing communication with stakeholders improved the relationship considerably.

*"The board recognised that the appointment of the CSRO was essential to improve relationships with Strate custodians and increased communication between the two parties. It became a strategic imperative for Strate for the parties to work together for the benefit of the South African financial markets and for the ongoing understanding of each other's intentions and needs."*

Monica Singer, chief executive officer, Strate

*"Building relationships with our custodians became a central part of Strate's business as we were also able to separate our role as a value-adding service provider versus a regulator."*

Leigh Bevis, CSRO, Strate



**Mervyn King**



**Monica Singer**

## Identifying key relationships

Ask the question ‘who are the company’s key relationships?’ and the most common answer would be customers, employees, suppliers, investors and society (often represented by relationships with government and NGOs).

These are arguably core relationships for any organisation, although there may be differences by sector and geographical territories. But in reality this broad categorisation is not sufficiently detailed.<sup>10</sup>

There is a danger that such groups are treated as being homogeneous – yet within these groups will be sub-groups, for example investors may be short-term or long-term, institutional or individual, active or passive, those that a company wishes to attract and those that they don’t.

Changes in the business model through, for example, mergers and acquisitions, new service delivery models or new product lines will also change the pattern of relationships. And in an increasingly connected world others can quickly become important to the success of a company, as is vividly demonstrated by events such as the clothing factory disaster in Bangladesh and the horsemeat scandal.

As part of this study to help organisations identify their own network of relationships, we asked a number of companies to map out their key relationships using a simple tool. In some cases, where members of the same management team were asked to do this, the results were subtly different – they saw relationships through different functional lenses (see pages 22 and 23).

The value of such an exercise is not about which map is right or wrong – but to create a basis for a formative discussion to take place so that the board and senior management have a shared understanding of the key relationships for the business, how value is created through them and revisit these on a regular basis in the light of the changing business environment.



For further resources see:  
[www.tomorrowstompendium.com](http://www.tomorrowstompendium.com)

## An inclusive approach to relationships

### **Carmen Watson, director, Pertemps**

Pertemps' vision statement is to 'create a fully inclusive company, owned and driven by its people, pioneering the future of the recruitment industry.'

To that end, a great deal of emphasis is placed on engaging with clients, candidates and our own employees. Directors meet with all new starters at induction, regular surveys are carried out with all of our staff, temporary and permanent, and personal development plans formed in alignment with business policies. It is an approach that works as we benefit from over 92% retention rate with our people at branch manager level and above.

We take personal responsibility for the success of all of our clients and work closely with them to help identify the right staff to ensure their enterprises grow and develop. We have embedded teams within many of our clients' workplaces, so that we are involved in the day-to-day operations, enabling us to tailor our services to meet ever-changing demands. Working closely with clients also allows us to identify and remove any barriers within the existing processes to ensure opportunities are fully accessible.

Our key to successful relationships with clients has been a willingness to be flexible, to be resilient and determined and, at the same time, to bring new ideas to the table – all of which fosters loyalty and trust. We place high value on adopting a relational approach with clients, to understand their objectives and be aware of what each requires moving forward.



**Carmen Watson**



**Paula Nickolds**

## Supplier relationships and the John Lewis Foundation

### **Paula Nickolds, buying and brand director, John Lewis**

John Lewis's approach to its suppliers is defined by a Constitutional requirement to *“conduct all its business relationships with integrity and courtesy, and scrupulously to honour every business agreement”* and *“to contribute to the wellbeing of the communities where it operates.”*

Supplier relationships are built in the long term around an approach of shared value creation. With the importance placed on quality, value and social responsibility in the supply chain and a large supplier network of more than 3,000 suppliers, the Partnership's philosophy of honesty and transparency applies equally to supply relationships where both parties disclose plans and suppliers' conferences give suppliers an insight into John Lewis' wider business developments.

In terms of contributing to the wellbeing of communities off shore, this comes to life in some of the work done by the John Lewis Foundation, such as investing in crop management education for cotton farmers in Gujarat, where over 1,500 farmers have been trained on sustainable working practices.

The first product utilising cotton from these farmers has been sold in John Lewis, a range of bath mats. Also John Lewis have been supporting primary school education in the rug making area of Badohi Uttar Pradesh for many years and in July 2014 will open a new vocational training centre similar to one already being supported in Gurgoan, which works with families of workers in their current supply chain to develop employable skill sets.

## Adnams: mapping key relationships

### **Andy Wood, chief executive, Adnams**

One of our values is integrity – we deal with people openly and honestly, building strong, mutually supportive relationships.

We treat all relationships the same – they all have an impact if they fail.

We ask ourselves – what relationships are required to support our existing and any new strategy?

When we develop new products we think about all the relationships we have, whether we can grow existing ones or need to build new. We think about how to engage with them and develop shared objectives.

Of course you have to spend time building strong relationships so you have to be discerning – it is impossible to manage thousands of relationships well.

We're fortunate that Adnams is the type of business that our customers want to have a conversation with. Although we've been around since 1872, and we are proud of our heritage, we have to look forward and continue to recruit new types of customers and develop new types of relationships. Social media is a fantastic way of doing that.

We have also developed new product lines which are more gender neutral and our values around the natural, built and social environments speak to a more aware generation of consumers.

Relationships grow and develop over time. For example, the University of East Anglia helped us to produce 'East Green' in 2008 and were then keen to continue working with us by bringing their expertise to our carbon footprinting and environmental management programme.

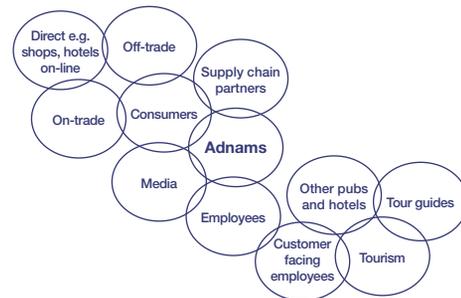


**Andy Wood**

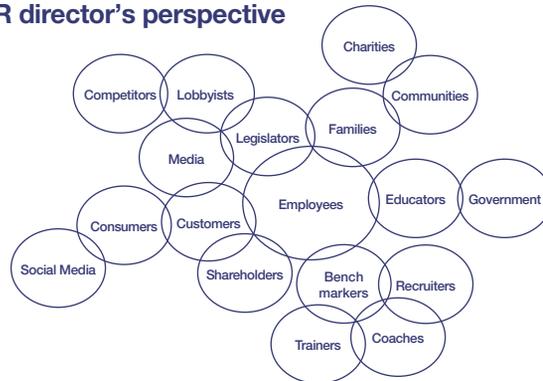
### The CEO's perspective



### The financial director's perspective



### The HR director's perspective



## Tuning in to relationships

Relationships are two-way and built on trust. Building an effective relationship requires the ability to tune in to:

- the other person's needs and wants
- why that person is behaving in a certain way
- what is influencing those behaviours
- what they think about you and how that influences what they do and what they might do.

The only way of doing this is through effective dialogue, which involves:

- actively listening and responding to the person's interests and concerns – such as 'putting yourself in the shoes of the other person' and being committed to always finding solutions that are of mutual benefit
- being transparent – if both parties are fully informed, they feel more assured about the relationship and this lessens the chance for misunderstanding and conflict
- being honest – people prefer a realistic and honest response rather than one which overpromises and results in failure to deliver
- having confidence in and respecting each other's abilities and opinions – recognising the value that each party brings and that it is through the combination of each other's strengths that the best outcome is likely to be achieved
- being consistent – keeping promises and being consistent in the messages given and the actions taken.

From the mutual understanding achieved through better dialogue the necessary strategies and processes can be put in place to satisfy these needs and wants.

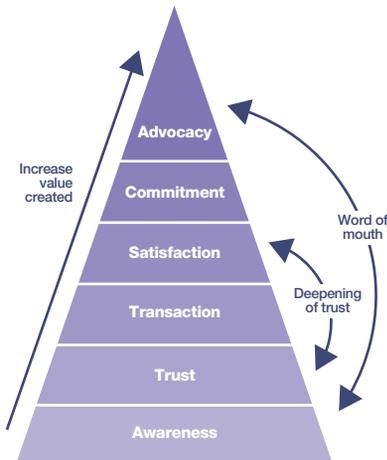


For further resources see:  
[www.tomorrowscompendum.com](http://www.tomorrowscompendum.com)



Peter Hutton

### Relationship Hierarchy Model



©Peter Hutton & Ipsos MORI

## Relationship Hierarchy Model

A framework and measures for understanding how relationships create value

**Peter Hutton, Managing Director, BrandEnergy Research Ltd**

British Gas’s traumas of 1994, which ultimately resulted in the 1997 Labour Government’s windfall tax, also resulted in the development of a model of how business relationships work to create value that has stood the test of time. Called the Relationship Hierarchy Model, it is based on the idea that relationships are built and as such can be thought of as a hierarchy of stages.

The first is **awareness** – you can only have a relationship with a company you are aware of. The second is **trust** – closely linked to reputation. The third is **transaction** – the nature of this varies by stakeholder, be they customers, employees, investors, suppliers, media or other stakeholders. The fourth is **satisfaction** – it meets or surpasses stakeholders’ expectations. The fifth is **commitment** – implying continued desire to engage with the business and to talk highly about it. The highest level is **advocacy** – a willingness to talk up/promote the company without prompting. Successful companies aspire to turning all their stakeholders into advocates.

Each of these levels can be measured through stakeholder surveys. The most powerful measure is via an advocacy scale measuring the propensity to talk highly about, or be critical of, the business. As one question that measures the strength of the relationship, which can also be used with little adjustment across different stakeholder groups, it is a good candidate for inclusion in any corporate dashboard. A follow-up question, asking what the business would need to do for the respondent to talk (even) more highly about it, identifies the critical issues holding the relationship back and defines the agenda for action.

The model and measures have been applied to scores of companies over the last two decades and have been shown to reflect business performance.

## **‘Building a Better Tesco’ by building better relationships**

### **Mike Iddon, group planning, treasury & tax director, Tesco**

One of our core values is to “treat people how they like to be treated”, and it’s something we apply to all our relationships at Tesco.

Within the business, that’s the way we treat each other. Colleagues across Tesco, working in stores, operations and our offices, are driving the work to ‘Build a Better Tesco’, so taking the time to understand how colleagues like to be treated, and what motivates them, is the right thing to do for colleagues and for the business. Our suppliers are also critical to ‘Building a Better Tesco’. So we are working hard to strengthen them, building long-term relationships that work for us, our suppliers and our customers.

But the most important relationship we have is with our customers. The challenge and opportunity for retailers is to meet the rapid changes in consumer behaviour that we are seeing as technology opens up new horizons for them. Consumers are communicating instantly with each other, with us and with other retailers, and that’s driving completely different expectations for service levels, choice, convenience, indeed the whole shopping experience. A level of customisation and personalisation, unthinkable a decade ago, is becoming the norm.

So we are engaging with customers through focus groups, ongoing research, and seek feedback through our ‘Every Comment Helps’ scheme in the UK. Online and social media make it easier to listen and respond to large numbers of customers in real time, through webchats, Facebook and Twitter. The insight from all of these conversations feeds into the customer offer so that we can continually drive improvements and customers can see that we are responding to their needs.

Great service can make a customer’s day and we achieve this through the commitment of more than half a million people across the world to living that core value. We know it is by listening to customers today, and treating them how they like to be treated, that we ensure we will be the leading retailer for customers tomorrow.



**Mike Iddon**



**For further resources see:**  
[www.tomorrowcompendium.com](http://www.tomorrowcompendium.com)

## Measuring the effectiveness of relationships

Measuring relationships is a two-way process including exchange of information, research, analysis and opinions between the organisation and its key relationships – internally and externally.

There are numerous ways of doing this – interviews, focus groups, town-hall meetings, field research and so on. Organisations rarely have a problem with collecting the data. The difficulty lies in the analysis to identify meaningful action and to translate this into metrics that can be used to monitor the value created.

An additional challenge is that the benefits can be indirect, difficult to identify and be created far in the future.

People are complex and, as much of our research has shown, relationships are not easy to model or confine to metrics.

On many occasions such attempts can squeeze out the human element, curtailing innovation and even productivity. Codification can lose relationships. However this should not prevent organisations from trying to measure their relationships in ways that are appropriate and bespoke to them.

## Rebooting business: valuing the human dimension

### CGMA

This report is based on a survey of nearly 300 CEOs from over 21 countries across the world, aiming to understand how they viewed current global challenges and what they see as the priorities in leading their way through them. The research was supplemented with insights from in-depth interviews with 17 CEOs, chairmen and other business leaders who, between them, are responsible for over 2.1 million jobs and market capitalisation of USD1 trillion – expert opinions of high value.

The overriding message from our research bears out that the human dimension – relationships with customers, employees, partners and communities – will be key to sustaining success over the long run.

One of the key challenges for companies is to **understand and unlock value in the human dimension**. Our CEOs were in no doubt that people's ideas, skills, knowledge and relationships represent the unique value of their companies. As a result, there is a clear need for companies to put more emphasis on demonstrating how these human factors contribute value, given that the current reporting system does not reflect such intangible assets fully.

Seventy-five per cent of our respondents indicated that they need to put more emphasis on measuring and demonstrating the non-financial value of the business, while 76% agreed that the current reporting system promotes excessive focus on financials.

However, there is some way to go. While 63% agree that it is important or very important to improve expertise in measuring non-financial value, only 51% said that they do this well or very well.

Some significant obstacles remain, such as pressure from financial markets and investor focus on short-term goals together with a lack of suitable tools and deficiencies in information.

## Valuing your Talent (VyT)

Executives have long recognised and understood Einstein's observation that not everything that counts can be counted, and business today is increasingly made of seemingly immeasurable and intangible components. People, and their relationships, are some of these 'intangible assets' that leaders know contribute to the financial value of organisations. However, measuring and monetising intangible assets is difficult, and as a result organisations are unable to invest in and develop their greatest asset: their people.

To address this the CIPD, CIMA and CMI, together with the RSA, are collaborating on this research and engagement project which is being supported and sponsored by the UK Commission for Employment and Skills. 'Valuing your Talent' aims to create the practical tools and meaningful indicators that business leaders, investors and stakeholders need to objectively assess the value of an organisation's talent and people management practices.

Led by business for business, the ultimate goal of Valuing your Talent is to help build and develop the human capital measurement capability of organisations of all shapes and sizes, in order to make good people management and HR practices more visible, and encourage employers to invest more strategically in their workforces. The initiative will seek to create a movement to change behaviour, in which employers view skills development and training programmes for their staff as long-term investments rather than short-term costs. The aims of Valuing your Talent are:

- to better understand how developing and managing people releases and drives value
- to clearly define the basic metrics for valuing talent and to promote agreement and consistency in how such measures are used
- to develop a broad framework against which executives, employees, investors and others can assess how businesses of all kinds are developing their people and organisations to enable sustained and higher levels of performance.

## Reporting on the effectiveness of relationships

Reporting on the key relationships of the business closes the circle. Good reporting provides the information required to win support and build the confidence and trust required to underpin key relationships and attract new ones. And increasingly those with an interest in the company's activities want assurance that what is reported is a true reflection of those activities.

Corporate reporting has tended to focus on historical financial information, variously supplemented by narratives relating to some key relationships, such as with employees or in terms of corporate social responsibility initiatives. Over the last decade, there has been growing pressure for companies to report more widely on intangibles/non-financial information, of which value created through key relationships is a key part.<sup>11</sup> For example, in South Africa, the King III governance rules explicitly require reporting on the quality of relationships.<sup>12</sup>

A key development in terms of responding to this pressure is Integrated Reporting (IR), which recognises the inherent link between manufactured capital, human capital, intellectual capital and social or relationship capital in terms of how value is created and enables a company to tell this story more succinctly.

Reporting is not just confined to an annual report. Analyst presentations, investor briefings, webcasts, a company's website, sustainability reviews and credit rating reports all form part of the corporate reporting mix. Much more information about the activities of companies is available instantly to global audiences who are taking more interest in how they do business. Reporting is not an annual event – like the world, it is always 'on'.

In particular, social media is revolutionising communications on a global scale and, more importantly, is increasingly used by companies to create two-way conversations rather than just pushing out information and marketing messages. The challenge now is how to filter the noise being generated so that meaningful conversation can take place.<sup>13</sup>



For further resources see:  
[www.tomorrowcompendium.com](http://www.tomorrowcompendium.com)



**Nick Topazio**

## Integrated reporting: relationships

**Nick Topazio, head of corporate reporting research, Chartered Institute of Management Accountants (CIMA)**

A fundamental concept underpinning integrated reporting (IR) is the notion of capitals – the resources and relationships utilised and impacted by the organisation’s business activities. Providing clear, concise information on these capitals is an essential requirement for effective reporting.

The IR Framework recognises that no organisation can operate in isolation. A multitude of different relationships impact upon day-to-day operations and to gain a proper understanding of an organisation’s long-term value-creating potential, their strength and resilience needs to be examined.

A key requirement is reporting on the nature and quality of relationship capital to the extent that it is material to long-term success, covering:

- key stakeholder relationships and the trust and willingness of those third parties to engage with the organisation’s value-creating activities
- engagement with key stakeholders which might range from day-to-day liaison with customers and suppliers to engagement with the local community on particular business plans.

As well as providing information to readers, the process of gathering the necessary data can be of significant organisational value. Articulating the various relationships involved in value-creating activities provides a focus for boardroom discussion on their resilience, as well as a framework to help identify risk and opportunities.

Increasingly the boundaries of value-creating activities are becoming extended and blurred, with greater reliance on alternative forms of sourcing, multiple business partnerships and innovative relationships.

The more that integrated thinking about relationships is embedded in the business decision-making process, the more likely it is that an organisation will fully exploit the opportunities available.

## Collaborative business relationships

### David Hawkins, chairman of the BSI collaborative business relationships committee

Collaborative working can be great for business. It gives access to more services, more opportunities to win work and the resources to compete for bigger contracts. Most organisations are very good at defining what they want from others but perhaps less good at assessing their own capability to meet the demands of a collaborative relationship. It is a two-way street and to achieve the desired goals it requires commitment on both sides. This is not just about processes, procedures, systems and contracts. It is also a question of the people drivers such as leadership, skills and motivation. Collaboration or partnering is not an easy option – it requires investment, resource and high-level sponsorship within the organisation.

One example of a successful collaboration is ‘The MPT Consortium’, formed of VolkerRail, Laing O’Rourke and Thales, and tasked by Transport for Greater Manchester (TfGM) with delivering the £900m expansion programme for the Manchester Metrolink network. It was named UK Project of the Year and Supplier of the Year (over €10m) at the 2013 International Light Rail Awards:

*“We work very well in the field together, so if there are resource issues we will pitch in and help them and vice versa. For example, if they have had some people or been let down by their suppliers who have not turned up, we have pitched in to provide some of our safety-critical people to keep them running, and vice versa.”*

The growing importance of such collaborations has led to the development of BS 11000 – the world’s first relationship management standard for creating and maintaining successful business-to-business collaborations. It outlines different approaches to collaborative working that have proven to be successful in businesses of all sizes and sectors. It also covers how to eliminate the known pitfalls of poor communication and also defines roles and responsibilities and supports collaborative decision-making.<sup>14</sup>



**David Hawkins**



**Charles Tilley**

## Effective relationships between CIMA and its strategic partners

### **Charles Tilley, chief executive, Chartered Institute of Management Accountants (CIMA)**

With more than 218,000 members and students, maintaining effective links is vital. We rely upon a number of key strategic partners to work with us to recruit, train and continue to engage with our members every year. Without each other, neither of us has much of a business.

Our work on *Tomorrow's Relationships* prompted us to consider our own relationships in more detail. We all know that driving sustainable business isn't just about the financials – an effective management accountant knows how to look at the wider context, including people and the value of relationships across the organisation.

Using the 'Tomorrows Compendium' project, we identified the Relational Proximity Framework™ as having the granularity and detail we value as management accountants. We worked with KPMG to conduct an independent assessment of the relationship between CIMA and two of our most important training partners.

Focusing on our relationships in this level of detail, and taking the time to discuss the relationship itself, changed the nature of our conversation. Without it we'd have continued on the same track and wouldn't have seen how differences in expectations were preventing effective collaboration. Now we can begin to deliver a much better service to our members because of this improved relationship.

We now have a new and common language enabling us to discuss the intangibles of our relationships. Measuring them allows us to bring our expertise in helping business leaders to be able to better understand the business landscape and steer our business to ongoing success.

Clear reporting on relationships closes the circle of good practice. It provides the information required to win support and build trust, in order to maintain relationships and build new ones.

## Relationships under strain

### Richard Godden, partner, Linklaters

Sometimes relationships are disrupted by an external event and sometimes new relationships have to be established quickly. M&A transactions provide good examples of this: relationships between the people within the business being sold and the management of the seller are put under strain; relationships between that business and its suppliers and customers may be disrupted; transient relationships between the buyer and seller need to be formed, along with longer-term relationships between the management of the buyer and the management and employees of the relevant business.

Relationships are just as important to the creation or destruction of value in an M&A situation as in any other spheres of business. To some extent this is recognised in characteristic M&A transactions. For example, both the seller and buyer may focus on keeping important customers happy or retaining the services of management of the relevant business. However, it is often the case that even important relationships receive scant attention and many relationships are ignored altogether.

Indeed, some aspects of modern M&A practice actively discourage a relational approach: auction sale processes keep the parties at arm's length; attempts to preserve secrecy and to maintain control lead to customers and suppliers being ignored; the management and employees of the business being sold may also be kept in the dark and, in some cases, treated as though financial incentives are all that is necessary to maintain a relationship. There are reasons for all of these things: an auction process may maximise the price available to the vendor; allowing the potential purchaser to engage with customers and suppliers may give rise to legal and commercial concerns; and widening the circle of those 'in the know' may prejudice the transaction. But are relational issues given sufficient weight? It is well known that academic research suggests that a large proportion of M&A is ultimately value-destructive. Would a greater focus on its relational aspects, at least to some extent, enhance value?

At the very least, these questions are worth asking and they will be the subject of a further guide in this series to be published in the autumn.



**Richard Godden**

# Building effective relationships in practice

## Building effective relationships in practice

**To help boards and senior management think more deeply about effective relationships, this guide is accompanied by the following resources:**

### Tomorrows Compendium

We have created a resource which pulls together a number of ways of thinking about the role of people in business – very broadly understood – and what to do in practice as a result.

We did this as we began our work on *Tomorrow's Relationships*. We had a strong view that there was very little which really addresses the central importance of relationships in business for senior leaders, boards and executive committees. However, we were all aware of a plethora of models, frameworks, tools and other materials focused on different groups (customers, employees, investors, and so on) and different aspects (supply chain management, reporting, markets and so on).

So we decided to 'map the field' – to understand what is already out there, to learn from this and draw out what we think each particular resource may suggest in the context of our focus on relationships.

In turn, we agreed that this would better be provided as an on-line resource. This has been organised in line with the framework developed in this guide, recognising that these materials often relate to more than one aspect of our framework and in this respect we have used our judgement.

We have used freely available source material, clearly referenced, and would welcome additional inputs from others to build upon this resource. Also, in judging the 'relational' relevance of the resource, we are of course presenting our view and we would welcome learning from others.

We hope you find *Tomorrow's Relationships: Tomorrows Compendium* useful.



**This can be accessed via:**  
[www.tomorrowscompendium.com](http://www.tomorrowscompendium.com)

## **Building effective relationships – tool-kits**

**Enclosed with this guide are two toolkits to help boards and senior management in their discussions about building effective relationships.**

### **A roadmap**

This roadmap is designed as an aid to boards and senior management to help them make an assessment of how mature the organisation's approach is to building effective relationships.

It shows three levels so boards and senior management can review where the organisation is now and determine where they want to be. Each board will prioritise differently.

The three levels and their indicators are drawn from our research and should be used as a stimulus for discussion. It is likely that boards will assess their organisation as currently operating across the levels in terms of specific approaches.

Level 2 is not intended to be a description of the end of the journey, more an indication that the organisation and board are building effective relationships and as a result help identify further improvements.

### **An agenda for boards and senior management**

This agenda for the board's discussion suggests the core questions boards and senior management should ask of themselves to help them identify an agenda for change.

## Sources and notes

- <sup>1</sup> “Ocean Tomo 300® Patent Index”, Ocean Tomo®, accessed June 11, 2014.  
<http://www.oceantomo.com/productsandservices/investments/indexes/ot300>
- <sup>2</sup> Tomorrow’s Company, *Tomorrow’s Corporate Governance: The case for the ‘Board Mandate’* (London: Tomorrow’s Company, 2010), accessed June 11, 2014.  
<http://tomorrowcompany.com/board-mandate>
- <sup>3</sup> Tomorrow’s Company, *Tomorrow’s Corporate Governance: Improving the quality of boardroom conversations* (London: Tomorrow’s Company, 2012), accessed June 11, 2014.  
<http://tomorrowcompany.com/boardroom-conversations>
- <sup>4</sup> Her Majesty’s Government, *The Companies Act 2006* (London: The Stationary Office, 2006), chap. 46, accessed June 11, 2014.  
[http://www.legislation.gov.uk/ukpga/2006/46/pdfs/ukpga\\_20060046\\_en.pdf](http://www.legislation.gov.uk/ukpga/2006/46/pdfs/ukpga_20060046_en.pdf)
- <sup>5</sup> OECD, *OECD Principles of Corporate Governance*, (Paris: OECD, 2004), accessed June 11, 2014.  
<http://www.oecd.org/corporate/ca/corporategovernanceprinciples/31557724.pdf>
- <sup>6</sup> Prof. Mervyn E. King, “*Governance is King!*”, *International Federation of Accountants PAIB eNews (August, 2010)*, accessed June 11, 2014.  
<http://www.ifac.org/sites/default/files/downloads/1.3-king-governance-is-king-final.pdf>
- <sup>7</sup> Cass Business School on behalf of Airmic, sponsored by Crawford and Lockton, *Roads to Ruin: A study of major risk events: their origin, impact and implication* (London: Airmic, 2012).
- <sup>8</sup> Cranfield School of Management on behalf of Airmic, sponsored by Crawford, Lockton and PwC, *Roads to Resilience: Building dynamic approaches to risk to achieve future success* (London: Airmic 2014).
- <sup>9</sup> “Who & What is Strate?”, Strate, accessed June 11, 2014. <http://www.strate.co.za/>
- <sup>10</sup> A 2012 survey by McKinsey of more than 3,500 executives around the world found a strong correlation between the in-depth profiling of stakeholders and success at engaging with them: 67% of respondents from successful companies reported that they are very effective at understanding the priorities and objectives of the stakeholders, versus 28% of respondents from less successful companies. For more information on this survey, see [http://www.mckinsey.com/insights/strategy/beyond\\_corporate\\_social\\_responsibility\\_integrated\\_external\\_engagement](http://www.mckinsey.com/insights/strategy/beyond_corporate_social_responsibility_integrated_external_engagement)
- <sup>11</sup> See for example:
  - AA1000 Stakeholder Engagement Standard, accessed June 11, 2014.  
<http://www.accountability.org/standards/aa1000ses/index.html>
  - Global Reporting Initiative (GRI), accessed June 11, 2014. [www.globalreporting.org](http://www.globalreporting.org)
  - Organisation for Economic Cooperation and Development (OECD) – Guidelines for Multinational Enterprises, accessed June 11, 2014. [www.oecd.org](http://www.oecd.org)
  - The Sustainability Accounting Standards Board™ (SASB™), accessed June 11, 2014.  
<http://www.sasb.org/>

In 2013, Metaprxaxis examined the annual reports of FTSE 100 companies and measured the quantity of financial and non-financial data provided in the business reviews included in the statements of chairmen and CEOs. Non-financial data, which can be used to understand the long-term sustainability of a company, has increased by 72% since 2006.

Source: "A third of FTSE 100 companies fail to meet shareholders' calls for transparency", Metaprxaxis, accessed June 11, 2014. <http://www.metaprxaxis.com/news/a-third-of-ftse-100-companies-fail-to-meet-shareholders-calls-for-transparency/>

- <sup>12</sup> The King Committee, *King Code of Governance for South Africa 2009 (Institute of Directors in Southern Africa, 2009)*, accessed June 11, 2014. [http://c.ymcdn.com/sites/www.iodsa.co.za/resource/collection/94445006-4F18-4335-B7FB-7F5A8B23FB3F/King\\_Code\\_of\\_Governance\\_for\\_SA\\_2009\\_Updated\\_June\\_2012.pdf](http://c.ymcdn.com/sites/www.iodsa.co.za/resource/collection/94445006-4F18-4335-B7FB-7F5A8B23FB3F/King_Code_of_Governance_for_SA_2009_Updated_June_2012.pdf)
- <sup>13</sup> David Spark, *Hazardous to your social media health (Spark Media Solutions, 2014)*, accessed June 11, 2014. <http://www.sparkmediasolutions.com/hazardous-to-your-social-media-health-50-previously-condoned-behaviors-we-no-longer-recommend-the-ebook/>
- <sup>14</sup> A new international standard – ISO 11000 – will be developed for Collaborative Working Relationships. Based on BS 11000, the ISO will provide a robust platform to support businesses that are looking to recognise the full potential value of collaboration. Work began in February 2014 and the standard is due to for release in late 2016. For more information, see <http://www.bsigroup.co.uk/en-GB/bs-11000-collaborative-business-relationships/>

We would also like to acknowledge that the tool used for identifying key relationships that is mentioned on page 19, and illustrated by the Adnams' example on pages 22 and 23, was based on the idea of a 'brand molecule' developed by John Grant, author of *Brand Innovation Manifesto: How to Build Brands, Redefine Markets and Defy Conventions*, Wiley, 2006.

## Acknowledgements

It is a pleasure to thank all those who have given so generously of their time, insight and commitment working on *Tomorrow's Relationships*.

I must of course begin by thanking our project partners – CIMA, the CIPD, KPMG and Linklaters. The conviction that relationships in business are vitally important brought us all together. The determination to produce a contribution of practical value to senior leadership teams that challenges us all to bridge the frequent gap between platitudes and reality drove us. And the whole was greater than the sum of the parts thanks to the distinctive but complementary skills and experiences of the partners.

For CIMA – Charles Tilley with Rebecca McCaffry, Brad Taylor and Nick Topazio together with Victor Smart.

For the CIPD – Peter Cheese with Susannah Clements, Jonny Gifford and Vanessa Robinson.

For KPMG – Vincent Neate with Ben Wielgus.

For Linklaters – Richard Godden with Matthew Bland and Matt Sparkes.

Each and every partner has contributed in a way that has been distinctive and memorable – almost always with wit and humour, very often through constructive but tough challenge, reflecting a shared determination to ‘walk the walk’, in driving to the best possible outcome.

We have also benefited hugely from the contributions of a number of outstanding thinkers and practice leaders – John Grant, Margaret Heffernan, David Hawkins (BSI), Paul Hopkin and John Hurrell (Airmic), Peter Hutton (BrandEnergy Research), Anant Nadkarni (Tata), Hank Sohota (Supramodernity) and Michael Schluter (The Relationships Foundation).

Of course, ensuring that what we were saying is evidenced in and adds value to business is essential – a special thank you therefore to Andy Wood with Richard Carter, Liz Cobbold, Fergus Fitzgerald, Karen Hester, Emma Hibbert and Sadie Lofthouse (Adnams); Kevin Murray (Good Relations Group); Paula Nickolds and Laura Whyte (John Lewis Partnership); Amanda Mellor (Marks & Spencer); Carmen Watson (Pertemps); Monica Singer (Strate); Mike Iddon (Tesco); as well as to Francis and Kathryn Nichols (The Nichols Group).

Many colleagues from Tomorrow's Company have worked on this: Luisa Bramao-Ramos and Sonia Singh, who did so much to get the project started; Vanessa Cheng, Alex Cowie, Claire Dobson, Antonios Maropoulos, Hanne Marie Mysen, Aikaterini Papavasileiou, Philip Sadler, Jasmin Tutt and Mark Wade; and Pat Cleverly, who stepped in and stepped up to bring the project home.

Sir Mark Moody-Stuart and Professor Mervyn King added their customary and always valued insight and support for which we are hugely grateful.

Tomorrow's Company was established to promote 'the inclusive approach' to business. Value cannot be created in business other than through relationships. *Tomorrow's Relationships* brings us back full circle and in so doing provides – we hope – an essential, practical and relevant framework for business leaders to be better able to drive value creation for the short, medium and long term.



**Tony Manwaring**  
Chief executive, Tomorrow's Company

# Build effective relationships

[tomorrowsrelationships.com](http://tomorrowsrelationships.com)

[tomorrowscompendium.com](http://tomorrowscompendium.com)



The paper used in this publication is from mixed responsible sources and certified in accordance with FSC® (Forest Stewardship Council), reducing the impact of landfill and energy consumption

© Centre for Tomorrow's Company, June 2014

3091 Designed and produced by  studio401

## tomorrow's company

shaping the future of business  
success to build lasting value

Centre for Tomorrow's Company  
Charity registration number 1055908.  
Registered office: Samuel House  
6 St Alban's Street, London SW1Y 4SQ



£20 Institutions/Organisations  
£5 Individuals/Members/Reduced  
(including p&p)