

Comparison of Vendors vs integrators  
 FMLI April 16, 2014 Workshop. Business Renewal Strategy

<b>Vendor mode</b>	<b>Integrator Partnership mode</b>
<ul style="list-style-type: none"> <li>Selling / buying products.</li> </ul>	<ul style="list-style-type: none"> <li>Selling/ buying <u>system performance</u>.</li> </ul>
<ul style="list-style-type: none"> <li>Supplier focus is their growth</li> </ul>	<ul style="list-style-type: none"> <li>Customer and supplier share the goal of customer growth. Customers grow by helping suppliers to grow.</li> </ul>
<ul style="list-style-type: none"> <li><i>Customer</i> integrates the product into system.</li> </ul>	<ul style="list-style-type: none"> <li>The <i>contractor</i> integrates all components.</li> </ul>
<ul style="list-style-type: none"> <li>Vendors are outside. Not privy to performance info.</li> </ul>	<ul style="list-style-type: none"> <li>Integrators are inside next to the customer. Sharing intimate performance details.</li> </ul>
<ul style="list-style-type: none"> <li>The customer is accountable.</li> </ul>	<ul style="list-style-type: none"> <li>The contractor is accountable.</li> </ul>
<ul style="list-style-type: none"> <li>Sales people don't know operations.</li> </ul>	<ul style="list-style-type: none"> <li>Contractor knows operations intimately.</li> </ul>
<ul style="list-style-type: none"> <li>Customer has limited access to best practices.</li> </ul>	<ul style="list-style-type: none"> <li>Contractor has multiple learning experiences Owns best practices performance.</li> </ul>
<ul style="list-style-type: none"> <li>Customer - supplier struggle to protect their piece of the pie.</li> </ul>	<ul style="list-style-type: none"> <li>Customer – supplier goal is to make the pie bigger.</li> </ul>
<ul style="list-style-type: none"> <li>“Added value” is free stuff.</li> </ul>	<ul style="list-style-type: none"> <li>“Added value” is performance.</li> </ul>
<ul style="list-style-type: none"> <li>Procurement focus on short term cost.</li> </ul>	<ul style="list-style-type: none"> <li>Procurement focus on long term cost of ownership /performance ROI.</li> </ul>
<ul style="list-style-type: none"> <li>Vendor competes on quality and price.</li> </ul>	<ul style="list-style-type: none"> <li>Contractor competes on proof of performance and risk assurance.</li> </ul>

**Notes:**

- Industry term is “tier one integrator”. Product service vendors are integrated.
  - Three Questions to sort out performance pretenders: Performance claim”: How much? How soon? How sure?
- 3. Issues:**
- Maintaining link between management vision and RFP process to find partner to deliver.
  - How to design the RFP. Request for Partnering proposal.
  - Assessing partnering proposals in terms of ROI and strategic advantage as opposed to cost.