SAP Business Partnership Study
U.S. Findings

SAP Run Simple

#growthmatters

Objectives

FleishmanHillard conducted proprietary research to explore the expectations and the nature of relationships in business to business partnerships.

- Explore and identify the whitespace for speaking about the nature of today's psychological contract in B2B relationships – including expectations, partnering and compatibility in B2B industries that rely on technology and software to manage their businesses successfully.

- Determine the impact that changes in society, the government, environment and the economy may have on these relationships.

Methodology

An online survey was conducted among 300 small and mid-sized companies in the U.S. in the professional services, CPG, retail, wholesale and manufacturing categories, and was fielded from October 2, 2017 to October 21, 2017.

A screener was used to ensure that participants met the survey criteria:

- A primary decision maker when it comes to technology purchase decisions at a small or mid-sized company

- The company operated in the professional services, CPG, retail, wholesale or manufacturing industry/line of business

Executive Summary

IT decision makers in the U.S. cite trust as the key to successful business partnerships

More than 8 in 10 respondents note that when it comes to their relationships with external IT/technology partners, having a partner they can trust is important (83%) when it comes to their company's priorities. Even more so than getting the best deal/lowest cost (74%).

Additionally, when thinking about how to maintain a long-term partnership, 80% agree that trust and cultural fit are significantly more important than obtaining the lowest cost services.

Other factors with high importance when selecting an IT/technology partner include collaboration (70%), honesty (81%) and open communication (78%), highlighting that small and mid-sized businesses are placing a higher importance on forging deeper connections with their partners.

81% of respondents feel that these deeper connections and successful business relationships help facilitate knowledge exchange and learning.

The nature of B2B relationships in the technology environment is shifting

About three-quarters of IT decision makers agree that the term 'outsourcing' is no longer used to describe vendor relationships, and instead define them as 'partnerships.'

Additionally, the majority of respondents stated that today's vendors no longer just take orders, but provide insight and advice (79%), consultation (76%) and anticipate their needs and risks (76%).

The expansion of the role of vendors has made the need for finding trustworthy, collaborative partners even more critical, with 81% stating that unsuccessful business partnerships lead to a loss in time and money.

Key Findings

Cybersecurity is viewed as very critical in sustaining their day-to-day business, according to three-quarters of IT decisions makers.

Almost three-quarters of respondents also noted that financial growth, financial stability and workforce staffing were critical in sustaining their day-to-day business.

Critical Factors in Day-to-Day Business
U.S. (n=300)

Factor	T2B Total Critical	B2B Total Not Critical
Cybersecurity	75%	9%
Financial growth	72%	8%
Financial sustainability	72%	11%
Workforce staffing	71%	10%
Market share growth	69%	11%
Sustained profits	69%	6%
Adequate investments in IT/technology/data	68%	9%
Innovation	68%	10%
Access to capital	66%	12%
Global competition	61%	17%

■ T2B Total Critical ■ B2B Total Not Critical

Q1. How critical are each of the following in sustaining your day-to-day business?

Listed objectives among businesses show a fairly even split among long-term goals and both short- and long-term, with about one-third of respondents noting each.

Workforce staffing is considered a short-term goal, a long-term goal and both by about one-third of respondents.

Market share growth and global competition are considered to be long-term goals by 39% and 38% of respondents, respectively.

Company Goals
U.S. (n=300)

	Short-term goal	Long-term goal	Both	Don't know
Access to capital	25%	32%	38%	5%
Workforce staffing	33%	34%	29%	5%
Global competition	27%	38%	31%	4%
Adequate investments in IT/technology/data	25%	36%	34%	4%
Innovation	29%	35%	33%	4%
Cybersecurity	28%	32%	35%	5%
Market share growth	25%	39%	33%	3%
Financial growth	27%	34%	35%	4%
Sustained profits	26%	35%	34%	4%
Financial sustainability	24%	34%	36%	6%

Q2. Please indicate if each of the following are short-term goals, are long-term goals or both?

■ Short-term goal ■ Long-term goal ■ Both ■ Don't know

29% of respondents stated they rely 'enough' and another 29% said they rely 'a lot' on their external IT/technology partners.

Fourteen percent did note that they think they rely 'too much' on their IT/technology partner, while only 3% said they don't rely enough on their partner.

Reliance on external IT/technology partners
U.S. (n=300)

3%	26%	29%	29%	14%

■ Not enough ■ A little ■ Enough ■ A lot ■ Too much
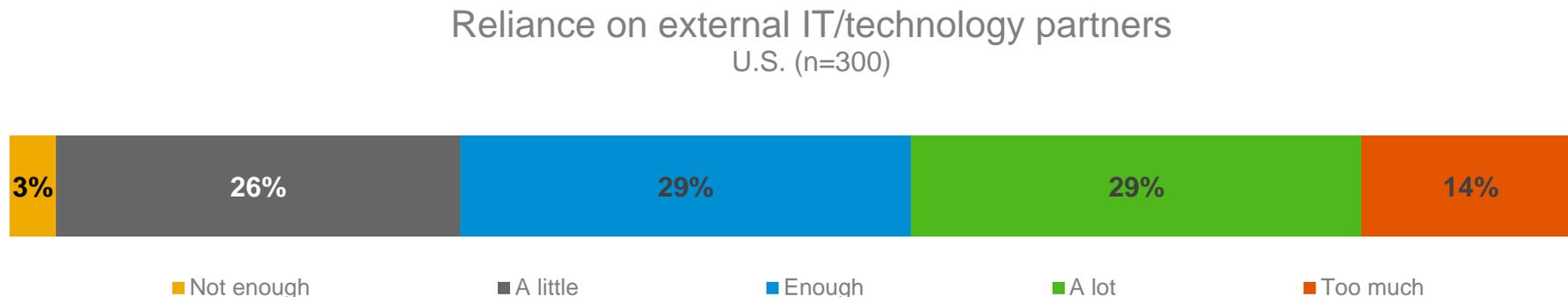
Having a partner they can trust is more important to IT decision makers than getting the best deal / lowest cost (83% vs. 74%).

Having a partner who understands their needs and challenges is just as important, as noted by 82% of respondents.
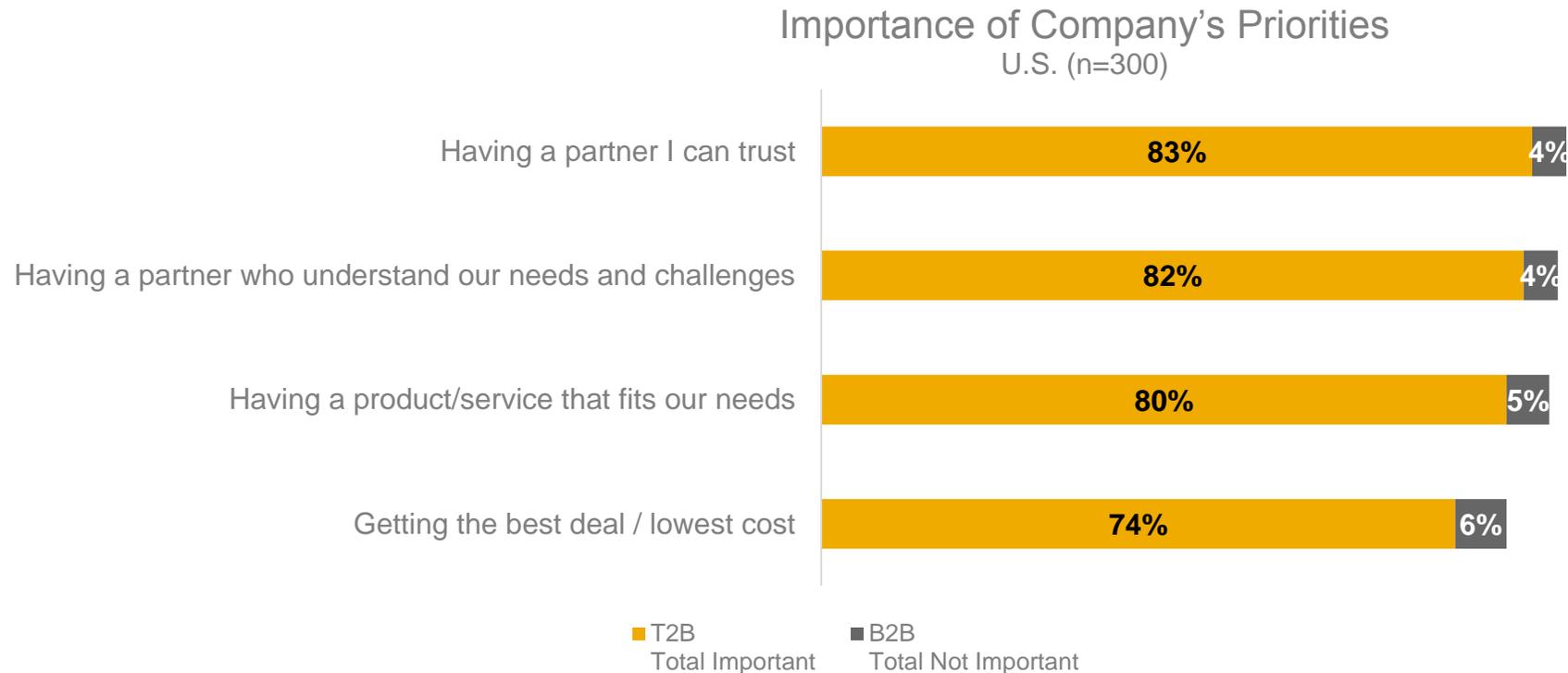
Importance of Company's Priorities
U.S. (n=300)

	T2B	B2B
Having a partner I can trust	83%	4%
Having a partner who understand our needs and challenges	82%	4%
Having a product/service that fits our needs	80%	5%
Getting the best deal / lowest cost	74%	6%

■ T2B
Total Important

■ B2B
Total Not Important

About three-quarters of respondents view integrity/seriousness (74%) and trust (73%) as important factors when selecting an IT/technology partner.

Operational fit (72%), as well as collaboration (70%), were also viewed as highly important.
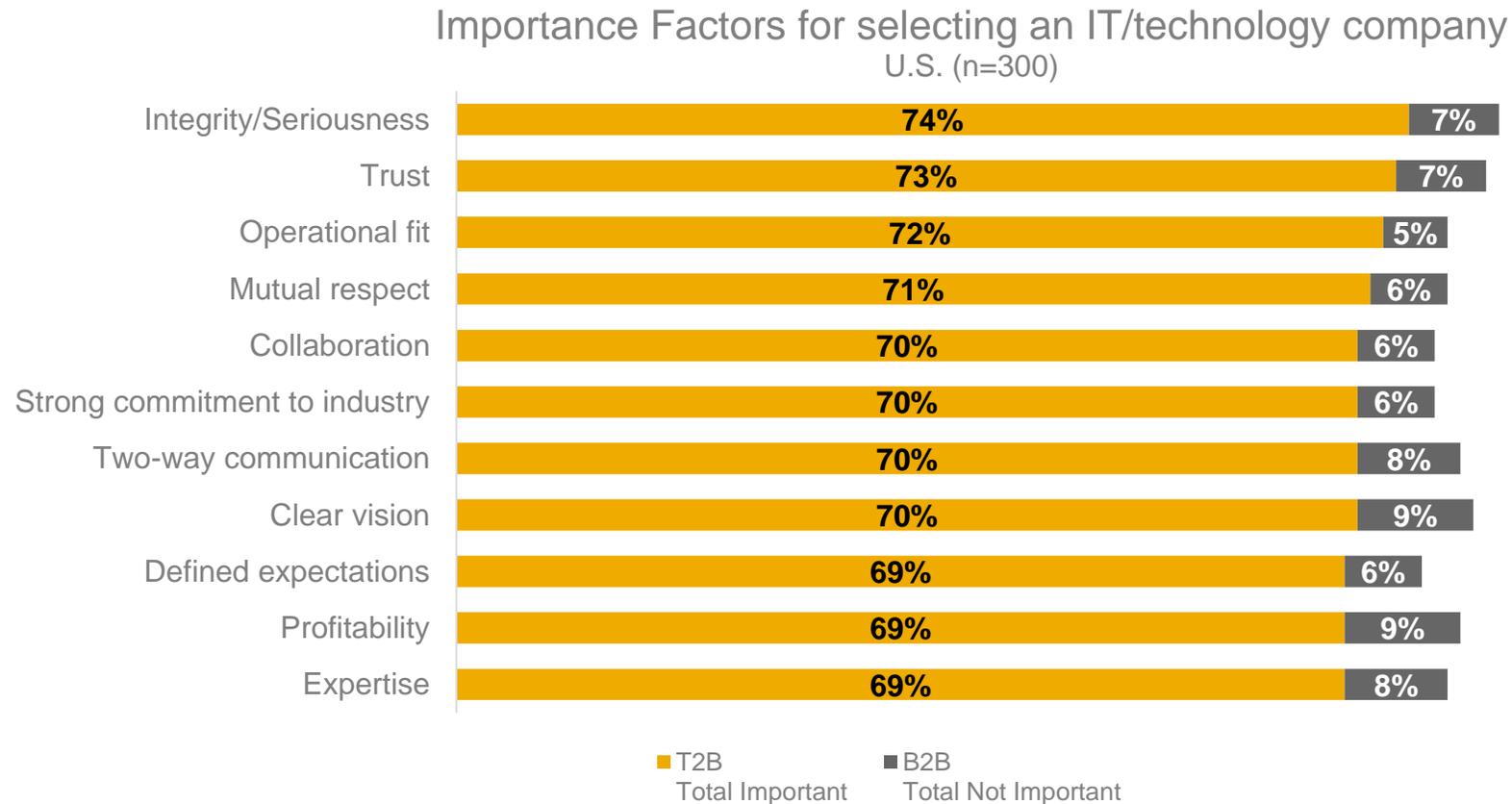
Importance Factors for selecting an IT/technology company
U.S. (n=300)

Factor	T2B Total Important	B2B Total Not Important
Integrity/Seriousness	74%	7%
Trust	73%	7%
Operational fit	72%	5%
Mutual respect	71%	6%
Collaboration	70%	6%
Strong commitment to industry	70%	6%
Two-way communication	70%	8%
Clear vision	70%	9%
Defined expectations	69%	6%
Profitability	69%	9%
Expertise	69%	8%

■ T2B
Total Important

■ B2B
Total Not Important

Q5. How important are the following factors when selecting an IT/technology company to do business with?

Factors like physical proximity (61%) and brand name (63%) are viewed as less important than characteristics like integrity, trust and collaboration.

Having a partner they can trust (73%) is also more important to IT decision makers when it comes to selecting an IT technology/partner than price (68%).
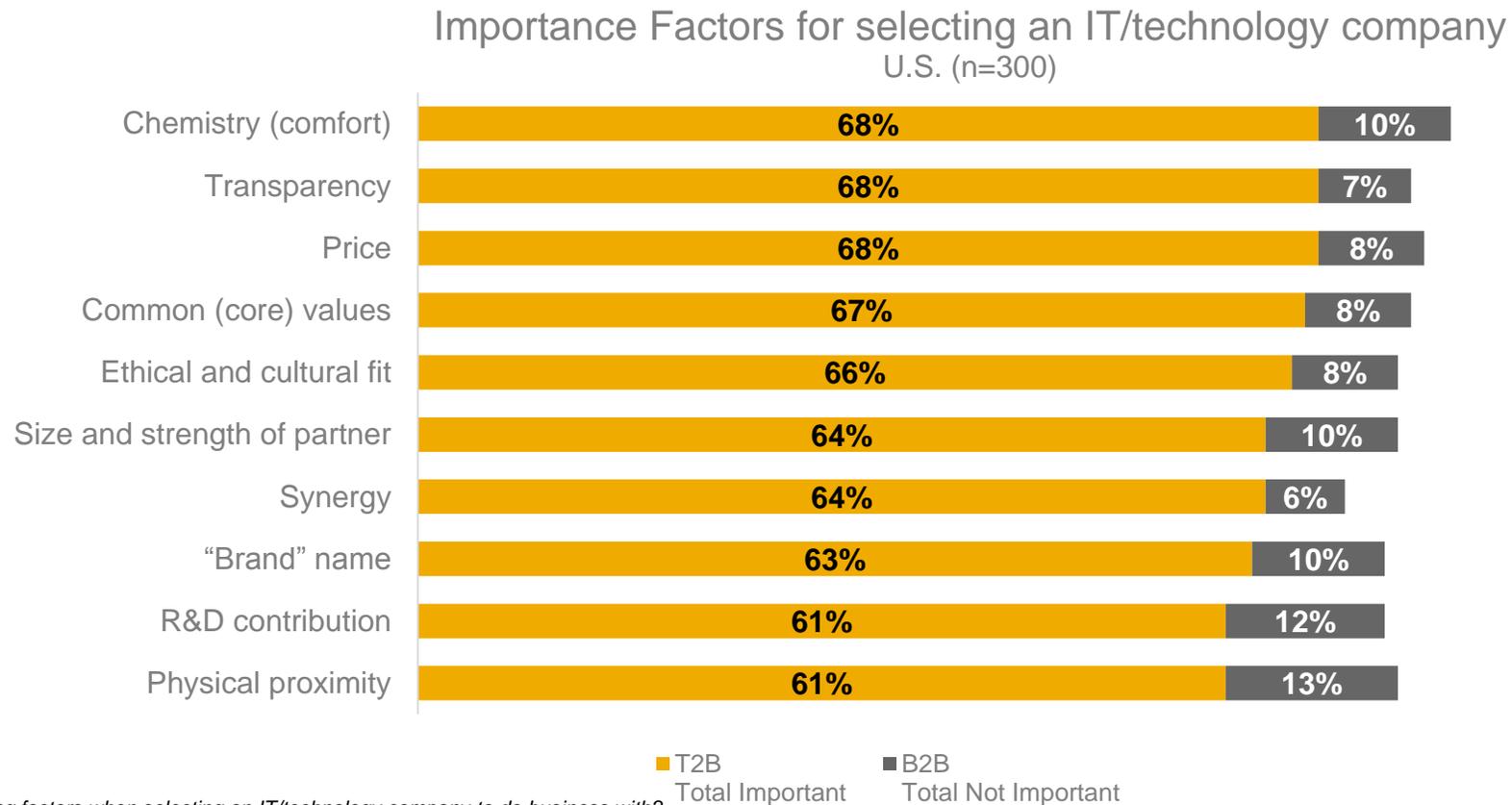
Importance Factors for selecting an IT/technology company
U.S. (n=300)

Factor	T2B Total Important	B2B Total Not Important
Chemistry (comfort)	68%	10%
Transparency	68%	7%
Price	68%	8%
Common (core) values	67%	8%
Ethical and cultural fit	66%	8%
Size and strength of partner	64%	10%
Synergy	64%	6%
"Brand" name	63%	10%
R&D contribution	61%	12%
Physical proximity	61%	13%

■ T2B Total Important   ■ B2B Total Not Important

Q5. How important are the following factors when selecting an IT/technology company to do business with?

8 in 10 respondents agree that successful partnerships are driven by top leadership and can facilitate knowledge and exchange learning.

However, about three quarters of respondents also agree that long term partnerships aren't possible for all B2B relationships – 74% agree that relationships require trust, which takes time, and 73% agree that relationships require risk taking, which is time consuming.

Agreement Statements
US (n=300)

Statement	T2B Total Agree	B2B Total Disagree
Successful business relationships can facilitate knowledge exchange and learning	81%	6%
Successful partnerships are driven by top leadership	80%	8%
Successful relationships need mutual benefits	78%	8%
Building exceptional B2B relationships require a formal business plan	77%	9%
Successful relationships need mutual investments	76%	9%
Building exceptional B2B relationships requires frequent in-person meetings	74%	8%
Relationships require trust, which takes time. Long term partnerships aren't possible for all B2B.	74%	13%
Relationships require risk taking, which is time consuming. Long term partnerships aren't possible for all B2B.	73%	10%
Successful partnerships require a similar cultural background and language	73%	11%

■ T2B Total Agree   ■ B2B Total Disagree

Q6. To what extent do you agree or disagree with the following statements?

81% of respondents agree that they look for an IT/technology partner that is open and honest regarding behaviors that aren't working for the group.

More than three-quarters of respondents also agree that they look for a partner that supports innovation, invention and success (79%), that promotes competition and rewards achievement (78%), and that is committed to open communication (78%).

Criteria for IT/Technology Partner
US (n=300)

I look for an IT/Technology partner….

Statement	T2B Total Agree	B2B Total Disagree
That is open and honest with all others regarding behaviors that aren't working for the group	81%	8%
That supports innovation, invention and success	79%	9%
That promotes competition and rewards achievement	78%	7%
That sets aside preconceived notions and sees each person for who they are and for what they bring to the relationship	78%	7%
That is committed to open communication to keep things together	78%	6%
That is motivated by the belief that through partnership things can only get better.	78%	7%
That is able to demonstrate commitment to equality, diversity and flexibility	77%	7%
That finds ways to focus on solutions, not problems	77%	9%
That has an unwavering belief in the integrity of our goals and values	77%	7%

■ T2B Total Agree   ■ B2B Total Disagree

Q7. To what extent do you agree or disagree with the following statements. I look for an IT/Technology partner….

More than three-quarters of respondents agree that vendors no longer just take orders, but also provide insights and advice (79%), anticipate risks and needs (76%), and provide consultation (76%).

Additionally, 72% agree that that the term 'outsourcing' is no longer used to describe vendor relationships, and 78% agree that vendor relationships are now defined as 'partnerships.'

Agreement Statements regarding B2B relationships and technology environment
U.S. (n=300)

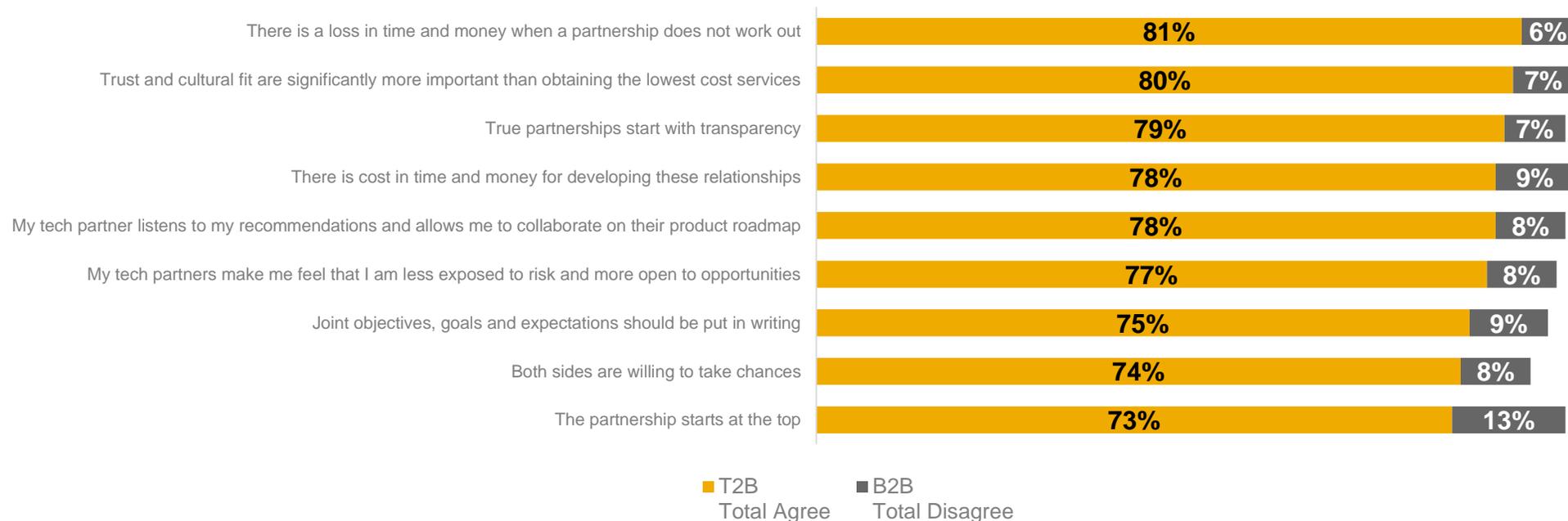| Statement	T2B Total Agree	B2B Total Disagree
Vendors no longer just take orders, but also provide insight and advice	79%	7%
Vendor relationships are now defined as 'partnerships'	78%	8%
Vendors no longer just take orders, but also anticipate my needs and risks	76%	8%
Vendors no longer just take orders, but also provide consultation	76%	7%
Some vendor relationships are more important than internal ones at my company.	74%	10%
The term 'outsourcing' is no longer used to describe vendor relationships	72%	9%

■ T2B
Total Agree   ■ B2B
Total Disagree

Q8. When thinking about the changes in B2B relationships and the technology environment, to what extent do you agree or disagree with the following statements.

8 in 10 IT decision makers agree that trust and cultural fit are significantly more important than obtaining the lowest cost service when it comes to maintaining a long-term partnership.

But 81% also agree that there is a loss in time and money when a partnership does not work out.

Agreement Statements regarding long-term partnerships
U.S. (n=300)

Statement	T2B Total Agree	B2B Total Disagree
There is a loss in time and money when a partnership does not work out	81%	6%
Trust and cultural fit are significantly more important than obtaining the lowest cost services	80%	7%
True partnerships start with transparency	79%	7%
There is cost in time and money for developing these relationships	78%	9%
My tech partner listens to my recommendations and allows me to collaborate on their product roadmap	78%	8%
My tech partners make me feel that I am less exposed to risk and more open to opportunities	77%	8%
Joint objectives, goals and expectations should be put in writing	75%	9%
Both sides are willing to take chances	74%	8%
The partnership starts at the top	73%	13%

■ T2B
Total Agree   ■ B2B
Total Disagree

Q9. When thinking about how to maintain a long-term partnership, to what extent do you agree or disagree with the following statements.

More than one-third of respondents cite higher profitability (38%) and higher revenue/sales (36%) as benefits of increased collaboration between their company and IT partner.

Better communication is also noted as a benefit of increased collaboration between their company and IT/technology partner by 37% of respondents.
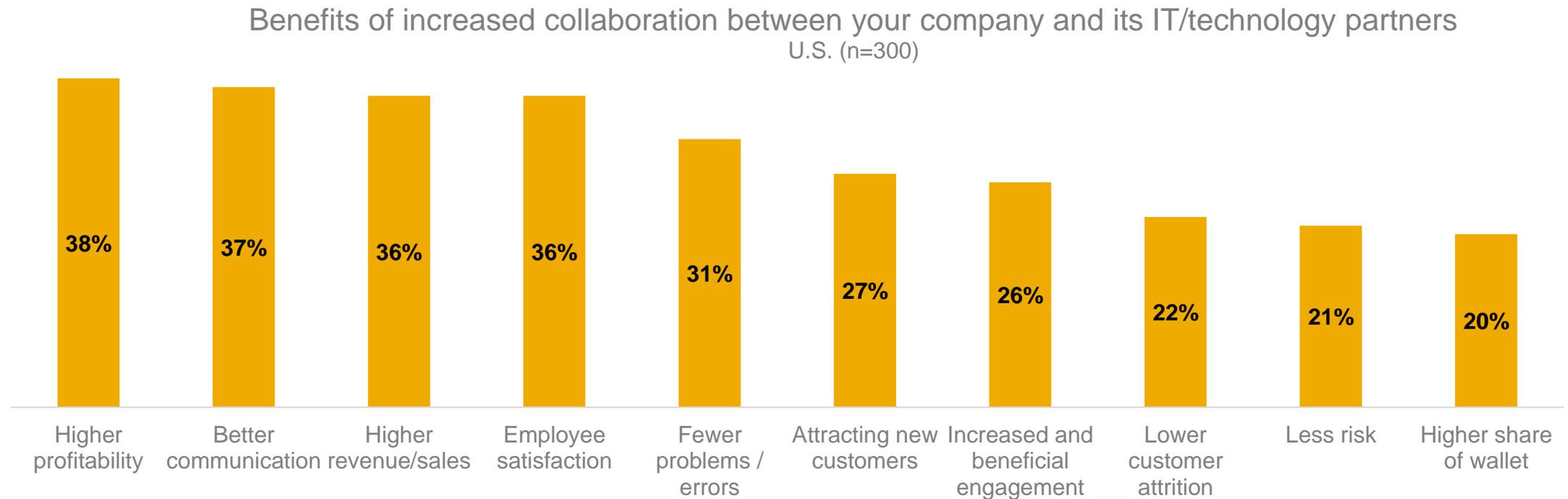
Benefits of increased collaboration between your company and its IT/technology partners
U.S. (n=300)

Higher profitability	Better communication	Higher revenue/sales	Employee satisfaction	Fewer problems / errors	Attracting new customers	Increased and beneficial engagement	Lower customer attrition	Less risk	Higher share of wallet
38%	37%	36%	36%	31%	27%	26%	22%	21%	20%

Appendix

When thinking about their most important IT/technology partner, 74% agree that this partner is highly responsive to their needs, and is highly reliable.

Another 72% also agree that this partnership makes a strong, positive contribution to their business.

Agreement Statements regarding **relationship** with most important IT/technology partner
U.S. (n=300)

Statement	T2B Total Agree	B2B Total Disagree
This partner is highly responsive to our needs	74%	14%
This partner is highly reliable	74%	15%
This partnership makes a strong positive contribution to our business	72%	17%
This partner ensures that information about us that is sensitive, is secure and not shared with others	69%	16%
This partner does business with us with a great deal of integrity	69%	16%
What we receive from this partner reflects their high level of competence	69%	14%
We are strongly dependent on this partner for ensuring that we deliver on the promises we make to our customers.	64%	18%

■T2B
Total Agree
■B2B
Total Disagree

Q11. [Most important IT/technology partner] When I think about the relationship we have with this IT/technology partner, I can say that:

Based on their interactions with their most important IT/technology partner, 79% agree that they like working with this partner.

About three-quarters of respondents agree that based on their interactions with this partner, they are satisfied by the level of expertise they bring (76%), by the nature of interactions they have (76%) and with the outcomes of their relationship (75%).

Agreement Statements regarding **interactions** with most important IT/technology partner
U.S. (n=300)

Statement	T2B Total Agree	B2B Total Disagree
I like working with this partner	79%	7%
I am satisfied by the level of expertise they bring to the table	76%	10%
I want to do business with this partner over the long term	76%	9%
I am satisfied by the nature of interactions we have with this partner	76%	11%
I am satisfied with the outcomes of our relationship	75%	14%
This partner always meets our delivery deadlines	74%	13%
This partner's products/services meet our performance expectations at all times	72%	9%
This partner meets our cost expectations at all times	71%	10%

■ T2B Total Agree   ■ B2B Total Disagree

Q12. [Most important IT/technology partner] Based on my interactions with this IT/technology partner, I can say that:

When thinking about the nature of commitment that exists with their most important IT/technology partner, 76% agree that this partner is very important to their company.

Three-quarters of respondents also agree that the their company is strongly committed to the relationship with this partner and that their company aims to maintain this partnership over the long term.

Agreement Statements regarding **nature of commitment** with most important IT/technology partner
U.S. (n=300)

Statement	T2B	B2B
This partner is very important to my firm	76%	10%
My firm is strongly committed to our relationship with this partner	75%	11%
Our business aims to maintain this partnership over the long term	74%	10%
I pay a lot of attention to the relationship with this partner	74%	13%
We really care about this partner and their well being	74%	10%
We treat each other as 'high priority' partners at all times	73%	11%

■T2B
Total Agree

■B2B
Total Disagree

Q13. [Most important IT/technology partner] When I think of the NATURE OF COMMITMENT that exists in this relationship, I can say that:

When thinking about the nature of trust that exists with their most important IT/technology partner, 78% agree that they have a great deal of confidence in this partner, and that their partner is honest and truthful with them at all times.

About three-quarters of respondents also agree that there is a lot in common in terms of core values (76%) and that they trust this partner completely (74%).

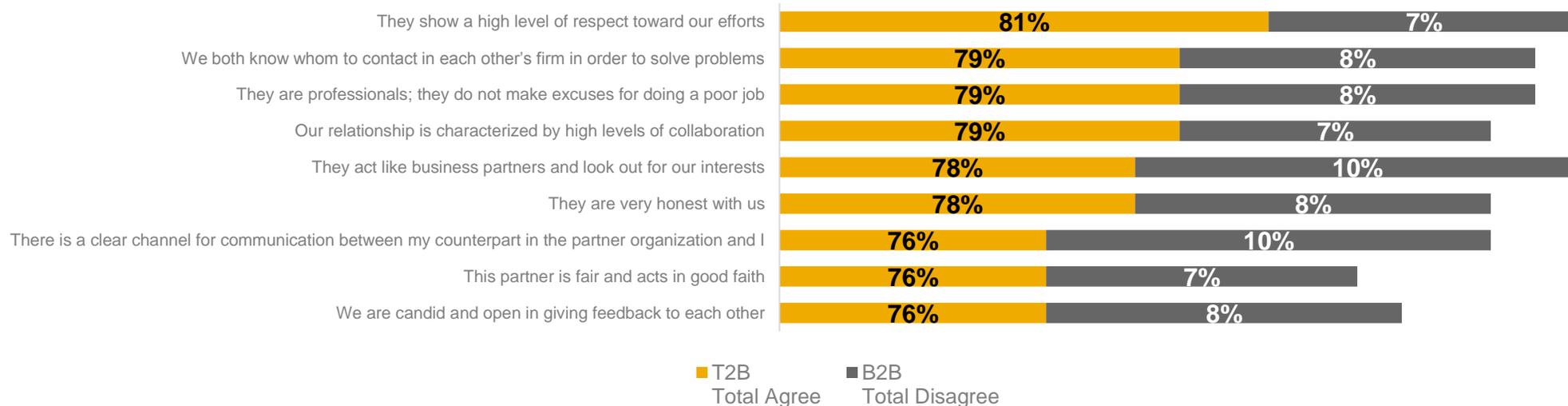Agreement Statements regarding **trust** with most important IT/technology partner
U.S. (n=300)

Statement	T2B Total Agree	B2B Total Disagree
I have a great deal of confidence in this partner	78%	10%
I find that they are honest and truthful with me at all times	78%	9%
The partner has remained faithful to my firm	77%	8%
There is a lot in common in terms of our core values	76%	7%
I can count on this partner to do what is right by us at all times	76%	9%
This partner is open and upfront with me at all times	75%	10%
We have a lot of common goals	75%	8%
I trust this partner completely	74%	9%
I never question the partner because I know their intentions are always good and they mean well	73%	13%

■ T2B
Total Agree

■ B2B
Total Disagree

Q14. [Most important IT/technology partner] When I think about the nature of TRUST that exists in our relationship, I can say that:

When thinking about the fairness and good faith that is reflected in their most important IT/technology partner's actions, 81% agree that they show a high level of respect towards their efforts.

79% also agree that this partner is professional, and that their relationship is characterized by high levels of collaboration.

Agreement Statements regarding **fairness and good faith** with most important IT/technology partner
U.S. (n=300)

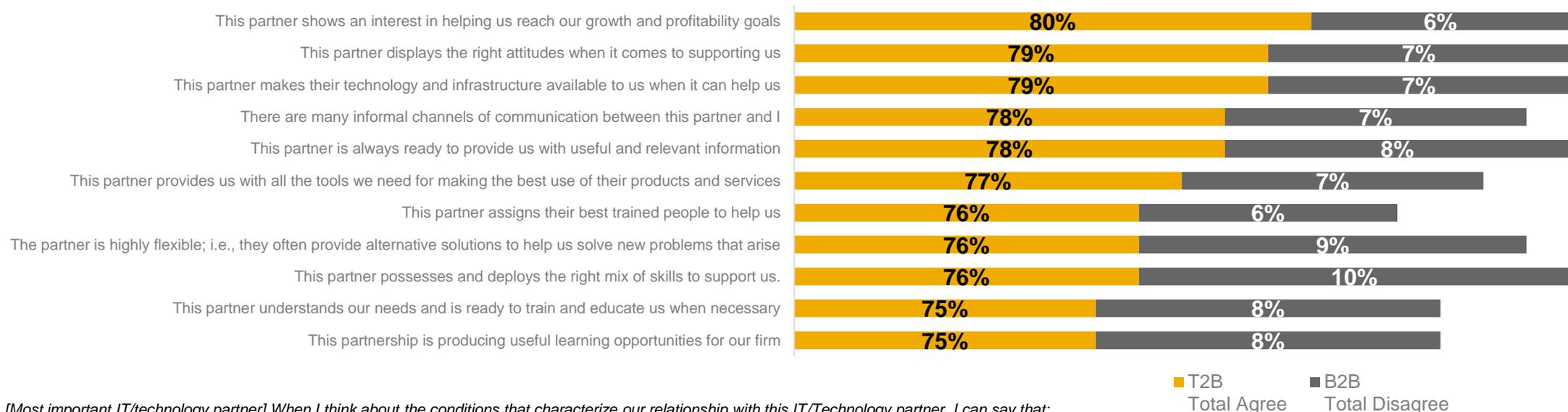| Statement	T2B (Total Agree)	B2B (Total Disagree)
They show a high level of respect toward our efforts	81%	7%
We both know whom to contact in each other's firm in order to solve problems	79%	8%
They are professionals; they do not make excuses for doing a poor job	79%	8%
Our relationship is characterized by high levels of collaboration	79%	7%
They act like business partners and look out for our interests	78%	10%
They are very honest with us	78%	8%
There is a clear channel for communication between my counterpart in the partner organization and I	76%	10%
This partner is fair and acts in good faith	76%	7%
We are candid and open in giving feedback to each other	76%	8%

■T2B Total Agree   ■B2B Total Disagree

Q15. [Most important IT/technology partner] When I think of the fairness and good faith that is reflected in this IT/Technology partner's actions, I can say that:

When thinking about the conditions that characterize their relationship with their most important IT/technology partner, 80% agree that their partner shows an interest in helping them reach their growth and profitability goals.

More than three-quarters of respondents also agree that this partner displays the right attitude when it comes to supporting them (79%), and that they provide them with all the tools they need for making the best use of their products and services (77%).

Agreement Statements regarding **conditions that characterize relationship** with most important IT/technology partner
U.S. (n=300)

Statement	T2B (Total Agree)	B2B (Total Disagree)
This partner shows an interest in helping us reach our growth and profitability goals	80%	6%
This partner displays the right attitudes when it comes to supporting us	79%	7%
This partner makes their technology and infrastructure available to us when it can help us	79%	7%
There are many informal channels of communication between this partner and I	78%	7%
This partner is always ready to provide us with useful and relevant information	78%	8%
This partner provides us with all the tools we need for making the best use of their products and services	77%	7%
This partner assigns their best trained people to help us	76%	6%
The partner is highly flexible; i.e., they often provide alternative solutions to help us solve new problems that arise	76%	9%
This partner possesses and deploys the right mix of skills to support us.	76%	10%
This partner understands our needs and is ready to train and educate us when necessary	75%	8%
This partnership is producing useful learning opportunities for our firm	75%	8%

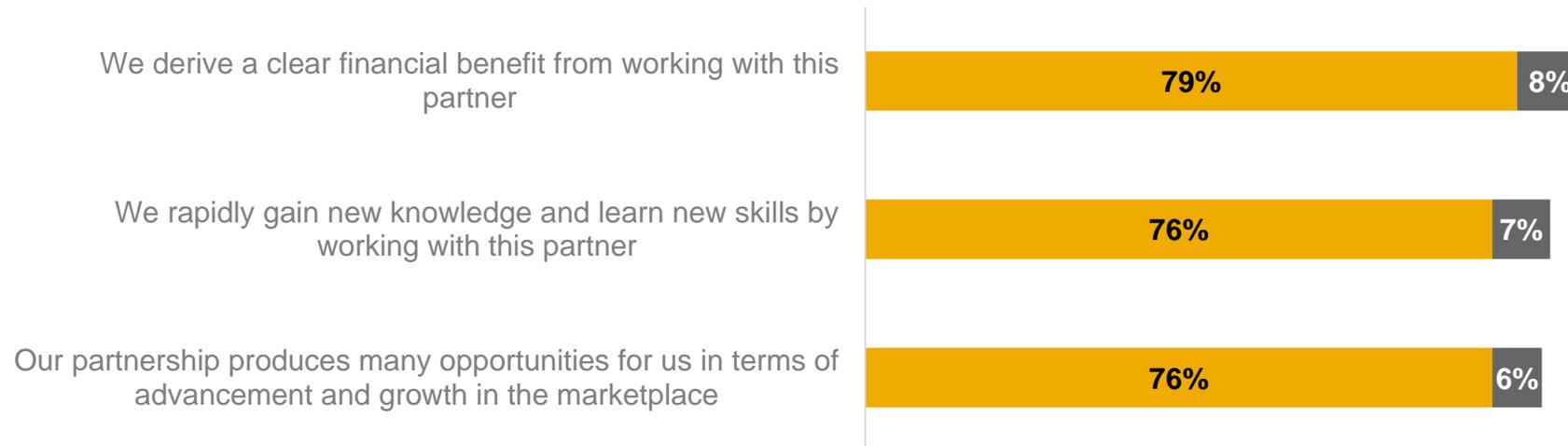■ T2B — Total Agree   ■ B2B — Total Disagree

Q16. [Most important IT/technology partner] When I think about the conditions that characterize our relationship with this IT/Technology partner, I can say that:

When thinking about the benefits they derive from their relationship with their most important IT/technology partner, 79% agree that they derive a clear financial benefit from working with this partner.

76% of respondents also agree that they rapidly gain new knowledge and learn new skills by working with this partner, and that their partnership produces many opportunities for them in terms of advancement and growth in the marketplace.

Agreement Statements regarding **benefits from relationship with** most important IT/technology partner
U.S. (n=300)

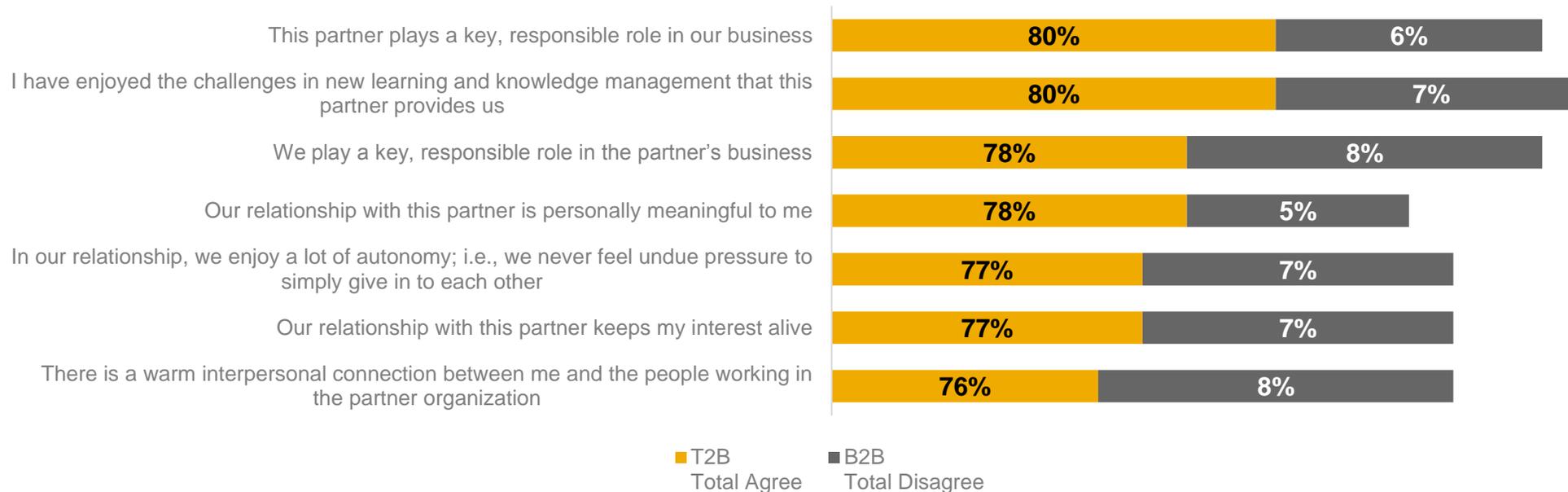| Statement	T2B Total Agree	B2B Total Disagree
We derive a clear financial benefit from working with this partner	79%	8%
We rapidly gain new knowledge and learn new skills by working with this partner	76%	7%
Our partnership produces many opportunities for us in terms of advancement and growth in the marketplace	76%	6%

■ T2B Total Agree ■ B2B Total Disagree

Q17. [Most important IT/technology partner] When I think about the benefits we derive from our relationship with this IT/Technology partner, I can say that:

When thinking about how they personally characterize the relationship they have with their most important IT/technology partner, 80% agree that this partner plays a key, responsible role in their business.

Additionally, 78% agree that they play a key, responsible role in their partner's business.

Agreement Statements regarding **personal relationship with** most important IT/technology partner
U.S. (n=300)

Statement	T2B (Total Agree)	B2B (Total Disagree)
This partner plays a key, responsible role in our business	80%	6%
I have enjoyed the challenges in new learning and knowledge management that this partner provides us	80%	7%
We play a key, responsible role in the partner's business	78%	8%
Our relationship with this partner is personally meaningful to me	78%	5%
In our relationship, we enjoy a lot of autonomy; i.e., we never feel undue pressure to simply give in to each other	77%	7%
Our relationship with this partner keeps my interest alive	77%	7%
There is a warm interpersonal connection between me and the people working in the partner organization	76%	8%

■ T2B
Total Agree   ■ B2B
Total Disagree

Q18. [Most important IT/technology partner] When I think of how I personally characterize the relationship we have with this IT/Technology partner, I can say that:

When thinking about how well their most important IT/technology partner fulfills the letter and spirit of their relationship, 83% agree that this partner keeps their sensitive information secure from prying eyes and hackers.

More than three-quarters of respondents also agree that this partner never violates their confidentiality (81%), is committed to maintaining their relationship (78%), and never reneges on the promises they make (77%).

Agreement Statements regarding how well the most important IT/technology partner fulfills the letter and spirit of relationship
U.S. (n=300)

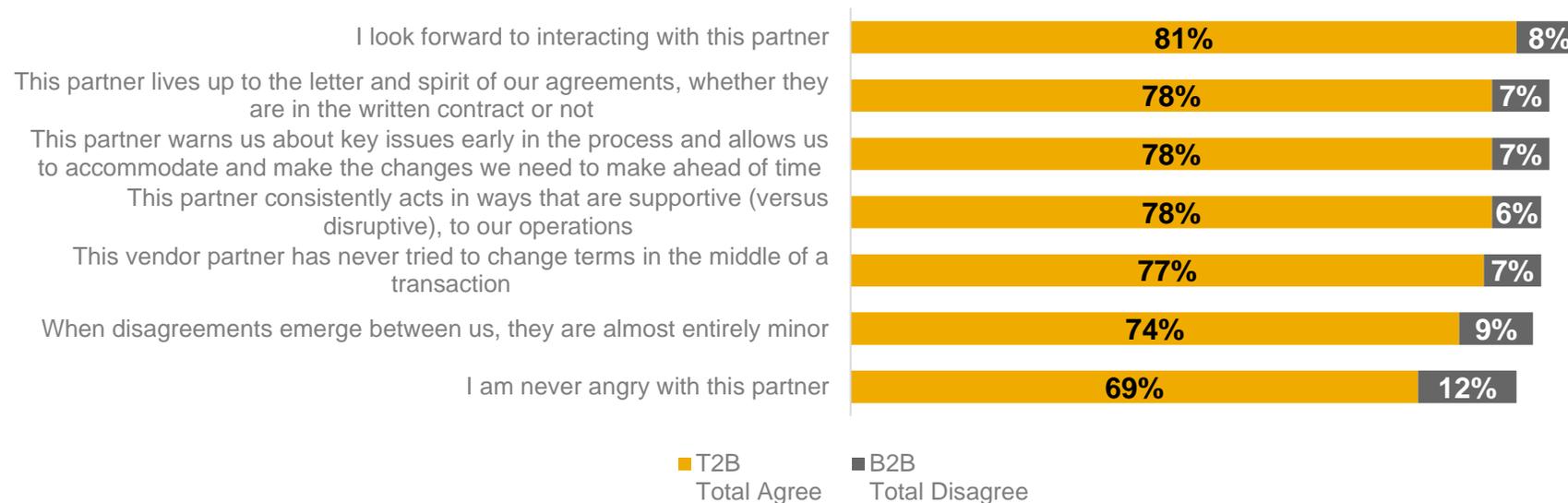| Statement	T2B	B2B
This partner keeps sensitive information they have about us, secure from prying eyes and hackers	83%	4%
This partner acts as if our continued relationship is a priority for them	82%	7%
This partner never violates our confidentiality	81%	5%
This partner goes out of their way to fulfill their obligations as per contract	80%	6%
This partner fulfills all promises made to my firm	79%	6%
This partner is committed to maintaining our relationship	78%	5%
This partner never has to be reminded to do what they are supposed to do for us.	78%	8%
This partner never reneges on the promises they make	77%	6%
This partner fulfills all obligations to us based on what I expect	76%	7%

■T2B   ■B2B
Total Agree   Total Disagree

Q19. [Most important IT/technology partner] When I think about how well this IT/Technology partner fulfills the letter and spirit of our relationship, I can say that:

When thinking about the ways their most important IT/technology partner takes actions to build bridges and connect with them, 81% agree that they look forward to interacting with this partner.

78% also agree that this partner consistently acts in ways that are supportive to their operations.

Agreement Statements regarding how well the most important IT/technology partner takes action to build bridges and connect
U.S. (n=300)

Statement	T2B Total Agree	B2B Total Disagree
I look forward to interacting with this partner	81%	8%
This partner lives up to the letter and spirit of our agreements, whether they are in the written contract or not	78%	7%
This partner warns us about key issues early in the process and allows us to accommodate and make the changes we need to make ahead of time	78%	7%
This partner consistently acts in ways that are supportive (versus disruptive), to our operations	78%	6%
This vendor partner has never tried to change terms in the middle of a transaction	77%	7%
When disagreements emerge between us, they are almost entirely minor	74%	9%
I am never angry with this partner	69%	12%

■ T2B
Total Agree
■ B2B
Total Disagree

Q20. [Most important IT/technology partner] When I think about the ways this IT/Technology partner takes actions to build bridges and connect with us, I can say that:

When thinking about their company's key challenges, 75% of respondents agree that their business is seriously concerned with cyber security.

About three-quarter of respondents also agree that they have strong global competitors that challenge their relationships with their customers (74%) and that their business is strongly dependent on the rate at which they offer innovative solutions in the marketplace (73%).

Agreement Statements regarding key challenges faced as a business
U.S. (n=300)

Statement	T2B Total Agree	B2B Total Disagree
Our business is seriously concerned with cyber security	75%	9%
We have strong global competitors that challenge our relationship with our customers	74%	9%
Our business is strongly dependent on the rate at which we offer innovative solutions in the marketplace	73%	9%
Hiring and maintaining the right talent is a clear challenge for our firm	72%	13%
Our biggest challenge is fostering and managing the growth of our business	68%	11%
We find it hard to maintain a level of profitability as a business	66%	17%
We are struggling with the financial viability of our business	66%	18%
We are often struggling with not having sufficient access to capital	65%	17%
I am concerned that we are not making sufficient investment in IT/technology/ data in this firm	65%	17%

■ T2B Total Agree   ■ B2B Total Disagree

Q21. [Most important IT/technology partner] When I think about the key CHALLENGES we face as a business, I can say that:
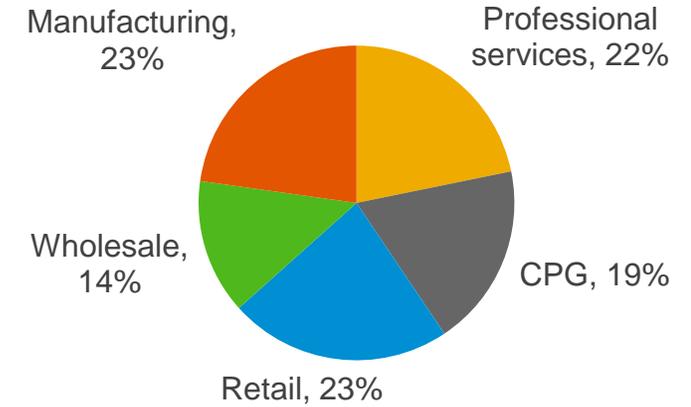
Respondent Profiles & Corporgraphics
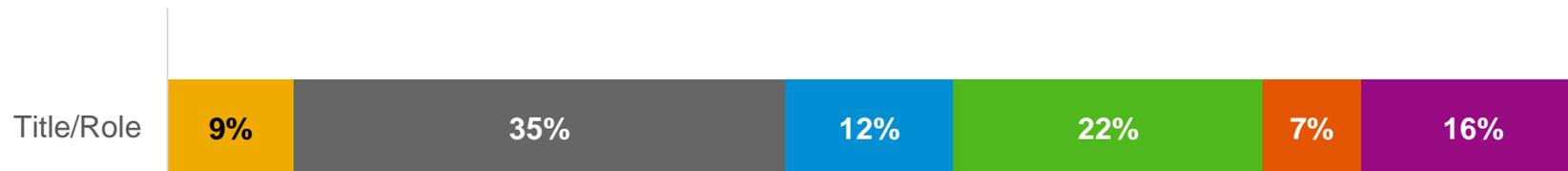
Respondent Profile

Company Size
U.S. (n=300)
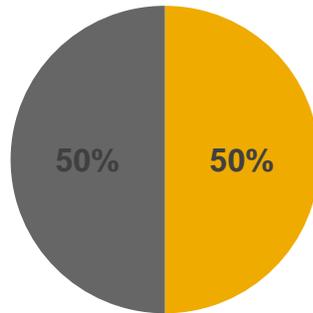
- 50% — **Small (100-499)**
- 50% — **Mid-sized (500-4,999)**

Primary Industry
U.S. (n=300)

- Manufacturing, 23%
- Professional services, 22%
- CPG, 19%
- Retail, 23%
- Wholesale, 14%

Respondent Titles/Roles
U.S. (n=300)

Title/Role					
9%	35%	12%	22%	7%	16%

- CIO
- CEO
- President
- Business Owner
- CTO
- IT Executive

Corpographics

Respondent Gender
U.S. (n=300)

40% 60%
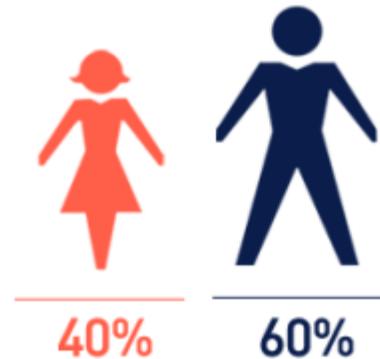
Women-Owned Business
U.S. (n=300)

No, 52% Yes, 48%
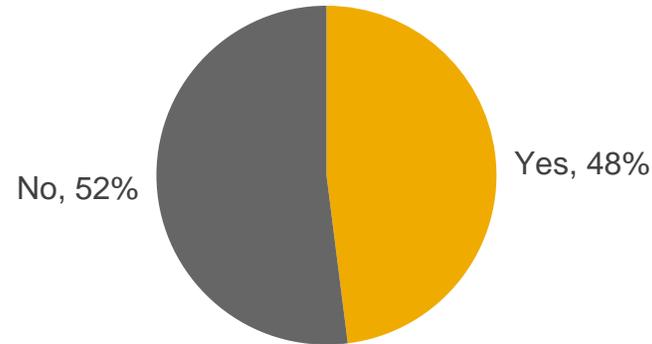
Company's Total Gross Sales Volume (2016)
U.S. (n=300)

Category
>$20 million, 12%
$10 million - $20 million, 8%
$5 million - $10 million, 9%
$2.5 million - $5 million, 8%
$1 million - $2.5 million, 12%
$750,000 - $999,999, 8%
$500,000 - $749,999, 14%
$250,000 - $499,999, 7%
$100,000 - $249,999, 8%
$50,000 - $99,999, 8%
$25,000 - $49,999,
$10,000 - $24,999,
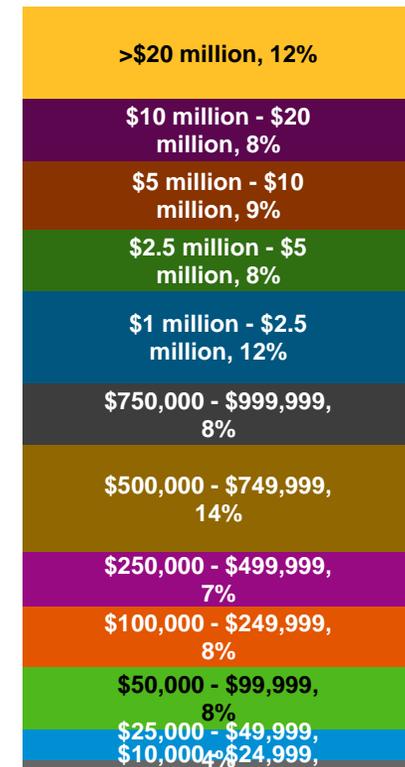
Total Gross Sales Volume

C1. Are you male or female?
C2. Is your company designated as a women-owned business?
C3.What is your company's total gross sales volume for last year?

Corpographics

Median number of IT/technology partners
U.S. (n=300)

Average: 21.27

Estimated IT/technology budget (2017)
U.S. (n=300)

>$10 million, 3%	
$5 million - $9.9 million, 6%	
$1 million - $4.9 million, 26%	
$300,000 - $999,999, 36%	
$50,000 - $299,999, 24%	
<$50,000, 5%	

Estimated IT/technology budget (2017)

C4.What would you estimate your company's IT/technology budget to be this year?
C5.Approximately how many IT/technology partners does your company have?

Thank you.

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