

FAQ

The logo for CATT (Canadian Association of Teachers of Trade) is located in the bottom right corner. It features the letters 'CATT' in a bold, sans-serif font, with a stylized orange triangle integrated into the letter 'A'.

ASSESSMENT



TABLE OF CONTENTS

HISTORY AND DEVELOPMENT	2
Q. WHAT IS THE PURPOSE OF THE CaT?	2
Q. WHO DEVELOPED THE CaT SURVEY?	2
Q. HOW IS THE SCALE DEVELOPED?	2
CaT ADMINISTRATION	3
Q. HOW DOES MY ORGANIZATION ARRANGE TO TAKE THE CaT?	3
Q. HOW LONG WILL PEOPLE HAVE TO COMPLETE THE ASSESSMENT?	3
Q. HOW IS THE SURVEY CONDUCTED?	3
Q. HOW MANY PROGRESS UPDATES WILL I GET AND HOW DO THEY WORK?	3
Q. CAN WE HAVE THE SURVEY QUESTIONS SO THAT WE CAN REVIEW THEM AHEAD OF ISSUING THEM?	4
Q. ARE THE RESULTS CONFIDENTIAL?	4
Q. HOW MANY PEOPLE CAN AND SHOULD TAKE THE ASSESSMENT?	4
Q. WHO SHOULD TAKE THE ASSESSMENT?	5
Q. WHAT IS THE AVERAGE TIME TO COMPLETE A CaT ASSESSMENT?	5
Q. HOW OFTEN SHOULD WE DO A CaT ASSESSMENT	5
Q. CAN A CaT BE DONE AT THE START OF A NEW RELATIONSHIP (DIRECTLY AFTER A COMPETITIVE BID)?	5
Q. WHAT DO YOU MEAN BY, "I WOULD GIVE MYSELF THE FOLLOWING GRADE..."?	6
Q. WILL YOU HELP ME UNDERSTAND THE RESULTS?	6
UNDERSTANDING THE RESULTS	7
Q. HOW RELIABLE ARE THE RESULTS?	7
Q. HOW ARE RESPONSES PRESENTED?	7
Q. WHAT ARE THE FIVE DIMENSIONS?	7
Q. WHAT IS THE VESTED INDEX SCORE?	8
Q. HOW IS THE COMBINED VESTED READINESS INDEX CALCULATED?	8
Q. WHY IS THE VESTED INDEX DIFFERENT THAN THE RAW SCORE?	8
Q. WHAT ARE THE SELF-VIEWS AND PERCEPTION VIEWS?	9
Q. WHAT DOES IT MEAN IF THERE ARE LOW DIMENSION SCORES ACROSS ALL VIEWS?	12
Q. WHAT DO THE GAPS INDICATE? WHY ARE THE GAPS IMPORTANT?	12
Q. WHAT'S CONSIDERED TO BE A LARGE GAP?	13
Q. I SEE A GAP IN THE DIMENSION FOR INNOVATION, DOES THIS MEAN OUR INNOVATION PROJECTS ARE NOT WORKING?	13
Q. WHAT IS THE SCATTER PLOT GRAPH CHARTING?	14
Q. WHAT DO THE DIFFERENT STYLES IN THE SCATTER CHART REPRESENT?	14
Q. HOW CAN YOU TELL TWO ORGANIZATIONS ARE NOT COMPATIBLE?	15
FOR MORE INFORMATION ABOUT	17



HISTORY AND DEVELOPMENT

Q. WHAT IS THE PURPOSE OF THE CaT?

The Compatibility and Trust® (CaT) measures the strength of an existing business relationship between two parties. It also identifies improvement areas for the relationship. A key outcome of the CaT is to help organizations understand their maturity across five key dimensions of compatibility and trust. It does this by providing an overall “raw score” and highlighting “perception gaps” between the parties. Once organizations know where they have gaps, they can use the information to help them consciously close the gaps and proactively work to build a stronger relationship. Understanding and closing your gaps across each of the five dimensions of compatibility and trust is essential to developing a successful Vested relationship.

The CaT can help gauge if two parties have a strong and mature enough relationship to move into a Vested relationship. The CaT provides an “Index” score. The higher the score, the better the potential or propensity to move to a more Vested relationship. However, many find the CaT as a valuable way to strengthen any relationship where there is desire to build a better working relationship.

Finally, the CaT can help both buyers and service providers to assess the potential cultural fit of a partner. For example, one service provider had their business development team use the CaT to rank their clients regarding which ones would most likely be a good cultural fit to move to a Vested relationship (or stay away from one). Buyers use the CaT at the end of an RFP process to help them gauge overall cultural fit by seeing which service providers have similar approaches across the five dimensions of compatibility and trust.

Regardless of how you use the CaT, it is an excellent resource to help you improve your relationship.

Q. WHO DEVELOPED THE CaT SURVEY?

The Compatibility and Trust Assessment® (CaT) was developed by Gerald Ledlow Ph.D. and Karl B. Manrodt Ph.D.

Q. HOW IS THE SCALE DEVELOPED?

The CaT Survey uses a Likert Scale where the respondents specify their level of agreement or disagreement on a symmetric positive to negative scale for a series of statements. The range captures the intensity of the respondent's feelings for a given item. Each of the five dimensions have multiple questions to assure rigor and reliability. All the questions used in the CaT are based on academic research spanning multiple decades.



CaT ADMINISTRATION

Q. HOW DOES MY ORGANIZATION ARRANGE TO TAKE THE CaT?

If you are working with a CDA Coach you can contact them and let them know you are interested in completing a CaT Assessment. If you are not working with a CDA Coach, you can contact the Vested team directly through our website: www.vestedway.com

Q. HOW LONG WILL PEOPLE HAVE TO COMPLETE THE ASSESSMENT?

We recommend having a window of two weeks to complete the assessment. It is possible to allow teams to have less time to complete the survey, however, it tends to lead to lower participation. If you are wanting a short assessment window, you will need to be on top of ensuring team members taking the assessment to participate in a timely manner. With assessment windows longer than two weeks, we see participants procrastinate and wait until the last days to complete the assessment.

Once the assessment window has closed, the Vested team needs two weeks to process the results and get them to your CDA Coach. You will need to arrange with your CDA Coach a time to go over the results with both organizations.

Q. HOW IS THE SURVEY CONDUCTED?

The assessment is conducted using a 360-degree “two-world view” where:

- The buyer provides responses about their organization and their perspective of the service provider.
- The service provider provides responses about their organization and their perspective of the buyer.

The CaT assesses compatibility and trust across five key dimensions critical to a successful business relationship. In the internet-based survey, we ask participants to rank statements related to the relationship on a scale from "not at all" to "always."

Q. HOW MANY PROGRESS UPDATES WILL I GET AND HOW DO THEY WORK?

The CaT System will provide automatic updates 3-5 times per week to the primary Point of Contact updating them on the overall status of the survey – the information will include the total number of participants that have completed the assessment from each organization. This will help gauge participation levels. We encourage the primary Point of Contact to reach out to participants urging them to complete the survey if they have not done so.

In addition, individual participants who have started the survey but have not completed it will receive emails encouraging them to complete the survey. This can be set for every day or every other day. That email will contain the same link as the original notification.



Q. CAN WE HAVE THE SURVEY QUESTIONS SO THAT WE CAN REVIEW THEM AHEAD OF ISSUING THEM?

The survey itself is proprietary to the developers and they have asked the actual questions not be shared. The below gives some perspective on the questions the organizations will be answering.

The survey focuses on five dimensions. For each dimension, participants are asked to rank statements related to the relationship on a scale from "never" to "always." The CaT survey's reliability and consistency are statistically significant.

- **Trust:** Questions relating to the organization's performance to promise and meeting commitments, reliability and behaviors.
- **Innovation:** Looks at the willingness to change (not innovation activity), the level of support and encouragement and the organizations' willingness to take risks.
- **Communication:** Questions relating to information flow, consistency, availability and effectiveness.
- **Team Orientation:** Questions relating to respect, value and how the organizations work together.
- **Focus:** Questions relating to the organizations' common purpose and direction and clarity of roles.

In addition to the ranked statements, there is a section where the participants are asked to supply three adjectives to describe the relationship. There are also six open-ended questions that ask the participants about relationship improvement and a perspective on what might weaken the relationship. The last question of the survey asks the participants to "grade" the relationship on a scale of "F" to "A."

Q. ARE THE RESULTS CONFIDENTIAL?

All results are confidential. Individual responses are not identified nor shared with the parties taking the CaT. Identifying information is removed from all open-ended question responses. Individuals can be assured that their responses will not be linked to them.

Q. HOW MANY PEOPLE CAN AND SHOULD TAKE THE ASSESSMENT?

We like to see at least ten people from each organization take the survey. The assessment can include fewer people; however, the results could get slightly skewed if there is an outlier. For statistical validity, you need at least 7 participants from each party. The general rule of thumb is the more people that take the survey the better, as it will give a more complete and statistically accurate picture of the results.



Q. WHO SHOULD TAKE THE ASSESSMENT?

We recommend a good mix of people from the entry level to the executive level, provided team members interact with both organizations. The reason for this is that an “operator” level employee will have a very different view of both organizations than an executive. Likewise, a procurement team member may have a very different view than an operator. By having a good mix of everyone involved in the business relationship, you will get a more complete picture of the working relationship.

Q. WHAT IS THE AVERAGE TIME TO COMPLETE A CaT ASSESSMENT?

The average time to complete a CaT is 18.3 minutes – with a range from various deal teams being from 13.1 minutes on the low end to 22.7 minutes on the high end. The biggest driver in time to complete is if English is a second language (e.g., the team with the high average time was an English version of the CaT but had many team members in Asia). We currently offer CaT assessments in English, Dutch, Spanish, Mandarin, Italian and Swedish, and are happy to create a version in the language of your choice.

Q. HOW OFTEN SHOULD WE DO A CaT ASSESSMENT

We recommend organizations take the CaT at regular intervals (every six months or annually). We find that 95% or more of the individuals can easily adopt trusting behaviors once they have the “rules” and expectations (e.g., the Statement of Intent for the relationship). Organizations find regularly taking the CaT can be a powerful way to show trends in how the parties are changing their behaviors and perceptions as they learn to “live into their intentions.” The CaT clearly summarizes both the aggregate and individual levels of behavioral change across the five dimensions of a trusting and compatible relationship.

Q. CAN A CaT BE DONE AT THE START OF A NEW RELATIONSHIP (DIRECTLY AFTER A COMPETITIVE BID)?

Yes... The CaT will be used differently in this case. Because the parties do not know each other well, they cannot review their partner. However, they can still assess themselves. The self-assessment will reveal how aligned the two cultures are between the two organizations. The CaT cannot show any gaps in perception between the organizations since there is no history on which to base their responses.

The self-views will help each organization to understand the “DNA-footprint” of each organization. There will be two graphs – a spider chart of each organization's self-view and the self-view scatter plot. For more on these two graphs, see below in “Understanding the Results.”



Q. WHAT DO YOU MEAN BY, “I WOULD GIVE MYSELF THE FOLLOWING GRADE...”?

A common question we have seen from clients, especially those not in the United States is regarding the last question of the CaT survey (listed above). In the United States, grades in schools are given on a letter scale. Generally, the scale is as follows:

- A – 90% or higher
- B – 80 – 89%
- C – 70 – 79%
- D – 60 – 69%
- F – 59% and below

Typically, a passing grade would be a C or higher. How you determine the overall grade for your relationship for yourself and your partner is up to you. Do not over think this question and go with your gut instinct. There is no right or wrong answer and how you answer this question does not affect your overall Vested Index Score.

Q. WILL YOU HELP ME UNDERSTAND THE RESULTS?

Yes. Both organizations will be presented with a report that documents the results of the CaT assessment. Included in the fee for the CaT is a remote joint presentation (typically 2 hours) of the results by a Vested Certified Deal Architect (CDA) Coach. The CDA Coach will discuss the results with the parties and will lead the parties in a discussion of how they may address gaps or concerns.



UNDERSTANDING THE RESULTS

Q. HOW RELIABLE ARE THE RESULTS?

The survey uses research-proven questions to measure five dimensions of compatibility and trust. Each dimension utilizes multiple questions to ensure excellent internal consistency, even with small sample sizes. The CaT survey's reliability and consistency is statistically significant based on Cronbach's Coefficient Alpha which measures if the same general construct produces similar scores. The five constructs measured have a coefficient above 0.85, considered a very strong level of internal consistency. In other words, the questions measure what they are supposed to measure. Also, there is a strong level of ecological validity; the items measured are truly vital components of professional and strategic relationships between organizations. In addition, the survey is made up of a convenience sample or a known population (people who support the buyer/service provider agreement) of professionals engaged in the strategic relationship; it is not a random sampling of individuals who do not participate in the partnership. These factors all contribute to the reliability, consistency, and validity of results.

Q. HOW ARE RESPONSES PRESENTED?

There is three analysis in the CaT Report. Each type of analysis has its own question to help you understand the graphics to highlight the results of the CaT.

- Vested Index
- Self-view vs. perception (presented as spider graphs and in table format)
- Scatter Plot Diagnostic

Each type of analysis looks at five dimensions of compatibility and trust.

Q. WHAT ARE THE FIVE DIMENSIONS?

The CaT looks at compatibility and trust across the following five dimensions.

- **Trust:** Performance to promise and meeting commitments is the foundation of trust. Without performance, trust cannot exist.
- **Innovation:** Strong and trusting relationships allow the parties to share risks and rewards, investing in each other's capabilities and collaborating to achieve common goals.
- **Communication:** The open and timely sharing of all information that is relevant to a partner's decision-making ability.
- **Team Orientation:** Both sides of a relationship believe in the relationship. Efforts are made to view decisions from the partner's perspective to mitigate opportunism and promote collaboration.
- **Focus:** There is a common purpose, task clarity, and direction.

These dimensions are based on widely accepted academic theories. The developers of the CaT integrated cooperative game theory, transaction cost economics and market dynamics theory to develop the assessment. Like McDonald's "Three-Legged Stool," all five CaT constructs are critical to ensuring a balanced and supportive approach to measuring Vested relationships. Removing even one dimension from consideration weakens the overall analysis; all are critical to the health and success of the relationship.

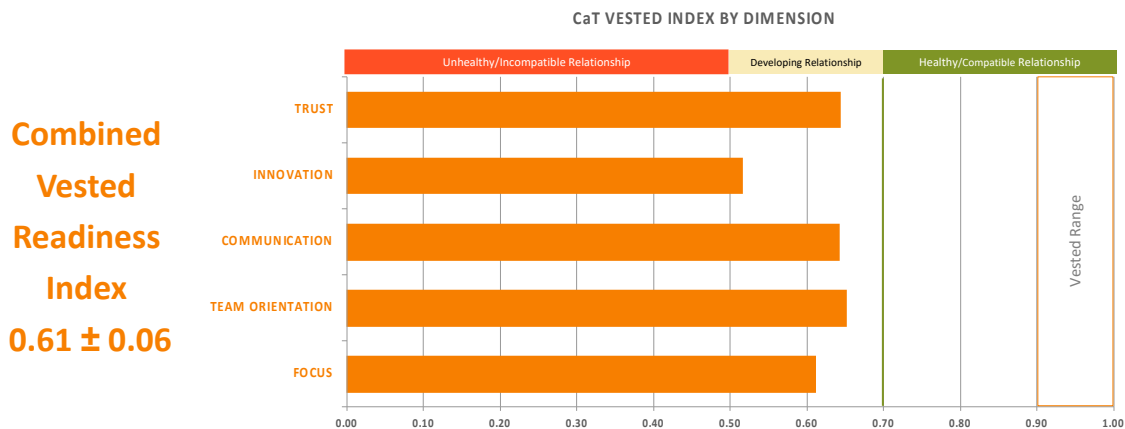


Q. WHAT IS THE VESTED INDEX SCORE?

A key diagnostic of the CaT is the Vested Index score. The Vested Index score is a measure of overall compatibility and trust between two parties. It is calculated from the raw scores and the difference between the self-views and the perceptions. An index is calculated for each dimension. The index can best be explained with a simple example.

- If the average trust score is 80% where each score was the same (80% buyer self-view, 80% provider self-view, 80% buyer perception of the provider, 80% provider perception of the buyer) and there was no gap in the score, the Vested Index would be 0.80
- If as in the example above the average was 80%, the score for the buyer self-view was 90% and the provider's perception of the buyer was 70%, there would be a gap of 20% points. This gap would lower the Vested Index from 0.80 to about 0.72 because this relationship is less compatible.

Below is an example of the Vested Index chart included in a CaT report.



The above chart has a Combined Vested Index score of 0.61 ± 0.06 . Here, the parties are in a “developing relationship.” Parties with a Vested Index above 0.70 would be in a “healthy/compatible relationship” while an index of less than 0.50 would be considered “unhealthy/incompatible.”

Q. HOW IS THE COMBINED VESTED READINESS INDEX CALCULATED?

For the above chart, the Combined Vested Index score is 0.61 ± 0.06 . This is calculated by taking the average of the Vested Index Scores for the five dimensions to get 0.61. The range (0.12) is calculated by taking the standard deviation of the five scores. By taking the standard deviation we are normalizing the scores and fitting the scores to the bell curve. This approach is a statistical analysis that is often done with more high-end/research-focused surveys.

Q. WHY IS THE VESTED INDEX DIFFERENT THAN THE RAW SCORE?

One of the common questions we get is, “Why is my Vested Index score so much lower than my raw score?” The Vested Index is the “compatibility score.” As gaps increase between the four views (buyer and service provider self-scores and buyer and service provider perception scores), the lower the Vested Index score is compared to the raw scores. The Vested Deal Index helps us

FAQ GUIDE: COMPATIBILITY AND TRUST ASSESSMENT



look at the culture and behavioral fit in the relationship across the five dimensions. The higher the index, the more compatible or “culture fit” the organizations have. The lower the Vested Index, the less compatibility and cultural fit the organizations have.

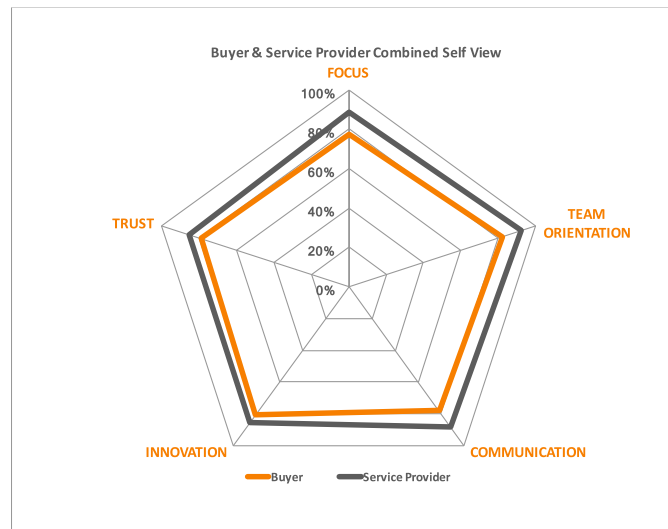
Q. WHAT ARE THE SELF-VIEWS AND PERCEPTION VIEWS?

A key analysis of the CaT is a comparison of the buyer and service provider’s “self-view” compared to the perception of each other. This is done because psychology teaches us that people are inherently biased and overconfident in their abilities and qualities (known as [illusory superiority](#)). For example, 88% of automobile drivers think they are “above average” in operating a vehicle. Because individuals almost always score themselves better than other’s might, the CaT compares both the self-view and their partner’s perceived view. The CaT looks at compatibility and trust raw scores across four views:

- The buyer’s self-view
- The buyer’s perception of the service provider
- The service provider’s self-view
- The service provider’s perception of the buyer

These views are presented in “spider” charts, making it easy to compare the self-view with the perceived view. Below are examples of each of the three comparison spider charts.

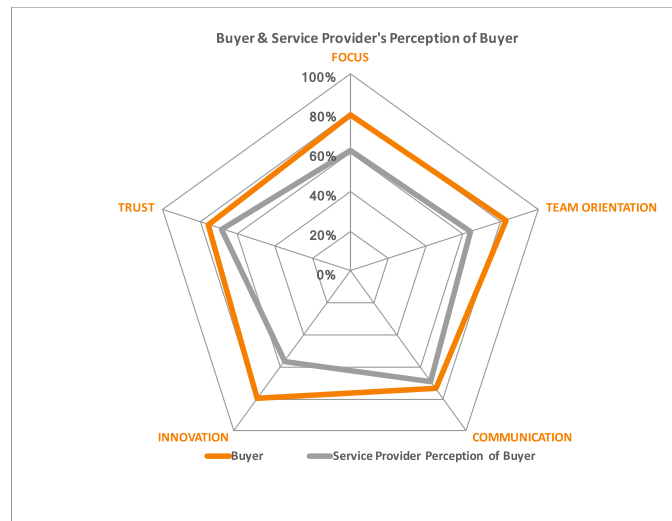
The first is the self-view of both the buyer and the service provider. This chart shows how each organization views themselves culturally and behaviorally.



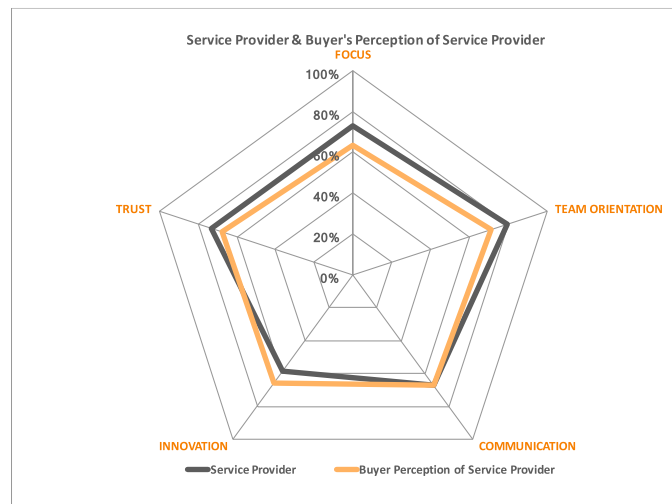
FAQ GUIDE: COMPATIBILITY AND TRUST ASSESSMENT



You will also receive a chart comparing the buyer's self-view and the service provider's perception of the buyer.



The last comparison chart you will get is the service provider's self-view compared to the buyer's perception of the service provider. And in this chart, you will see that in innovation, the buyer scored the service provider higher than the service provider scored themselves. While this is rare, it happens occasionally.



FAQ GUIDE: COMPATIBILITY AND TRUST ASSESSMENT

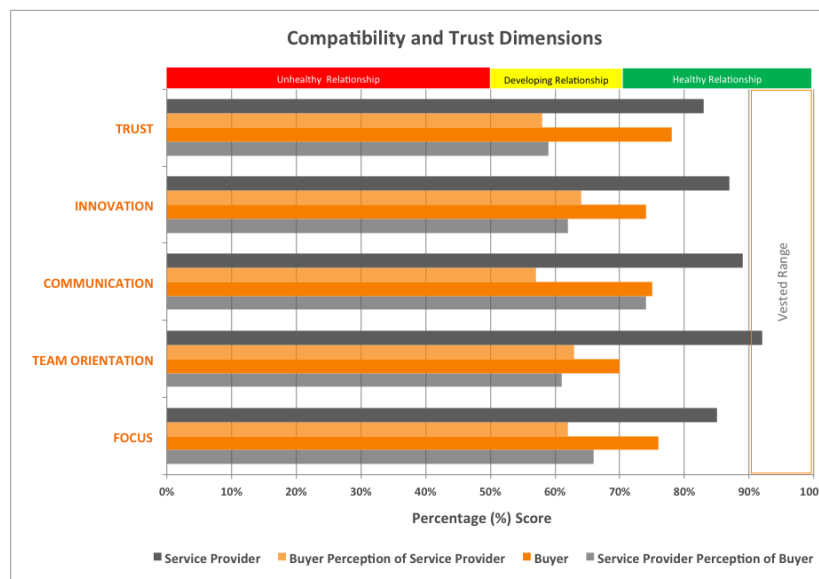


Besides the spider charts, the gaps between the self-views and perceptions are presented both in table format.

COMPATIBILITY and TRUST DIMENSIONS	Average Score	Buyer Compared to Service Provider Perception of Buyer	Service Provider Compared to Buyer Perception of Service Provider	Total Difference
	Percentage Score	Difference	Difference	Absolute Total
FOCUS	69%	-18%	-10%	28%
TEAM ORIENTATION	74%	-19%	-8%	27%
COMMUNICATION	69%	-5%	0%	5%
INNOVATION	65%	-23%	7%	30%
TRUST	71%	-7%	-6%	13%

The raw percentage score is also presented for each view across the five dimensions both in table and graphic format.

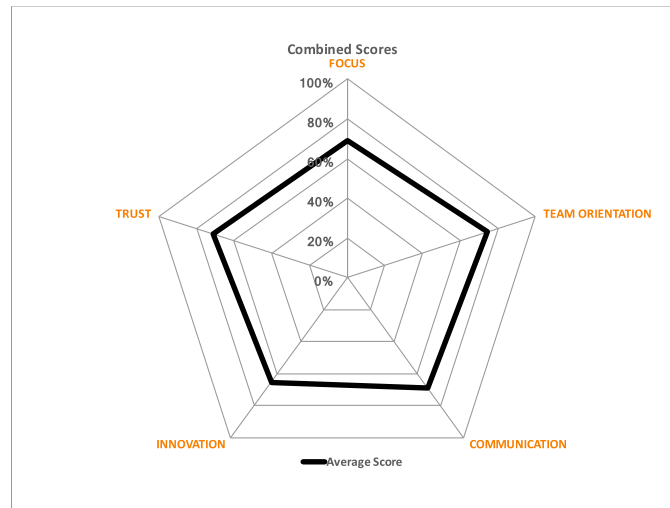
COMPATIBILITY and TRUST DIMENSIONS	Buyer	Buyer Perception of Service Provider	Service Provider	Service Provider Perception of Buyer
	Percentage Score	Percentage Score	Percentage Score	Percentage Score
FOCUS	76%	62%	85%	66%
TEAM ORIENTATION	70%	63%	92%	61%
COMMUNICATION	75%	57%	89%	74%
INNOVATION	74%	64%	87%	62%
TRUST	78%	58%	83%	59%



FAQ GUIDE: COMPATIBILITY AND TRUST ASSESSMENT



The last spider chart you will receive is a spider chart graph of the average score across all four views. Please note, this differs from the Vested Index because it is an average of the raw scores, while the Index considers the gaps in perception.



Q. WHAT DOES IT MEAN IF THERE ARE LOW DIMENSION SCORES ACROSS ALL VIEWS?

Low scores indicate that the party's behaviors and organizational culture, as perceived by both parties, are less cooperative. Think of the scores as an overall snapshot of how an organization likes to work. For example, high-tech organizations and pharmaceutical organizations often score relatively high on "innovation" because the people that work in these organizations love innovation and the change associated with it. Other organizations thrive on consensus-building and collaborative teaming environments. When measuring the perception of your business partner, low perception scores often indicate issues with how well the individuals within a buyer-service provider partnership are working together. It is not uncommon for less established relationships to have lower scores because the parties have not learned to work as a cohesive high performing team.

We see teams that do bi-annual CaTs to measure their relationship health and have candid discussions about how to close the gaps, will over time "grow" to have higher scores and lower gaps as they learn to work together more cohesively.

Q. WHAT DO THE GAPS INDICATE? WHY ARE THE GAPS IMPORTANT?

The gaps between self-views indicate a perceived misalignment in the behaviors and cultures between the parties; this perception is important since key and engaged individuals from both parties complete the survey so "perception is reality" as measured. Gaps between the self-view and the other party's perception indicate a lack of understanding of the other party's behaviors and cultures.

Misalignment can cause misunderstandings in the relationship and will erode trust. It can also lead to shading if left unchecked. Shading – a term coined by Nobel Laureate Oliver Hart - is a retaliatory behavior in which one party stops cooperating, ceases to be proactive, or makes



countermoves. Shading happens when a party isn't getting the outcome it expected from the deal and feels the other party is to blame or has not acted reasonably to mitigate the losses. The aggrieved party often cuts back on performance in subtle ways, sometimes even unconsciously, to compensate. Shading can easily create a back-and-forth "tit-for-tat" friction that leads to inefficiencies and increased transaction costs. How does shading relate to the CaT results? Take a look at the adjectives and open-ended questions to see spot friction that is happening in the relationship. For example, in the open-ended questions, one partner states what they would like to see the other partner do better. See if you can pick up threads of insight that might correlate with the gaps in the CaT.

Q. WHAT'S CONSIDERED TO BE A LARGE GAP?

We like to see gaps of less than 0.10. The parties should explore any gap above this.

- Gaps under 0.05 across all five dimensions are considered closely aligned and compatible. These relationships are healthy.
- Gaps between 0.05 and 0.10 across all five dimensions are considered aligned; however, understanding the reasons for the gaps is important. These relationships tend to be stable with few open issues, however they can be improved.
- Gaps over 0.10 but under 0.20 are considered developing. The gaps may be contributing to misunderstandings that cause tension in the relationship and impact cross-organization performance and interactions.
- Gaps over 0.20 indicate a significant misalignment that should be addressed before the parties embark on a Vested agreement. We consider gaps over 0.20 to be "unhealthy" and indicate cultural incompatibility and significant trust issues.

Q. I SEE A GAP IN THE DIMENSION FOR INNOVATION, DOES THIS MEAN OUR INNOVATION PROJECTS ARE NOT WORKING?

No, it does not mean your projects are failing. The CaT tests for the level of support for innovation and the willingness of the organizations to change and take risks. The questions do not address innovation projects directly but assess the behaviors and cultures that support innovation.



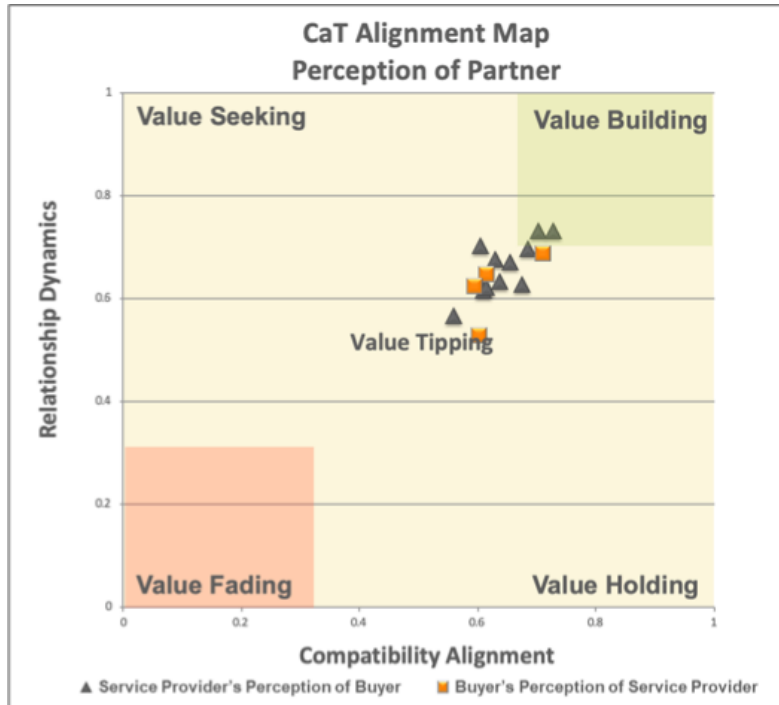
Q. WHAT IS THE SCATTER PLOT GRAPH CHARTING?

A valuable diagnostic tool included in the CaT report is the scatter plot graph. Each point in the scatter plot represents an individual's response. Scatter plot charts are done for both self-views and perceptions. The scatter plot is similar to a 'DNA footprint' of each party by providing an overall "map" from the people taking the assessment. You can compare the "map" of the DNA footprint from the buyer to the service provider.

At right is an example of a scatter plot chart that shows the perception gaps of the partners. In this case, only two individuals from the service provider view the buyer as having "value building" behaviors.

The "map" shows how individuals (anonymously) map into an organization. In some cases, some people may have a very negative self-view of themselves and their

organization or perhaps have a harsh perception of their business partner. The CaT highlights this. We find that usually individuals simply are not bringing the right mindset for building strategic relationships. For example, let's say a procurement person on the team has been trained to always to use their power over the service provider. Or a service provider's salesperson is continuously nickel and diming the buyer on scope creep with opportunistic behavior. This can create aggressive (or worse, passive-aggressive, behaviors). The CaT helps identify the magnitude of people with the wrong mindset in both the buyer and service provider organizations. This helps identify how much the parties will need to proactively drive change management efforts in changing mindsets for the people to learn how to build effective relationships and resist the urge for short-term opportunism that negatively affects the relationships.



Q. WHAT DO THE DIFFERENT STYLES IN THE SCATTER CHART REPRESENT?

- Value Seeking – The party with less power in the relationship tends to submit to the party with power.
- Value Holding – The party with more power in the relationship takes a muscular approach.
- Value Tipping – The parties shift between the Value Seeking and Value Holding styles; the relationship lacks trust and openness.
- Value Fading – The relationship is dysfunctional and exhibits destructive behavior.
- Value Building – The parties work together to build and share value equitably in the relationship; there is a good level of trust.

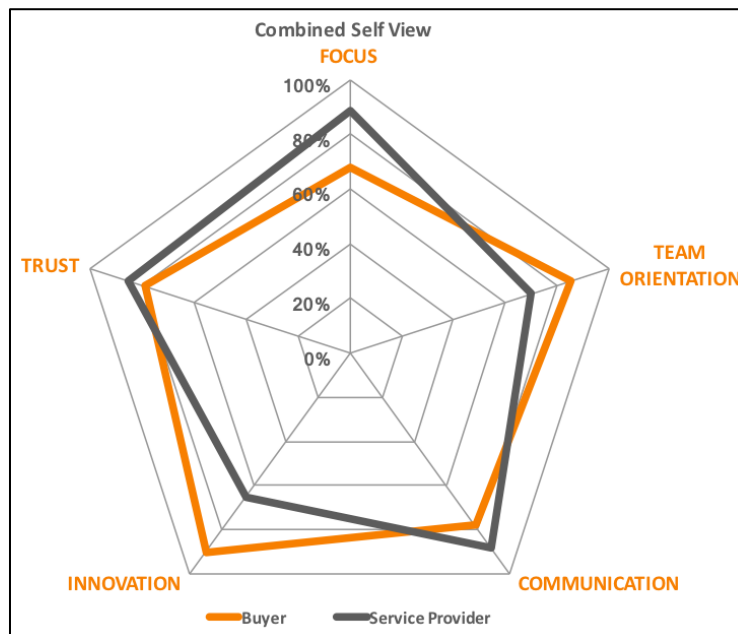


Q. HOW CAN YOU TELL TWO ORGANIZATIONS ARE NOT COMPATIBLE?

The CaT Assessment gives a numerical score that profiles how strongly the organizations align to each of the five CaT dimensions. Think of this as the ‘DNA footprint’ of each organization, with the overall score comprising all the people taking the assessment. An organization full of people that love innovation will have a high CaT self-assessment score in innovation.

We say that organizations are compatible when they have a similar “DNA footprint” across the five CaT dimensions. In layman’s terms, people would say there is good “cultural fit”. We like to see alignment in self-views with gaps of less than ten percentage points.

One example of incompatible cultures comes from a medical supply organization, the buyer, and a facilities management service provider that focused mainly on maintenance services. The buyer was very innovative and always seemed to go in different directions. They described themselves as having ADHD (attention deficit hyperactivity disorder). They were also extremely consensus-driven as well, meaning they found it difficult to make decisions without a large number of people. Not surprisingly, as you can see from the below chart, they scored high on innovation and team orientation, but low on focus. Meanwhile, the service provider was very conservative and operationally focused. They liked to have a plan and execute the plan with a long-term focus. Operational efficiencies were far more critical to the organization than innovation. Although the organization did adhere to a rigorous continuous improvement method, it was mainly with the goal to perfect their already existing processes. As such, they scored high on focus and low on innovation since they did not like change. Additionally, they scored low on team orientation because as an organization, they valued individual contributors and performance over working in teams..



As part of the CaT Assessment workshop, the CDA Coach made a quick comparison of each of the organizations’ websites. Since the CDA Coach was also conducting a Deal Review, the CDA Coach was also interviewing team members. During the interviews, the CDA Coach heard team members complain of key frustrations areas stemming from cultural incompatibilities.

FAQ GUIDE: COMPATIBILITY AND TRUST ASSESSMENT



	Buying organization	Service provider
Long History	Started in 1949	Incorporated in 1885
Annual Revenues	\$15 Billion	\$35 Billion
Global Operations	40,000 employees / 120 countries	142,000 employees / 150 countries
“Values” stated on the organization website	1) Innovation	1) Innovation & Ingenuity
	2) Integrity & Honesty	2) Integrity & Safety
	3) Sustainability & Quality	3) Sustainability
	4) Personal Worth of Employees	4) Employee Engagement
	5) Good Citizenship	5) Customer Satisfaction
Perception of culture / Values described in interviews	1) Innovation – but with a lack of focus (ADHD)	1) Assimilate companies & new employees
	2) Business units maintain autonomy	2) “No one on site empowered to act”
	3) Compel with facts	3) Mandates
	4) Action-oriented	4) “Everything at Service provider takes 90 days”
	5) Agility & flexibility	5) Standardized process

While on the websites the values were similar, in practice the organizations had developed a culture not aligned with their stated values. The CaT emphasized this level of incompatibility so it helped the organizations literally “see” the areas of incompatibility. Unless one organization changed their core philosophies, it was apparent the buyer and service provider would always be misaligned in basic philosophies, which erodes trust and creates a poor working relationship.

FAQ GUIDE: COMPATIBILITY AND TRUST ASSESSMENT

FOR MORE INFORMATION ABOUT....

The University of Tennessee is highly regarded for its Graduate and Executive Education programs. Ranked #1 in the world in supply chain management research, researchers have authored six books on the Vested business model and its application in strategic sourcing.



For additional information visit the University of Tennessee's website dedicated to the Vested business model at <http://www.vestedway.com/> where you can download white papers, watch videos, read articles and subscribe to the Vested blog. You can also learn more about our Executive Education courses in the Certified Deal Architect program as well as download the many resources and [tools](#) to help you understand and begin the Vested journey.

For more information, contact kvitasek@utk.edu



* Prerequisites for **Creating a Vested Agreement** class are:

Five Rules, Is Vested Right?, Getting Ready, and the Vested 3-Day Executive Education Course



Be working with a Vested Center of Excellence