

Are you leaking value?

Third Party Assurance



Are you leaking value?

It's your business. Don't give it away

In today's business world, organisations are experiencing considerable leakage of value by not having critical business relationships aligned and working well. Are your activities fitting snugly with those of your partners or are they leaking value?

Are your relationships with alliances, partners, outsourcers, distributors and licensees operating effectively to deliver your business objectives? Are your critical business relationships achieving their potential?

Issues may have already arisen about the contractual arrangements that you have. Issues may have emerged in relation to the business protocols that have emerged as the relationship has developed. You may feel that you are leaking value. It may just be that no-one has looked at the relationship recently or in a sufficiently thorough, risk focused way.

It's your revenue. Plug the leaks

Alliances, joint ventures and other third party arrangements have been a valuable way of exploiting intellectual property and brand value as quickly and efficiently as possible – maximising revenue and speed to market. A multitude of practices and protocols have developed for revenue sharing, royalty payments, licensing agreements, distribution channel funding and other revenue arrangements. How recently have you received independent assurance over these channels and arrangements?

It's your cost base. Galvanise the process.

The trend to outsource certain business processes has been widespread and arguably successful in delivering value. Partners and alliances are involved not only in information technology, human resource services and financial transaction processing but also customer service, product development, research and sales management. In some cases, the arrangements have not delivered the expected benefits let alone their full potential. How recently have you received independent assurance over these critical business process partners?

Third parties bring great benefits and new risks

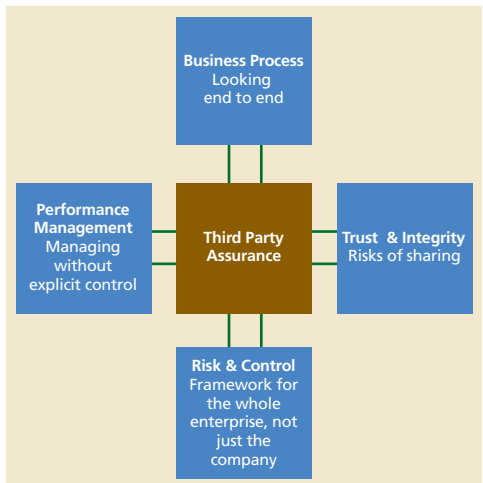
Your old, successful business management, risk management and assurance processes don't need to be thrown away. They need to be adapted, updated and extended to deal with the interdependence risks brought through third party relationships.

Business Process – end to end. Do you have sufficient assurance over the reliability and continuity of key business processes?

Trust and Integrity – the risks of sharing. Are you comfortable with the potential impact on your brand and reputation through opening up and sharing information with your business partners?

Risk and Control – across the whole enterprise. Do you understand and effectively manage the risks across the whole of the organisation including your third parties?

Performance Management – without explicit control. How do you ensure the effective performance of third parties without the explicit control that you enjoy over your own organisation?



Our services

Third Party Assurance, '3PA' is Deloitte's response in assisting you as you tackle these issues. We have designed and developed 3PA services through extensive research into the issues around alliance formation and a wealth of experience in helping some of the world's largest and leading organisations.

Assess your portfolio of relationships

Who are your critical business partners and alliances? Where are your key relationships? How important are they to the way in which you create value? Our risk based methodology assists you in identifying and mapping the important relationships throughout your organisation by determining where key processes rely on, or interact with, third parties and analysing the key characteristics of those relationships – the risk factors, the relevant importance to value creation and the likelihood of failure.

Build a programme

Whatever your objectives, we can work with you to develop an approach that blends the best elements of our 3PA service. Our deep skills in data analysis and process mapping to identify trends and issues, our experience of working in a sensitive and professional manner with your business partners and our experience of working with the world's largest organisations mean that we can quickly focus to get the right results in a cost effective manner.

Identify value leakage

We can assist you in assessing the extent to which your objectives are being met. Our review methodology involves assessing the relationship both in terms of contractual arrangements and business protocols. Through a tried and tested methodology, we work with you to develop the objectives of the review – there may be a focus on missing revenues

or exaggerated costs, or learning how to improve the operating model. There may be a desire to assess where the key control problems are and how they might be remediated, or just a desire to get comfortable with the security around processes operated by your key business partners.

Your benefits

Our services are tailored to your individual needs. They range from the development of skills, processes and tools designed to enable your business to manage the risks of selecting, entering into, managing and enhancing relationships for value, through to assistance with making specific claims for costs or revenues and providing assurance over specific third parties and processes.

Whether through a one off distributor review, a program of royalty revenue reviews, an identification and assessment of the critical partners in your business or a review of your IT outsource partner, 3PA can deliver a host of benefits to the organisation.

- Increased or maximised revenue
- Decreased or minimised partner costs
- Enhanced levels of service
- Better terms and conditions
- Protection of intellectual property, brand and reputation
- The sharing of good practice
- Influencing your business partners
- The identification of process improvements
- A clear understanding of the spectrum of your risks and exposures
- A picture of the control issues and weaknesses at your business boundaries

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