

## What type of relationship is best for business?

By: David NieKamp, Psy.D

*Organizational Development Psychologist, Nenni & Associates*



As the ESCO industry continues to grow, the field of companies that can deliver high-value projects at competitive prices expands. Some of our key relationships report that important differentiators between organizations can be hard to identify. As a result, these companies are more interested in “driving” projects with key relationships rather than “chasing” projects that are well known on the street. Subsequently, quality relationships are crucial to winning and completing deals in a timely fashion. How then can ESCOs identify, create and optimize these relationships to ensure they drive business more than they chase it.

Clearly, those who have been in the industry long enough to have established solid relationships have the advantage, however, disseminating this experience to the next generation can be tricky. The newbie has likely been infused with the vernacular adage **Time is Money**. As true as this idiom is, it directly contrasts the equally important philosophy of **Relationships Drive Business**. Relationships require time and investment, which do not immediately translate into money. Reconciling this tension begins with a clear understanding of what exactly constitutes and defines a relationship, let alone creates key relationships that drive business.

There are three fundamental types of relationships, all of which have merit and build on each other: The Parallel relationship; the Transactional relationship; and the Transformational relationship.

The first is a **parallel relationship**. This type of relationship is **experientially based**; this is like watching a movie together, we have similar experiences, but we do not necessarily interact until after the experience. We may discuss the content, production, or plot lines, but we do not engage each other outside of our individual perspective on that experience.

The second type of relationship is the **transactional relationship**. This type of relationship is **exchange-based**; this is best portrayed by the check-out line. There is an expected interaction sequence, albeit, you may know anecdotal personal information about the individual, the conversation is a vehicle simply to move us through the transaction and exchange of goods for money. Once the transaction is over, so is the interaction and relationship.

These two types of interactions are important, but neither create a relationship that drives business. They are merely events, suspended in the present that quickly dissolve into the past, creating the necessity of consecutive restarts. Though often necessary, they do not drive business.

The third type of relationship is a **transformational relationship**. This type of relationship is the **ideal** that all organizations strive to achieve and is based on the **type and quality** of input, more so than volume or quantity. The value of the input is activated only when integrated with the input of others. It is truly relationally based, meaning that regardless of the experience or the type of transaction, the relationship develops and grows; it becomes better than what it was, as do the people in the relationship. In short, words like; trust, productive, profitable and efficient are used to describe the relationship and its output, as opposed to descriptors like; ‘a waste of time’ and ‘unproductive’, or worse ‘destructive.’ If the event or the exchange does not fortify the relationship; make the relationship or the people in the relationship ‘better’; then it is either a parallel or transactional event; nothing more.

Each type of relationship is inherent when doing business. Working in parallel is where companies can learn about what others are doing, taking notes and applying new ideas and observations from others in the industry. Transactions are inherently necessary for all businesses and industries to move through and close out a deal; however, both are limited and neither create the type of relationship that truly drives business efficiently and effectively forward. Transformation is often used to describe relationships and/or events that are actually Parallel or Transactional. When this happens, we wonder why we are still ‘chasing’ business and not driving it! In order to ensure that we are creating relationships that drive business, make sure you accurately identify what type of interaction is needed and drive it toward transformation.

*David NieKamp, (a.k.a. Dr. Dave) is a licensed clinical psychologist and has been working in the field of organizational development and leadership design for 20 years. His expertise and experience are utilized by ownership and organizational leadership to create efficient and effective work culture; mitigate risk, improve overall performance and successfully train team members for professional growth. A noted strength of Dr. NieKamp is his ability to move seamlessly between organizational culture and leadership’s personal needs that impact their ability to maintain effective decision making.*

*Dr. NieKamp is the originator of the unique and powerful, Triad Team Model. The Triad Team Model is a systems-based leadership model, stemming from the theories of Peter Drucker, Edward Demming, Russell Ackoff and more currently, Michael Maccoby. The model identifies and leverages an accurate and simple understanding of fundamental personality structures to create productive leadership teams.*