

“TRUSTOMETER” ©



The “TRUSTOMETER” © is developed by:

- Floris Bax, Senior Category Purchaser, KPN NV
- Wim van Es, Manager Purchasing, PPG Industries Fiberglass BV
- Marco van der Heijden, Manager Procurement & Logistics, NKI-AVL
- Michel Hilgersom, Director Procurement Commercial, KLM NV
- Suzanne de Jong, Manager Facilities & Procurement, Yarden

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AIR FRANCE KLM



PPG PPG Fiber Glass
Making Strategy Happen

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Iedere uitvaart uniek

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1. Introduction

Joint purchasing activities only can be succesfull if a sufficient level of trust exists between the participants. This explains the need for a diagnostic tool to analyse the actual level of trust between joint purchasing partners. Based on literature and field research a practical instrument was developed, the 'TRUSTOMETER' ©.

The 'TRUSTOMETER' © is a diagnostic tool to analyse trust in joint purchasing relationships. Using twelve different conditions for trust it will indicate the level of trust between the joint purchasing participants.

Detailed use of the 'TRUSTOMETER' © will give background information why certain conditions are not (completely) met and therefore give further direction in how to improve the actual trust situation, including setting of priorities.

The tool is a completely new approach in understanding the mechanisms of trust related to joint purchasing.

The authors appreciate any comments or feedback given by future users of this tool.

2. How to use the 'TRUSTOMETER' ©

The tool consists of a simple questionnaire that can be used by all employees and stakeholders working in a joint purchasing environment. The questionnaire investigates twelve separate trust conditions in any organization that influence joint purchasing.

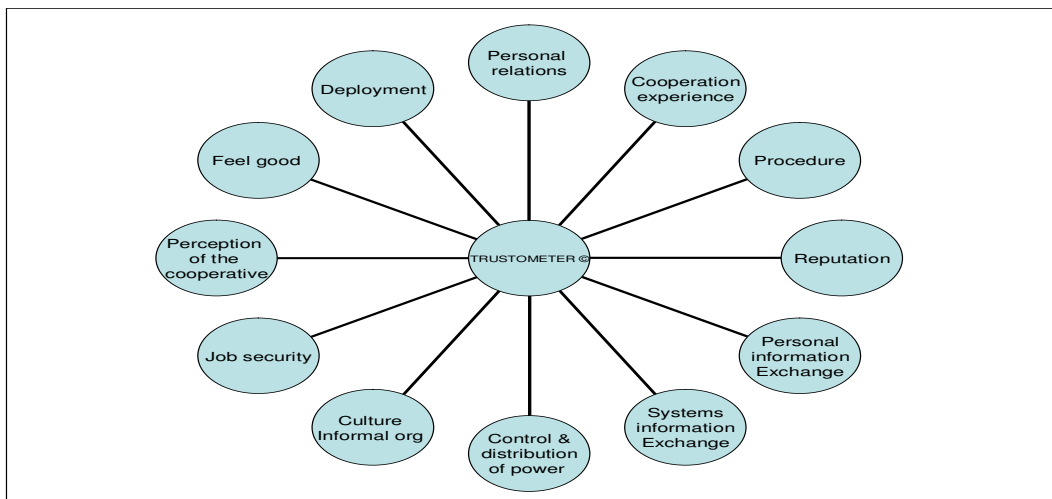


Fig. 1: The conditions used in the 'TRUSTOMETER' ©

If it is felt that using all conditions makes things more complicated than necessary it is also possible to use only the five conditions that after field research were selected to be the most

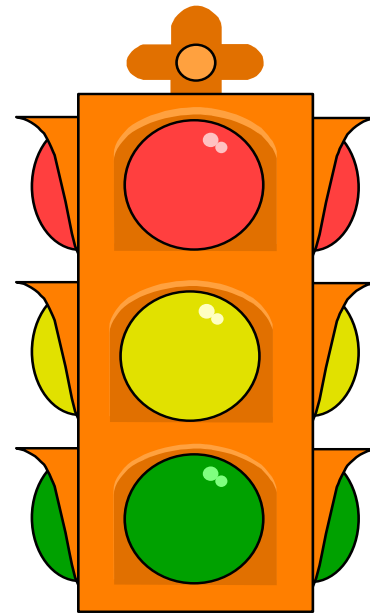
important. These are information exchange, personal relations (affective trust), culture and informal organisation, feel good and personal feeling, control and distribution of power. Of course more conditions could be added if necessary. Also, one can decide to use only the conditions that are relevant for a specific situation or organization, making the tool indeed a common aid to identify the level of trust. However, it is recommended to use at least the five most important conditions from the research.

An important aspect of using the ‘TRUSTOMETER’ © is that the respondents should try to provide some explaining comments in addition to the scores for each condition. In doing so, insight will be gained in why certain scores are high or low and what can possibly be done about that in order to enhance the general level of trust.

When the questionnaires are completely filled in, performing simple calculations (like averaging scores) provides insight into the main conditions of trust that apply to your own organisation. The comments explaining the perceived importance provide support in the reasoning behind the relative importance of those conditions for your organization.

Making small cards with the conditions such as figure 1 can be helpful in discussing the most important conditions in one specific situation. The field research showed that respondents found this a very interesting aid in determining a ranking.

The next step could be to organize an open discussion defining the strengths and weaknesses of the trust relationship and to make an action plan to improve where it appears to be appropriate. This exercise can be repeated one or two years later in order to sustain progress and evaluate this key factor.



3. ‘TRUSTOMETER’ © unravells and builds trust!

By using the ‘TRUSTOMETER’ ©, one can identify one's current position with regards to trust in a joint purchasing initiative. Besides the diagnostic value to explain the current status and hence act as a starting point for discussions with the cooperative partner on successes that are lacking or that have been achieved, it has a more prominent value. The ‘TRUSTOMETER’ © can also be used as a guideline for developing specific actions aimed at building a higher level of trust between joint purchasing partners. Therefore, the ‘TRUSTOMETER’ © will not only tell you where you stand when it comes to trust in joint purchasing initiatives, it can also guide you along the path towards (more) successful joint purchasing.

If utilized as suggested, the ‘TRUSTOMETER’ © contributes to the success of any joint purchasing initiative.

*BC JP - Trust Is The Key
Questionnaire*

'TRUSTOMETER' ©

Questionnaire

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**BC JP - Trust Is The Key
Questionnaire**

Trust - conditions

1. Personal relations (affective trust)

Question: How would you describe the relationships between you and your cooperative counterpart (these are the purchasing colleagues you do joint purchasing with)

Parties do not know each other personally, personal information is not shared	1	2	3	4	Parties know each other personally and meet regularly outside working environment
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Remarks:

2. Cooperation experience

Question: What is your experience with joint or cooperative purchasing

Joint tasks have not been conducted; no experience with working with other	1	2	3	4	A large number of tasks, including very challenging tasks, have been conducted together, and there is extensive experience with how to work with the other
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Remarks:

**BC JP - Trust Is The Key
Questionnaire**

3. Procedures

Question:

Do you have procedures supporting joint purchasing

There are no joint procedures, legal agreements or contracts between the parties involved

1

2

3

4

Effective agreements ad or procedures have been defined and followed by all participants

Remarks:

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Questionnaire**

4. Reputation (cognitive trust)

Question: What is the image you have of your fellow purchasers in the cooperation counterparts

Negative image of the counterpart low esteem for skills and knowledge of the counterpart

1 2 3 4

Very positive image and high esteem of skills and knowledge of the counterpart

Remarks:

5. Information exchange (attitude)

Question: How effective do you consider the exchange of (relevant) information between the joint purchasing partners

There is no exchange of any information outside the publicly available information; knowledge is not shared

1 2 3 4

All relevant information is open and honest; no reluctance in sharing any information or knowledge in all directions not only related to purchasing

Remarks:

**BC JP - Trust Is The Key
Questionnaire**

6. Information exchange (systems based)

Question:

How effective do you consider the exchange of (relevant) information between the joint purchasing partners

There is no information on contracts, tenders or spend data available through databases.

1

2

3

4

Databases provide all relevant information on spend data, contracts, tenders and suppliers.

Remarks:

**BC JP - Trust Is The Key
Questionnaire**

7. Control and distribution of power

Question:

Please explain the empowerment of control & decision making within your joint purchasing environment

Influence on the other is not accepted; interests and wishes of other are not taken seriously

1 2 3 4

Full acceptance of influence on the other; interest and wishes of other are well-known and included in planning and actions

Remarks:

8. Culture/informal organization

Question:

Describe the culture between the joint purchasing partners

Cultures vary strongly; there is no knowledge of norms and values of other; differences from own way of working are not accepted; we vs. they

1 2 3 4

Key norms and values are known and shared; differences are accepted and appreciated; behavior of other is predictable; there is a shared identity

Remarks:

**BC JP - Trust Is The Key
Questionnaire**

9. Job Security

Question: How do you assess the effect of joint purchasing on the position and career of people in your company?

Individuals are not supported by their own organization; other may be a threat to individual's career, position, etc.; unclear what consequences of cooperation are to individual

1 2 3 4

Individuals are fully supported and even rewarded for cooperation; cooperation offers new opportunities for individual and there is a positive expectance for consequences of cooperation

Remarks:

10. Perception of the cooperative partner.

Question: How loyal and active do you consider your partner company in the joint purchasing activities

Purchasing partner (incl. upper management) is not loyal to the assumptions of the cooperation. Partner consumes benefits, but doesn't supply any input.

1 2 3 4

Purchasing partner (incl. upper management) gives full proactive support to the cooperation.

Remarks:

**BC JP - Trust Is The Key
Questionnaire**

11. Feel good / personal feeling

Question: Do you feel good about your work and your counterparts within the actual joint purchasing cooperation

I do not enjoy working within the joint purchasing environment	1	2	3	4	Working within the joint purchasing environment gives me much pleasure
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Remarks:

12. Deployment

Question: What happens if you fail to meet the agreed upon joint purchasing actions?

No Consequences	1	2	3	4	Extremely Uncomfortable (formal or social)
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Remarks:

**BC JP - Trust Is The Key
Questionnaire**

Importance of conditions

Cards with statements (similar to conditions above) will be provided during the interview.

Please select 5 cards that you feel have strongest effect on trust.

Next: put these five cards in a priority order.

1 =

2 =

3 =

4 =

5 =

Remarks: