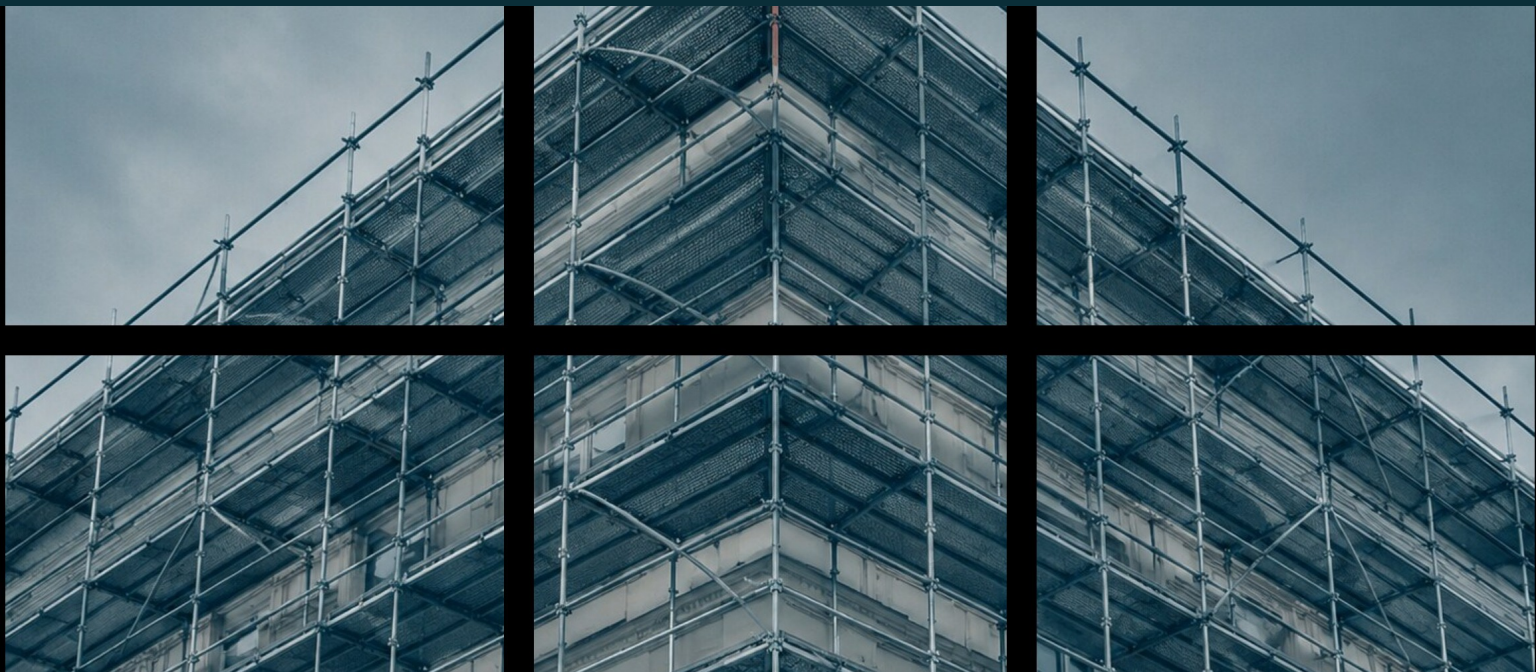


BEYOND VENDOR DEPENDENCE

When the Integrator Owns the Strategy, the Client Owns Only the Contract

How vendor-led transformation converts scarce expertise into permanent managerial dependence



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“The most expensive dependency is not on a supplier’s people; it is on a supplier’s interpretation of your own enterprise.”

The strategy arrives in a project binder

The workshop begins with an empty wall and ends with forty-seven process diagrams.

Across three days, a team from the systems integrator interviews senior managers, compares the enterprise with its “leading practice” model and converts the discussion into a transformation blueprint. The document recommends a common enterprise package, shared service centres, new management information and a staged implementation across four divisions.

The client is impressed by the pace. Its own managers have debated the same problems for years without producing a coherent answer. The integrator has produced one in a fortnight.

Six months later, almost every important question begins with the same phrase: “What does the integrator recommend?”

That is the moment the commercial relationship changes. The supplier is no longer providing specialist capacity to execute a strategy. It is becoming the place where the strategy resides.

Expertise is not ownership

The appeal of vendor-led transformation is understandable. Large organisations often lack enough people who can combine process knowledge, enterprise systems, programme management and large-scale implementation. Integrators can mobilise quickly. They bring established methods, experienced specialists and lessons gathered across many assignments. When an enterprise is under pressure to modernise, buying that capability can be far more sensible than attempting to build it from nothing.

The strongest case for the integrator is therefore not laziness. It is scarcity.

But scarce expertise and strategic ownership are different things. Expertise can be purchased. Ownership cannot be transferred without consequence.

A strategy is not merely a design. It is a series of choices about where the enterprise will compete, which capabilities will distinguish it, what it will standardise, what it will preserve and which risks it is prepared to accept. Those choices require knowledge of customers, history, internal power, operating constraints and managerial appetite that no external team can fully possess.

When the integrator fills that gap, it must rely on something else: its method, its reference models, the capabilities of the package and the experience of the people it can supply. The resulting answer may be competent. It may even be excellent. But it will naturally favour what the supplier knows how to deliver.

A supplier's method can accelerate thought. It cannot substitute for the client's judgement about what the enterprise is trying to become.

The dependency begins before the contract

Most leaders look for dependency in the commercial terms: proprietary tools, scarce technical skills, long support arrangements or change-control charges. Those are visible and can be negotiated.

The more dangerous dependency begins earlier, when the client lacks the internal capability to challenge the design.

Consider a composite £82 million transformation programme. By month four, the integrator has 176 people assigned. The client has appointed a sponsor, a programme director and ten workstream leads, but most of those leads still carry substantial operational duties. The integrator prepares the papers, records the decisions, maintains the plan and supplies the specialists who explain the enterprise package.

A disputed process decision reaches the design authority. The supplier recommends adopting the package standard, avoiding £1.4 million of custom development. The operational team argues that the existing exception protects a valuable group of customers. The client has no independent process architect, no reliable data on the customers affected and no one able to test the cost estimate. The decision is approved because it is the only complete recommendation on the table.

The supplier did not seize control. The client left the decision unowned.

This mechanism repeats until the programme appears to have strong governance while exercising little independent judgement. Boards approve recommendations that have already been framed, analysed and costed by the party best placed to deliver them. The decision rights remain formally with the client; the decision capability does not.

Why the contract cannot save you

Procurement can require knowledge transfer, documentation and client participation. These provisions are worthwhile. They do not solve the strategic problem on their own.

Knowledge transfer is often treated as a delivery at the end of a workstream: manuals, training sessions and several weeks of shadowing. By then, the important reasoning has already occurred. Internal staff may learn how to operate the solution without learning why particular options were rejected, which assumptions remain uncertain or how the design should evolve when conditions change.

Documentation captures conclusions more easily than judgement.

The same limitation applies to fixed-price contracting. A firm price can control defined scope. Transformation, however, discovers new information as processes, systems and organisational boundaries are examined. If the client cannot judge what should change, every discovery becomes either a chargeable variation or a reason to protect the original specification. Commercial certainty then encourages strategic rigidity.

The current pressure on large technology investments makes this especially relevant. After years in which enterprise packages and Internet programmes attracted ambitious promises, boards are demanding firmer costs and faster returns. Suppliers will respond with more standardisation and clearer contractual boundaries. That may improve delivery discipline. It will not tell the client which parts of its business should be standard.

Keep the questions that matter inside

The answer is not to exclude the integrator from strategy. That would waste experience the enterprise genuinely needs. The answer is to retain a small set of capabilities that allow the client to remain an intelligent principal.

Those capabilities are not a mirror image of the supplier's organisation. They are the functions that preserve choice:

- Business design authority. Senior operators who can decide how the enterprise should work across functional boundaries.
- Independent architecture. People able to assess the whole information estate, test package-led recommendations and understand the consequences of interfaces, customisation and migration.
- Commercial intelligence. A team that can distinguish a legitimate change in scope from work that should have been anticipated.
- Benefits ownership. Executives who control the operating changes that convert systems delivery into financial and service results.
- Programme memory. Decision records that capture assumptions, alternatives and reasons—not only approved conclusions.

These roles must be staffed by credible people with time to do the work. Naming an internal counterpart who attends one meeting a week does not create client capability.

A useful rule is that every major supplier recommendation should meet three tests before approval:

1. Can the client restate the choice in its own language? If not, it does not yet understand the decision.
2. Can the client describe a credible alternative? If not, it is accepting a recommendation, not choosing.
3. Can the client explain the consequence after the supplier leaves? If not, the dependency is being built into the future operation.

This discipline will slow some decisions. That is not necessarily failure. Speed achieved by removing the client from its own choices is borrowed time.

The serious objection: duplication

Integrators often argue, with reason, that strong client teams create duplication. Two sets of architects, process specialists and programme controls can produce debate, delay and blurred accountability. A supplier cannot be held responsible for delivery if every design decision is reopened by an internal group with no obligation to meet the timetable.

That risk is real. Client capability should not become a rival implementation organisation.

The division must be explicit. The supplier owns the integrity of its recommendation and the delivery it has contracted to perform. The client owns the business choice, the priority, the accepted trade-off and the outcome. Internal experts should challenge at defined decision points, not rework every supplier artefact.

The aim is not two teams doing the same work. It is two parties carrying different accountabilities.

Where that distinction is absent, the client either interferes without adding judgement or delegates without retaining control. Both produce frustration; only the second is commonly mistaken for partnership.

Independence is an outcome of the programme

A transformation should leave the enterprise more capable of changing again. That is a better test than whether the supplier completed a knowledge-transfer checklist.

At the end of each phase, leaders should ask:

- Which decisions can we now make without external interpretation?
- Which operating and systems knowledge has moved into permanent roles?
- Which assumptions can our own people test?
- Which supplier positions can we challenge with evidence?
- Which parts of the design remain dependent on individuals who will leave?

If the answers deteriorate as the programme advances, the transformation is creating capability in the system while removing it from the organisation.

The most expensive dependency is not on a supplier's people; it is on a supplier's interpretation of your own enterprise.

The integrator should bring scale, method and experience. It should expose weak assumptions and accelerate difficult work. But it cannot be the only party able to explain the destination, the route and the trade-offs made along the way.

A client that owns only the contract does not own the transformation.