

The QBR Delusion

Exposing the devastating impact of poor QBRs on revenue, relationships and retention



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Contributors



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Business Unit Director
CEVA Logistics

Jon leads CEVA Logistics’ operations in the healthcare and technology sectors and has worked with Clientshare’s Pulse product from day one. Jon has dedicated the past four years to improving CEVA Logistics’ customer relationships and streamlining their operations. CEVA Logistics is a world leader in third-party logistics, providing and operating transportation and supply chain solutions for large or medium size companies.



Alistair McVicar
UK Sales Director
Kintetsu World Express

With over a decade of experience in customer development and solutions, Alistair is a highly endorsed leader and customer relationships expert. Prior to his work at Kintetsu, Alistair was a Director of Large Account Sales at CEVA Logistics and Regional Customer Solutions Manager at B&H Worldwide. Alongside his work at Kintetsu, he is a Commercial Director at Scotland Rugby League.



Claire Fields
Director of Strategic Partnerships
OCS Group UK

Specialising in client relationships for the past eight years, Claire currently focuses on the cleaning, retail and corporate sectors. Claire is leading OCS’s strategic relationships with key partners within these industries, as well as leading on the wider customer experience strategy. OCS Group is a global facilities services business across the UK, Europe, APAC and Middle East regions.



James Ward
Managing Director and Founder
Clientshare

James’ background is in business-to-business (B2B) relationships. He launched Clientshare with the vision to help B2B enterprises retain and grow their customers by giving them the tools to stand out, win trust and deliver exceptional Business Reviews. Today Clientshare is used by 1 in 3 FTSE100 companies. Previously he was at Xerox Corporation leading the financial and professional services sector.

Foreword



James Ward
Managing Director
Clientshare

With the dramatic decline in face-to-face meetings post pandemic, quarterly business reviews (QBRs) now represent the biggest (and often only) opportunity for suppliers to demonstrate value and innovation, share insights and expertise, and create demand for additional services.

It's alarming, therefore, that so many suppliers are falling short in how they manage their QBR process. This study reveals the extent to which buyer expectations around QBRs are rising and how few suppliers are responding and keeping pace.

Too many organisations have their heads buried in the sand, believing that they are doing a great job when their customers think otherwise. We know from experience that many suppliers aren't prioritising QBRs, overlooking the importance of review meetings and simply going through the motions. Even where organisations have the right intentions, they haven't got the right structures, processes and behaviours to deliver effective reviews. They're mired in operational data and are stuck looking backwards, while buyers are crying out for insight, innovation and strategic support.

When you stop to think about it, it's utter madness that many suppliers, who these days have a single opportunity each quarter to show real strategic value and grow their accounts, ask clients to attend a meeting, and then completely disregard what these clients actually want.

93%

of buyers report that they are looking at all their supplier relationships and the value they deliver with much more scrutiny than two years ago

88%

feel that suppliers aren't demonstrating enough evidence of value and innovation in QBRs / review meetings

This research highlights the dangers of sub-standard QBRs – the breakdown of communication and trust with customers, the missed opportunities to demonstrate innovation and added value, and the erosion of profit margins. Ultimately, poor QBR processes are now costing many organisations significant amounts of money, both in customer churn and lost growth opportunities.

On the other hand, the research shows how organisations that are able to embed a robust, consistent approach to QBRs have a genuine opportunity to gain a competitive edge. They achieve this through meeting clients' needs, demonstrating value and encouraging open feedback and communication. These organisations can take advantage of poor buyer-supplier relationships within their industries, and build stronger, more trusted relationships with clients that stand the test of time and provide a platform for growth.

These contrasting outcomes could not be more extreme. Suppliers that take a structured and strategic approach to QBRs can achieve their business objectives and accelerate growth. But those that fail to respond to customer needs and continue to overlook the critical importance of QBRs, risk losing customers, revenue and reputation. This research provides a stark warning to suppliers, one that they simply cannot afford to ignore.

Introduction – the critical role of the QBR today

Businesses today face a myriad of constantly evolving pressures. Whether it's the need to drive cost efficiencies and reduce risk, ensure regulatory compliance, address skills gaps, or optimise supply chains, the sheer complexity and dynamic nature of these challenges is immense and often overwhelming.

This is why organisations across all industries are increasingly leaning on their suppliers to help them navigate through a turbulent and uncertain landscape. Most businesses simply don't have the expertise, resources and scale they need to execute their strategies in all of these areas which means their supply chain has become more important than ever.



Indeed, the research finds that high-quality supplier relationships will be vital for the majority of organisations in meeting their business objectives over the next 12 months. Buyers point to a wide range of business objectives where they will be looking for support from suppliers, including cost reduction, revenue growth, customer experience and employee retention.

Top five areas where organisations feel suppliers can support their business objectives

- 1. Cost reduction
- 2. Revenue growth
- 3. Improved agility
- 4. Innovation / transformation
- 5. Customer experience

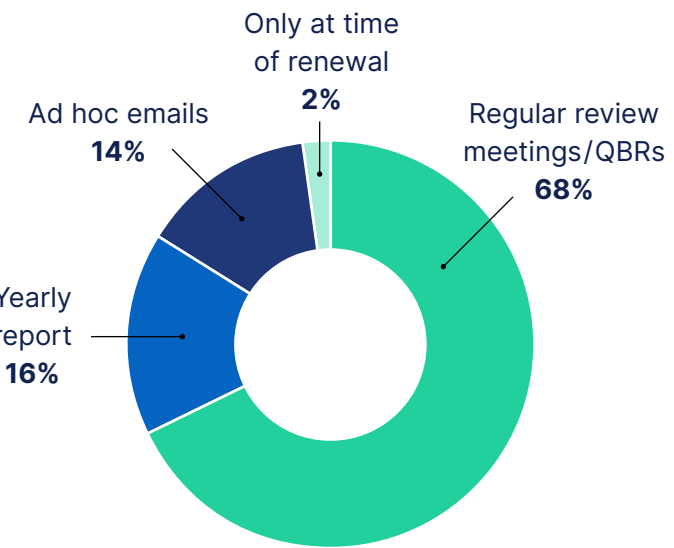
Interestingly, the research reveals some marked differences in opinion between different job functions when it comes to how suppliers can best support business goals. Operations leaders are more likely to see opportunities for suppliers to help deliver cost reduction, increased agility and exceptional customer experience, while their colleagues in procurement prioritise opportunities for revenue growth.

Overall, these findings undoubtedly spell good news for suppliers, with greater opportunities to retain and grow existing clients.

However, the research also highlights the extent to which buyers are increasingly paying attention to the results that suppliers are delivering. Against a difficult economic backdrop, suppliers are firmly under the spotlight. Buyers are becoming far more demanding and discerning, meaning expectations no longer revolve around service-level performance and KPIs alone.

Within this environment, where expectations are rising and the onus is on suppliers to constantly show their worth, QBRs have taken on a critical role. In fact, more than two thirds of buyers point to QBRs (or regular review meetings) as the most important opportunity for suppliers to evidence consistent value and innovation.

Buyer perspectives on the most important opportunity for suppliers to evidence consistent value and innovation



Q. What do you think is the single most important moment or opportunity for your suppliers to evidence consistent value and innovation?



James Ward
Managing Director
Clientshare

The number of face-to-face meetings between suppliers and their clients has fallen off a cliff post pandemic...this has served to massively elevate the importance of the QBR. Account managers aren't popping in ad hoc to see clients; the QBR has become their key moment to shine and demonstrate value.

Claire Fields
Director of Strategic Partnerships
OCS Group UK

There has been a big shift in the seniority of client-side stakeholders who are involved in managing supplier relationships. Certainly within our industry, Facilities Management, buyers are really investing in supplier relationships as they recognise the need to drive as much value as possible out of their investments. And that means that expectations are now far higher.

Buyers want suppliers to be far more aligned to their business objectives, values and culture and to demonstrate this in review meetings by offering insights, best practice advice and innovation.



Ineffective and frustrating – the current state of the QBR

Buyers are looking to QBRs as a platform for suppliers to demonstrate expertise, insight and innovation. However, the vast majority are feeling increasingly dissatisfied by their experience of these review meetings.

The research uncovers a wide range of frustrations for buyers when it comes to QBRs, before, during and after meetings. Many report that review meetings are often of a poor quality with sub-standard materials, little attention paid to innovation and strategy, and a lack of focus on how suppliers plan to address ongoing challenges. Other buyers complain that meetings aren't taking place at the agreed cadence and do little to strengthen relationships with suppliers.

The biggest frustrations for buyers around QBRs

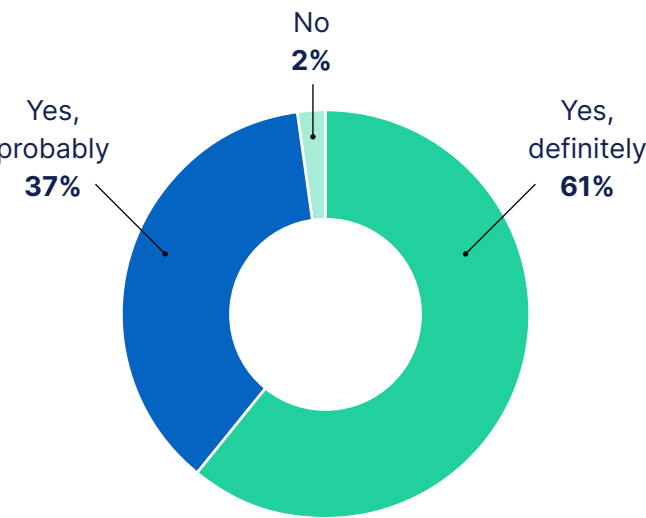
1. Actions and next steps agreed in meetings aren't followed through in a timely manner
2. Poor-quality meeting materials
3. Meetings don't add value to the business relationship
4. Meetings are of inconsistent quality
5. Suppliers don't spend enough time in meetings on how they will address challenges
6. Meetings not being held consistently at agreed cadence
7. The format of review meetings doesn't deliver lasting impact
8. Not enough focus on innovation in meetings

James Ward, Managing Director, Clientshare

"Many large companies run poor quality reviews. Even big brands that are spending millions of pounds on sales and marketing are going to QBR meetings with presentations that are average at best. Added to this, suppliers are presenting inaccurate data, they're turning up to meetings without their leadership by their side, and they don't have a robust or consistent way to follow up after meetings to ensure actions are assigned to the right people and implemented."

Across the board, there is a widespread feeling among buyers that suppliers aren't spending sufficient time preparing for QBRs, and therefore they're coming to meetings without any meaningful plan or objective. Suppliers aren't prioritising QBRs; they're simply going through the motions. As a result, the focus of meetings and the content which is presented is often irrelevant or inaccurate.

Extent to which suppliers could be doing more to prioritise and prepare for their review meetings / QBRs



Q. Do you feel suppliers could be doing more to prioritise and prepare for their review meetings / QBRs?

88%

of buyers feel that suppliers aren't demonstrating enough evidence of value and innovation in current QBRs, and this figure climbs to 94% among buyers in finance

76%

of buyers report that QBRs often feel like a tick-box exercise for suppliers

59%

state that QBRs frequently become overly operational and do not have enough strategic focus on how suppliers can support their business

James Ward Managing Director Clientshare

It's not enough for suppliers to simply be presenting historical performance data in a review meeting. This was fine five years ago, but things are moving rapidly and buyers now want their suppliers to provide meaningful insights on that data and, crucially, forward-looking recommendations and ideas.

The reality is that most suppliers haven't kept pace with this change in client expectations. Buyers often want to talk about innovation, AI being the hottest topic today, but suppliers are often still stuck in the trap of just presenting massive volumes of low-level operational data, and they're failing to instigate good business conversations. Despite best intentions, they're not properly discussing innovation, AI or ESG – the things that buyers are actually interested in and where they're looking for support, insight and ideas from their suppliers.

This is dangerous for suppliers. If key client stakeholders don't feel that they're getting value attending QBRs, they soon stop coming. The opportunity to have meaningful business conversations (and to upsell new services) is lost and, somewhere down the line, the buyer will make the decision to explore the market.

But it's not just contract churn that results from poor QBRs. Margin erosion is so often the silent killer of businesses. If suppliers don't demonstrate value, then come renewal time, they have to price against the competition and give away margin. And if they've been unable to upsell additional services over the contract life, then the contract value at renewal will invariably shrink.

Alistair McVicar UK Sales Director Kintetsu World Express

You need to differentiate between an operational review and a strategic, commercial, quarterly business review. You can't get bogged down reviewing operational data that you've probably already pored over in your regular catch-up meetings. That doesn't add any value and it is a massive turn off for clients. You should be covering off the operational reporting in the first five minutes of the meeting or, better still, in advance of the meeting.

The sooner you move away from operations and cost, the sooner you can spend time having value-add conversations, which is actually what both parties really want.



Broken promises and a lack of trust are leading to increased contract churn

74%

of buyers state that suppliers often make promises or commitments during regular review meetings that are not followed through

82%

More than three quarters of buyers report that they have cancelled a contract because they felt their supplier didn't deliver enough value and innovation

60%

More than half (60%) believe that most of their suppliers are getting by on delivering the bare minimum

74%

report that suppliers are missing out on key opportunities with their clients by not making the most of review meetings / QBRs

With QBRs failing to meet expectations, buyers are now feeling disappointed and disillusioned about the state of their supplier relationships in general. Alarming, more than half (60%) believe that most of their suppliers are getting by on delivering the bare minimum.

Indeed, the research uncovers a deep sense of scepticism among buyers about the commitment and ability of suppliers to deliver on their promises. And, unfortunately, this mood is now clouding the entire picture for B2B relationships, even for those suppliers that are doing a good job in delivering value and upholding their KPIs. We've reached a stage where the majority of buyers no longer feel that suppliers will live up to the promises they made when they first signed the contract.

Significantly, as their expectations of suppliers rise, and their frustrations around broken promises and poor QBRs grow, buyers are running out of patience and are taking decisive action against suppliers who don't deliver.

Across a wide range of industries, suppliers are now losing clients and revenue because they're not using QBRs as an effective way to demonstrate value and innovation, strengthen relationships, and address client concerns and challenges in a timely way.

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James Ward
Managing Director
Clientshare

Outsourcing is no longer just about cost cutting; buyers need suppliers to help them navigate a rapidly evolving business landscape by providing strategic insight and advice.

Suppliers need to think beyond operations. They should be focusing on value creation beyond their contractual obligations – whether that's innovation, sustainability, AI, risk or compliance. And the QBR has to be the vehicle to showcase this.

Jon Boden
Business Unit Director
CEVA Logistics

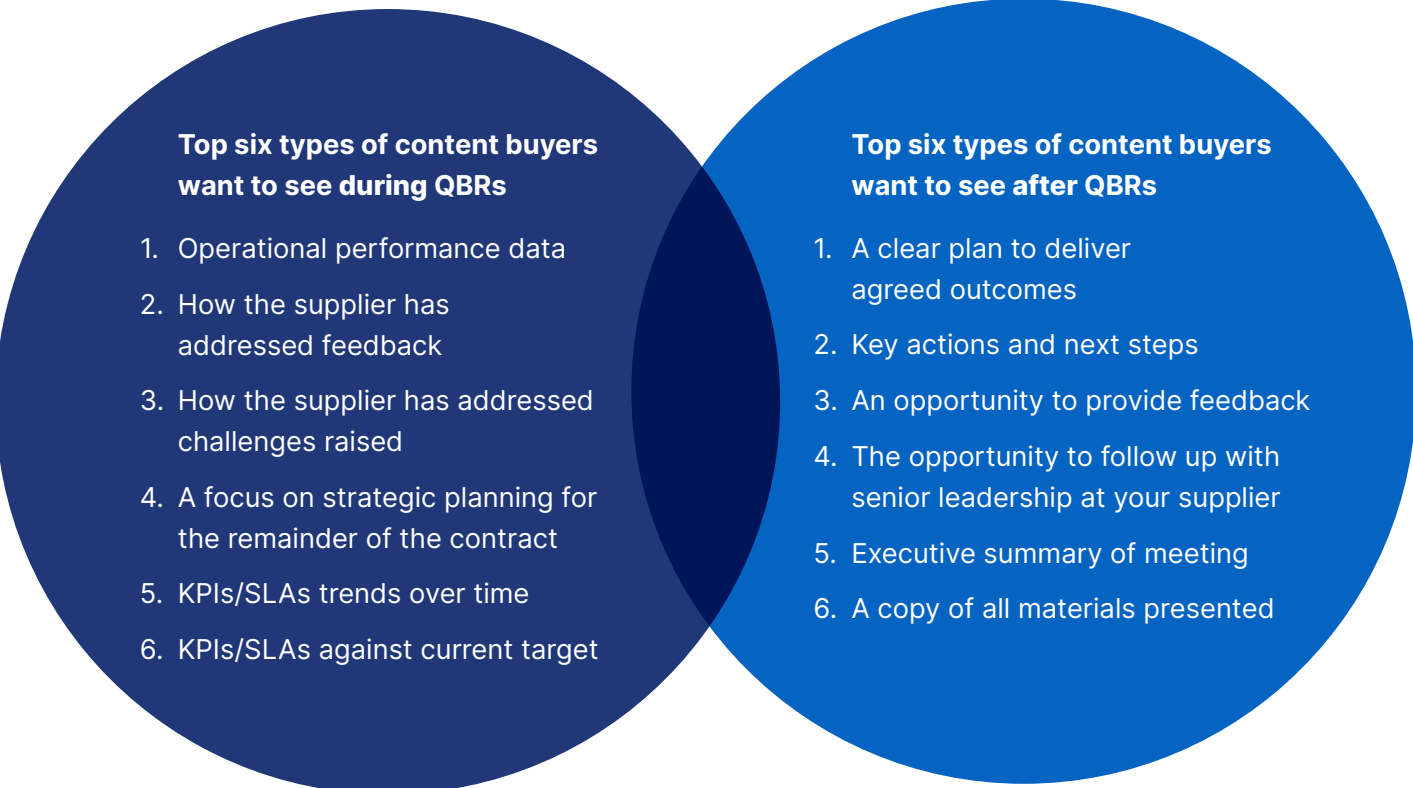
The key to ensuring that relationships and programmes stay on course is to have joint stakeholder assignment on all outputs and actions. Progress usually stalls either because the customer's priorities are confusing or misunderstood by the supplier, or because the buyer is unable or unwilling to engage with the supplier on a strategic basis. The buyer often doesn't initially think beyond immediate cost savings. If we want the buyer to see past short-term tactical savings, partnership is a must. So having joint stakeholders assigned to every action – whether that is operational or strategic – is essential.



Re-invigorating the QBR to meet buyers' needs

The research finds that buyers have clear views about how QBRs could and should be improved to meet their evolving needs.

At a topline level, buyers see an urgent need for suppliers to deliver more strategic advice and direction, rather than focusing solely on operational or tactical matters. They also state that suppliers should be giving more consideration to the content and information they share and present throughout the QBR process, before, during and after each review meeting.

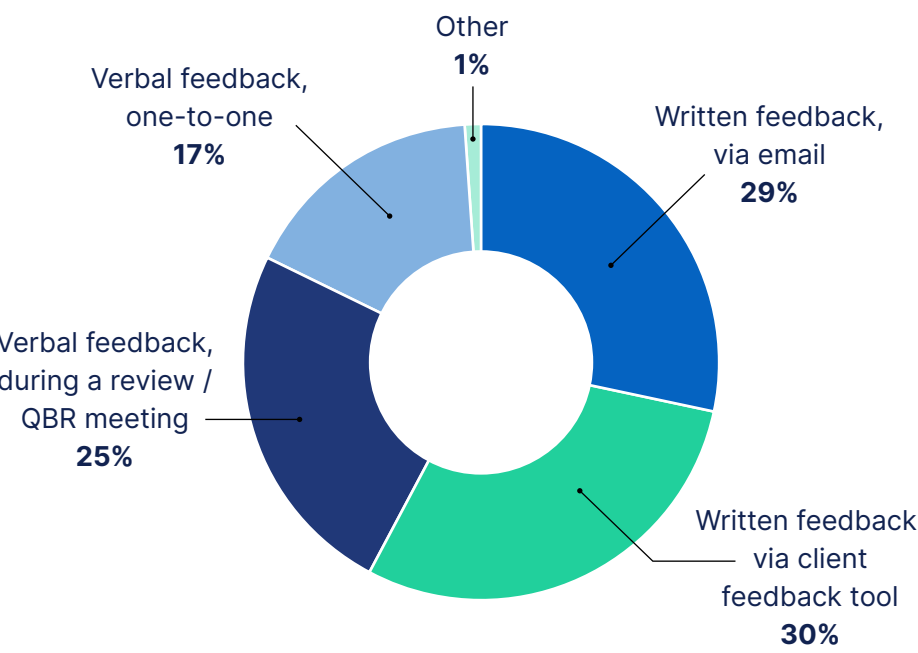


Buyers point to a wide range of content types that they regard as very important for suppliers to share during QBRs. Notably, buyers in finance roles are more likely to want to see operational performance data and strategic plans, those in procurement want to see KPIs against targets, and those in operations are most interested in content showing opportunities for added value and innovation.

Equally, if not more importantly, given the extent to which buyers feel that suppliers don't deliver on the promises they make, the research also uncovers a wide range of content that buyers deem to be critical subsequent to each meeting. Above all else, they want suppliers to provide clear plans to deliver agreed outcomes and key action points following meetings.

Buyers are also calling on suppliers to create clearer and more effective channels for them to communicate feedback, both in written form (through email or a client feedback tool) and verbally (during QBR meetings or in one-to-one meetings).

Preferred communication methods for buyers to share negative feedback with suppliers



Q. If you need to give your supplier negative feedback, how do you prefer to communicate this?



James Ward
Managing Director
Clientshare

Every business is different but there are some golden principles which should be followed in every supplier organisation:

1. Every account should get a high quality, bespoke review.
2. Buyers should have a standard way to give account managers and senior leadership feedback at every review.
3. Target 5+ people within the buyer organisation to see the review content.
4. Leaders should have access to data that identifies risk and opportunity within every account.
5. Suppliers should be using every review to demonstrate added value and innovation.
6. Following meetings, the supplier needs to share clear next steps, which are visible to everybody.

Claire Fields
Director of Strategic Partnerships
OCS Group UK

It's so important to make sure you have the right people in the room, in front of the right client stakeholders. You don't just want operational people at meetings, you need to include people who can think outside the box and get clients excited about new ideas.

We evaluate everybody's capabilities so we can always make sure we have a good mix of skills and styles within meetings. And we also constantly think about changes on the client side, whether that's people or strategic direction, to ensure we are putting the most appropriate team forward and presenting the most relevant content. We host annual workshops with clients to fully immerse ourselves in their business and understand their goals. And from this we develop roadmaps and robust account plans for every contract.

The other key focus for us is to keep things fresh. You just can't afford to be complacent so we're always challenging our teams to do things differently, to present management information in compelling new ways and bring data and insights to life. You have to demonstrate continuous improvement and innovation to keep customers engaged and inspired.

Alistair McVicar
UK Sales Director
Kintetsu World Express

QBRs are such a fantastic opportunity for suppliers to sit down with customers and have the in-depth conversations that you just don't get to have at any other time. It's a chance to get under the skin of what is happening within their organisation, to update them on the work that you are doing, and to introduce new ideas and concepts.

But the challenge can be getting clients to engage with QBRs on an ongoing basis – too often, clients are only inclined to attend meetings if things are going wrong.

You drive engagement by showing that QBRs matter to you as a supplier. That means having senior people present in the room and active in the discussions. You have to change the dynamics around QBRs so that it doesn't start with the supplier telling the client what they've done.

Suppliers should think of review meetings primarily as a chance to listen to clients, to learn about their objectives and understand their challenges. If that is the starting point, then it naturally becomes far easier to move into higher value conversations, where suppliers can share best practice, demonstrate innovation and work together with clients to come up with solutions.

Jon Boden
Business Unit Director
CEVA Logistics

We have defined a set of standards for QBRs across our business. That involves having set templates for reviews which still allow some level of tailoring to each client but do enforce certain behaviours. There is a single scorecard for key metrics to avoid too much operational data. We only ever devote an absolute maximum of 20% to looking back on previous performance within QBRs.

Beyond that, we regularly have guest speakers in attendance at our QBRs. We audit the customer in advance to understand their current priorities, and then we select relevant speakers to bring in to the meeting. Our customers value our thought leadership and these insights often open up new initiatives and opportunities.

We also develop a customer charter within the first 12 months of a new relationship and then review this every quarter. This is a set of tenets, beyond our contractual KPIs, setting out about how we will operate with the customer, for which we use a temperature gauge outside of our standard pulse and NPS scores.

We also have a strategic ideation session every QBR, so that we can create a pipeline of ideas for each customer, based around marginal improvement, relationship and innovation. And then we have a strategic action tracker to keep us all looking forward during and in between meetings.

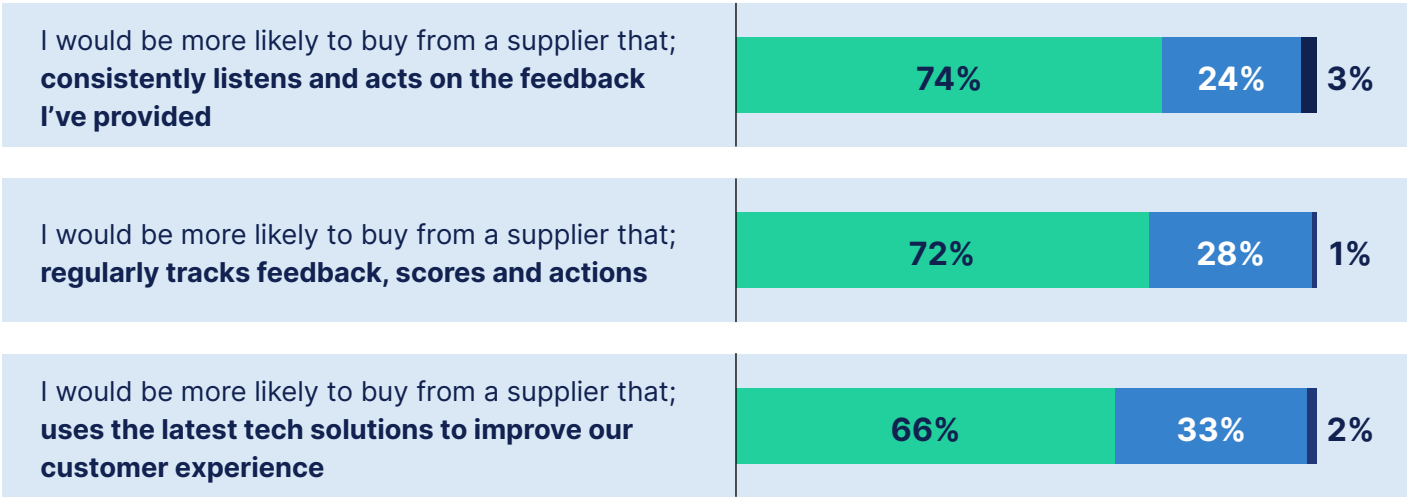
Unlocking the QBR opportunity for suppliers

While the research paints a worrying picture about the current state of QBRs, and the negative impact this is having on buyer-supplier relationships, it does also reveal huge opportunities for those organisations that are able to optimise their review processes to meet evolving client needs.

When buyers feel that suppliers have clear and strong processes around QBRs, they become far more engaged with the review process. For instance, over two thirds (68%) of buyers say that they are much more likely to leave feedback, NPS and CSAT scores if they feel it is clearly tracked and actioned by a supplier.

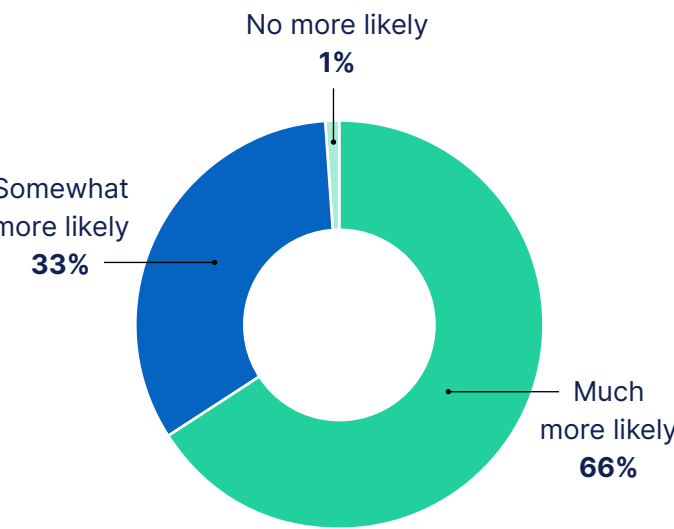
Crucially, the vast majority of buyers state they would definitely be more likely to buy from a supplier that consistently listens and acts on the feedback they've provided, regularly tracks feedback, scores and actions, and uses the latest tech solutions to improve their customer experience.

The transformational impact of strategic and consistent QBR processes



Q. To what extent do the following apply to you? Yes definitely Yes probably No

Increased likelihood of buyers renewing a supplier that consistently communicates and shows evidence of value delivered



Q. How much more likely are you to renew a supplier that consistently communicates and shows evidence of results and value delivered?



Jon Boden
Business Unit Director
CEVA Logistics

Having the right tools in place to obtain and respond to client feedback, both inside and outside meetings, is game changing. We're now able to gather hugely valuable, constructive feedback from stakeholders which we otherwise wouldn't be able to access. We're generating much deeper reach and engagement into client companies and that unlocks so many new opportunities.

Claire Fields
Director of Strategic Partnerships
OCS Group UK

We see QBRs as a platform to present our absolute best. Review meetings are our big chance to showcase our skills, expertise and successes, and we do everything we can to maximise that opportunity.

Running high quality QBRs is a great way to engage and build perceptions of our business with senior client stakeholders, who often only hear about suppliers when things go wrong. They're consistently seeing positive feedback about our team and our services, and this is opening doors to conversations with other parts of these businesses.

QBRs are always a work in progress and something that needs constant improvement and evolution. But we can see how by focusing on the quality of our QBRs and implementing new tools, processes and behaviours to enhance the way we manage meetings, we're driving big improvements in NPS and stronger client relationships.

Alistair McVicar
UK Sales Director
Kintetsu World Express

What happens on the back of a QBR meeting is so important. You need clear minutes and actions and a robust process for following up actions. And you need to be able to measure and report back on the results that have come on the back of review meetings.

If you can clearly show customers how the conversations you're having in QBRs are directly leading to tangible improvements and measurable business impact – whether that is a cost saving, a new way of doing something or a new strand of innovation – that is incredibly powerful. If clients can see that QBRs are worthwhile, you suddenly find that more stakeholders want to attend, to get involved in conversations, and to collaborate around new ideas and initiatives.



Conclusion – poor QBRs are a drain on customers, revenue and reputation



The research exposes the extensive (and worsening) challenges within buyer-supplier relationships. Many buyers are increasingly feeling that their suppliers are demonstrating a lack of care, professionalism and focus, alongside a regular failure to understand and respond to their needs.

At the very moment when organisations are looking to their partners for added value, innovation, and help in navigating an increasingly complex and dynamic business landscape, suppliers can appear not to be listening.

This research clearly shows that poor business reviews are a major driver for this breakdown in buyer-supplier relationships. While most suppliers recognise the importance of QBRs, they don't understand the degree to which they are currently falling short of client expectations. Many suppliers simply aren't reading the room – they think they are doing a good job with QBRs, when in actual fact their poor performance in review meetings is slowly but surely destroying their client relationships. They simply don't understand the impact that substandard QBRs now have on buyer mindsets and behaviours.

Perhaps the most surprising takeaway from this study is the strength of feeling that now exists among almost all buyers. Whether they work in procurement, finance or operations, buyers are losing patience with suppliers that seem satisfied delivering the bare minimum.

79%

of buyers state that the bare minimum is no longer acceptable to them – they know they have choices and they possess the power in their supplier relationships

The reality is that poor QBR processes are now costing businesses a huge amount of money, through customer churn and missed opportunities to grow revenue, as well as doing profound damage to their brand's reputation in their industry.

Suppliers urgently need to raise their game. And the starting point for this has to be the QBR. They need to listen to client needs and take a more structured approach to review meetings. They need to provide evidence of the value they are delivering, and demonstrate innovation and strategic direction. And they need to provide buyers with a seamless QBR experience; before, during and after meetings.

Those that are successful will undoubtedly reap the benefits, forging enduring, close client relationships which drive revenue and deliver profit. And as this research shows, those organisations that can build a reputation for strong client relationships, built on a foundation of strong QBR processes, have a golden opportunity to retain accounts and grow them with new innovative service offerings.

James Ward
Managing Director
Clientshare

By implementing a robust, consistent and strategic approach to QBRs, suppliers can reduce churn and margin erosion, improve NPS and drive revenue growth. QBRs can and should be a way to drive competitive advantage. But suppliers can only achieve this if they start recognising the QBR as the moment that matters most within their client engagements.

Ultimately, suppliers should be focusing their approach to QBRs around one single objective – to have better business conversations with their customers.



Research methodology

Clientshare commissioned comprehensive independent research among senior stakeholders within U.K. and U.S. headquartered businesses.

This research entailed:

- 200 interviews (100 in the U.K., 100 in the U.S.) with senior stakeholders responsible for, or involved in, decision making within quarterly business reviews with suppliers.
- Respondents worked across a range of job functions, including operations (25%), finance (25%), procurement (25%) and others including IT, logistics and supply chain, real estate, and sales and marketing.
- Respondents worked for organisations with annual revenues of more than \$500m, with 48% working for companies with revenues of more than \$2bn.

- Respondents worked for organisations across a wide range of industries including manufacturing, construction and engineering, IT, professional services, retail, public sector, healthcare, utilities, FMCG and financial services.

- For the purposes of the research, QBRs were defined as 'any recurring monthly, quarterly or annual review meeting with suppliers / service providers to review performance and / or strategic direction'.

- All research was conducted independently by Insight Avenue in November 2023.

Note: Totals in charts / tables for single coded questions (where only one answer can be selected from a list) sometimes add up to more or less than 100% due to rounding.

About Clientshare

Clientshare is the world's leading Business Reviews platform.

Used by 1 in 3 of the FTSE 100, Clientshare helps suppliers in Logistics, BPO, FM, Contract Catering and IT to improve retention and grow accounts. The platform gives businesses the tools to create high quality and consistent business reviews, deliver them to the right stakeholders, measure their effectiveness, track NPS, and act on client feedback. Customers, including CEVA, Compass Group, SEKO, OCS, CBRE and ISS, use Clientshare to manage client reviews, uncover accounts at risk and identify growth opportunities.

To learn more:

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