



## 10 Elements of a Vested Agreement

Getting the most from an arrangement between a distributor and a 3PL isn't easy — it requires a major shift from the standard way of doing business. Kate Vitasek offers these five rules for doing it right.

<b>Rule 1: Outcome-Based vs. Transaction-Based Business Model</b>	
Element 1	Business Model
Element 2	Shared Vision Statement and Statement of Intent
<b>Rule 2: Focus on the WHAT, not the HOW</b>	
Element 3	Statement of Objectives/Workload Allocation
<b>Rule 3: Clearly Defined and Measurable Desired Outcomes</b>	
Element 4	Performance Metrics for Desired Outcomes
Element 5	Performance Management
<b>Rule 4: Pricing Model Incentives are Optimized for Cost/Service Tradeoffs</b>	
Element 6	Pricing Model (Margin Matching/Incentives Framework)
<b>Rule 5: Insight vs. Oversight Governance Structure</b>	
Element 7	Relationship Management Framework
Element 8	Transformation Management
Element 9	Exit Management Plan
Element 10	Special Concerns and External Requirements