

# Building trust in business relationships

Economist Impact, sponsored by Icertis, conducted a global survey in November-December 2021 of 600 business executives working across industry sectors in nine major economies in North America, Europe and Asia Pacific. The survey reveals how they perceive trust in business relationships, what challenges they face to establish and maintain it and what actions they have taken.



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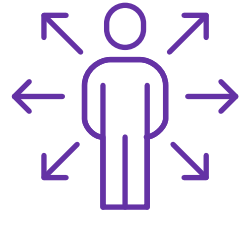
ECONOMIST  
IMPACT

## Building and maintaining trust is a business priority



77%

of executives say that **identifying trustworthy business partners** is a high or business-critical priority for their organisation



86%

of executives say that their organisation will be more likely to work with a potential partner that demonstrates **transparency, accountability and integrity** in its operations



82%

of executives believe that **there cannot be trust without transparency**

## High levels of trust are beneficial for companies' financial success

The five business areas that benefit the most when business relationships are built on trust:

Customer satisfaction and loyalty

Sustainability goals

Operational efficiency

Employee satisfaction and loyalty

Long-term revenue growth



## Trust can be built through environmental, social and governance (ESG) compliance

Companies are under pressure to prioritise ESG compliance

74%

of executives believe that consumers and end-users are **increasingly holding organisations accountable** for their ESG initiatives

73%

of executives say that **making progress towards ESG commitments and goals is a business-critical priority** for their organisation

Contractual obligation can be a powerful tool to ensure ESG compliance

69%

of executives agree that **embedding ESG obligations into contracts** is a very effective tool to enforce ESG commitments

## Limited supply chain visibility and transparency, alongside other challenges, prevents trust-building among business partners

### Internal challenges

Limited supply chain visibility

Lack of relevant employee skills and expertise

Data silos and lack of cross-functional collaboration

### External challenges

Business partners unwilling or unable to share relevant information/data

Data incompatibility between an organisation and its partners

77%

of executives agree that a lack of standardised reporting processes or KPIs makes it challenging to demonstrate transparency

only 16%

of executives report that their organisation exchanges data and information with their partners on a real-time, continuous basis, and only 25% do it on a regular basis

Reliance on legacy or outdated technology

Inability to effectively track commitments/obligations

Unclear requirements for regulatory reporting and compliance

## Companies are making progress in building trust with business partners but more can be done

Top five company practices to establish trust and eliminate uncertainty in business relationships:

Adopt new technology to facilitate data/information exchange with external partners

Increase evaluation and monitoring of suppliers and vendors

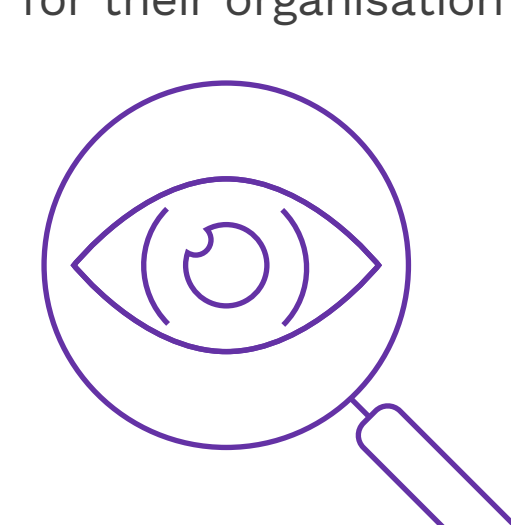
Adopt new technology to facilitate contractual obligation fulfilment

Include strategic partners in long-term planning

Dedicate a team or resource responsible for regulatory reporting

70%

of executives say that **improving supply chain transparency** is a high or business-critical priority for their organisation



Companies can do better at ensuring ESG compliance and leveraging the power of contractual obligations



72%  
22%

While 72% of executives believe in **adopting new technology to track ESG progress** or enabling reporting processes, only 22% have done so



69%  
33%

While 69% of executives agree that **embedding ESG obligations into contracts with their partners** will be beneficial in supporting ESG commitments, only one third have done so