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10 STEP GUIDE

BEING A SUB-CONTRACTOR FOR A LARGE MULTINATIONAL

It's a sad fact that the biggest losers of the Carillion collapse are the myriad of small suppliers, especially in the construction sector, who relied on the giant for a significant amount of their business. They were left with unpaid invoices and, unlike the equally unfortunate pensioners of the company, will not get bailed out by the Pensions Authority or any other government agency.

1

DO YOUR HOMEWORK

Find out how they treat other small suppliers and subcontractors. If you don't like what you see, walk away.

2

TURNOVER ALERT

Don't let them become more than, say, 25% to 30% of your turnover

3

READ THE CONTRACT

Be sure to understand payment terms, service conditions and performance criteria.

4

GET TO KNOW THE BUYER

And the buyer's boss! If the buyer you are dealing with leaves, their replacement may not be your friend.

5

THE UNDER BID

Find out if they have a history of under bidding and over running contracts. This is a serious red flag..

6

CHASE CHASE CHASE

If you're overly tolerant and allow payments to slide, then you are signalling that in a crunch you won't shout as loudly as others.

7

DETAIL DETAIL DETAIL

Be clear on the details of what you are to provide and be very picky about what constitutes completion and acceptance of your deliverables.

8

STAY CLOSE

Nurture as many relationships as possible so as not to be exposed to the actions and decisions of one person at the company.

9

ALWAYS REMEMBER

decisions may sometimes be made that protect the position of the person making them even at the expense of the best interests of the company.

10

WALKING AWAY

Even if the job is not completed. Some suppliers have commented that they knew the company was operating on razor thin margins and that should have rung the alarm bells.

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