

## Avoiding Partnership Pitfalls

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Have you ever noticed how everyone wants to be your partner? Everyone wants to find a way to help you increase revenue with the latest and greatest gizmos or "secret weapons." Too many times, we find ourselves in the "partner conversation" with what appears to be a great sales channel, only to find out quickly that it's a one-way street -- you're finding sales leads and opportunities while your partner makes the money!

Partnerships, alliances, strategic networks...whatever you call them, on the surface, they're nothing more than two companies coming together to find ways to leverage each other's products and/or services. The goal typically centers on finding additional revenue streams and new market entry points. Very rarely is the word "partner" taken for what it really means, which is someone who shares your business values, ethics, visions, and objectives. And a "partnership" is something that benefits both entities as they look to find new revenue sources and business opportunities. Often, companies forget that once you find a partner, you need to nurture the relationship and cultivate opportunities so that you both can reap the rewards.

Before you decide to go headfirst into finding the next great partnership opportunity, think about a few things:

**1. Do some internal research.** Find out where you have strengths and weaknesses. Look for areas where resources are lacking or could be in the future due to market trends and shifts in supply-and-demand needs. Talk to co-workers and department heads about their needs for fresh ideas and creativity. Ask your leadership, which market opportunities they want to seek out, and champion in the near- and far-term. Talk with your sales and marketing teams to see what customers are saying about your services, product, processes, expertise, etc. Rule of Thumb: Don't determine what or who will make a good partner in a vacuum. Partner relationships need corporate-wide support to make them work.

**2. Who's already in your camp?** Take note of those partnerships you already have and determine their value to your company. Determine where exactly they fit into your organization and offerings. From there, see if you find any gaps where another partner may be needed to complete the solution. Review your current and historical activities with your existing partners to see who is truly making a difference, versus who is just a name on a joint press release. Rule of Thumb: More partnerships aren't always the best idea. They could actually lead to more management headaches and fewer results. Keep focused on a manageable handful that you can clearly see, and define their roles and objectives within your organization.

**3. Take the climate's temperature.** Ask around to see if someone in your organization and/or business network knows of a reputable company who may be interested in partnering. See if your company already uses other businesses to complement your services, and determine whether the relationship can be improved and solidified with defined structure and measurements. Rule of Thumb: Be careful of the "friends and family" network. Many times, business leaders and/or division managers will work with someone they know through a friend or family link because it's an easy relationship, and they often get a good price. These partnerships may be great for the individual with the personal relationship, but not for your corporation in general. Partners should be selected based on criteria such as market reputation, financial stability and longevity, cultural cohesiveness and similarity, strategic offerings, personality connection with key people, sales and marketing efforts, etc.

A true partner relationship will provide you with the flexibility, confidence, expertise, resources, and opportunities you need to drive down a mutually beneficial, two-way street to success. No one said that combining two or more companies to find new business or strengthen core offerings

was going to be easy, so why think that way? If approached properly with a strategic plan and commitment from leadership, partner relationships can be critical to the success and survival of your business. Here are some things you should consider as you identify and interview representatives from your potential partners:

1. Do they have the same sort of business culture, values, and ethics that you do? And how dedicated are they to ensuring that everyone works toward that way of thinking?
2. Who are their other partners and what do those partners think of their relationship with the company? What results have they seen that have helped move their companies to new levels of success?
3. Do they have written partner agreements or are the agreements verbal?
4. What can they bring to the table to begin the process of finding new business together? How open are they to doing so?
5. Are they comfortable with offering information about their client base and partner network so you can see where your offerings fit in strategically?
6. Do they have an exit plan in case the relationship doesn't go in the direction you planned? If there is an exit plan, how easy is it to disengage and remove yourself from the agreement?
7. Do they have an alliance or relationship manager (or champion) dedicated to working with you and helping both companies achieve their mutual and individual options through the partnership?
8. Do you have leadership commitment from both your company and theirs?
9. Can they confidently outline their top objectives for developing partnerships?
10. Do the marketing and sales budgets have monies set aside for partnering activities and programs?
11. Are they enthusiastic about working with you on building a mutually beneficial relationship? Do they actively participate in putting together meetings and discussions on next steps and partnering ideas?
12. Do you or your potential partner have a process for passing leads back and forth? Do either of you have documentation, such as a Memorandum of Understanding, Lead Profile Form, or Partner Relationship Plan Template, to complete -- or to use to build a process that integrates well into both infrastructures?

Companies are beginning to share their resources and expertise to develop new products, achieve larger-scale economies, and gain access to new technology and new markets. If a company says it "does it all," chances are that it really doesn't. Rather, it has partners who provide pieces to the solution puzzle, so the company doesn't have to turn away potential sales because it doesn't have the required services or products. There is nothing wrong with this; however, being upfront and honest about your true abilities and core competencies isn't something to be ashamed of, either.

In talking with business leaders, we found that many of them prefer companies that are open about what they do and do best -- and where they don't have strengths, they're open about the partners they use to offer such expertise. Leaders don't want someone coming in and saying, "We do it all." They'd rather hear you say, "We don't do that, but we work closely with our partner, Company A, to provide that specific expertise."

Now, I bet you're excited to tell your client or prospect how many great partner relationships you have. Caution! The mere presence of numerous relationships throughout the world is not a differentiator. It's the depth and strength of the bonds among all of the allies in your network that makes a unique, successful, seamless, quality solution.

Finding, formulating, nurturing, strengthening, and cultivating partner relationships takes time, resources, company-wide commitment and dedication, sometimes money, and, most of all, a great deal of understanding, patience, and trust. Therefore, before you open the floodgates and take every partner offering that comes your way, think first, plan next, be strategic, and always do

your due diligence to make sure it's a partner relationship worth pursuing -- and worthy of your dedication and care.

For information on how you can build successful partner relationships, contact Karin K. Schaff Glazier at Pinpoint Positioning by calling 585.787.3164 or e-mailing [karin@pinptpositioning.com](mailto:karin@pinptpositioning.com). She is also available for speaking engagements and company workshops.

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