25 Tips for Successful Partnerships & Alliances

by Peter Simoons   August 12, 2013

What is it that makes some companies so highly successful in all the partnerships and alliances they create, while others never flourish this way? On the outside they may seem simply lucky: they seem to have something that the others do not have.
The reality is that the successful companies just do things differently; they follow a structured approach and stick to it consistently. Here is my quick list of the top 25 elements successful companies apply as part of a structured approach in creating and managing their alliances and partnerships.

25 tips for successful partnerships & alliances

1. **Be clear on your reason for partnering**; many companies just jump in a partnership due to an opportunistic approach or simply because they like (or their management) each other and feel they need to do something together. Avoid making a false start and ending up at the wrong side of the 80% rule and be crystal clear on your reason for partnering.
2. **Create a contributions, needs and benefits matrix before entering the first conversation with your proposed partner**; it will help to create the clarity and help you prepare for a solid first meeting. Remember: those who forget to prepare, are preparing themselves to be forgotten!
3. **Ensure solid executive sponsorship**; partnerships are not there just for fun, they are of strategic importance to your organization. That means that your top management needs to support it. Ensure the executive sponsorship early on: it will safe you time and resources and will speed up alliance formation and alliance management.
4. **Be clear on the roles and responsibilities in both your own and your partners organization**; all too often we tend to make assumptions about roles and responsibilities, at our partners and even in our own organizations. Create clarity early on and maintain that clarity, a simple peer mapping tool will help you do so.
5. **Communicate, communicate, communicate**; George Bernard Shaw once said “The single biggest problem in communication is the illusion that it has taken place”, and he has a point. Having clarity is one thing, but do maintain it. So, communicate and check your communication to ensure that what you meant to communicate, is properly understood.
6. **Set a cadence of governance**; being clear about the roles and responsibilities is one thing, managing the stakeholders is another. Communication is essential and part of the communication

is a cadence of governance; a schedule that defines who in your partnership needs to have contact with whom and at what frequency.

7. **Ensure a three way value proposition**; this is where it all starts. Without value proposition there will be no room for a healthy partnership. The value proposition needs to deliver value for the three parties involved: your partner, the customer and your own organization.
8. **Manage your stakeholders**; in the ideal world everyone involved in a partnership is enthusiastically supporting the partnership and moving it forward. Unfortunately, the world is not always ideal and there will be stakeholders in your alliance who don not like it or like it less than you do. Work these stakeholders to transform them into champions or cheerleaders for your partnership.
9. **Measure and evaluate**; "An airplane is off its course most of the time, yet it arrives at its destination thanks to constant corrections along the way." At the beginning of an alliance you have set some clear goals. Along the road it is important to know how you are doing in order to be able to adjust where needed and thus stay on the right course to alliance success.
10. **Build and maintain trust**; "Trust comes on foot, but leaves on horseback", said Johan Thorbecke. In other words, trust is hard to build and easy to loose. You have to build and maintain trust constantly in your partnerships.
11. **Make sure that the objectives for partnering are aligned for both partners**; there is no need to have the same objectives, but the objectives of the partners in a partnership need to be in line for successful partnerships.
12. **Avoid hidden agendas, they are partnership killers**; the trust in an alliance is killed the moment you have a hidden agenda, or you feel your partner has one. You will always doubt what the other really means and never completely trust your partner, and vice versa.
13. **Agree on a set of alliance core values and operating principles**; it will help to bridge the differences in culture and operating styles. It is a good practice to review the core values and operating principles in steering committee meetings, to ensure everyone is still singing from the same hem sheet.
14. **Create an internal strategic alliance definition**; all too often we assume that my understanding of a term is also your understanding. Don't make assumptions, but ensure that you have one common understanding in your organization of what a partnership or strategic alliance is. Creating your own internal definition helps to align people and departments while going forward.
15. **Know your initial reason for entering into a partnership** and focus on that initial reason during the formation of the partnership. Once formed and operational, growing the scope of a partnership into other areas is generally easier, than initially creating a partnership that has a continuously expanding scope.

16. **Be clear with your prospective partner on the terms you use**. If the partner talks about a joint venture, does he really mean sharing stock, or are those the words he uses to describe what you would call a partnership? Clarity precedes mastery!
17. **Prepare your partnership following a structured process**; a structured process contains the roadmap to successful partnerships. Keep it pragmatically in a way that fits with your organization.
18. **Sharing is the foundation for partnering**; without sharing it will be difficult to create a partnership or alliance. However, do know what you share, when and with whom. Sharing your intellectual property without a proper non-disclosure agreement in place, might not be the smartest thing to do.
19. **Agree on an exit plan during the negotiation phase**; it sounds counter productive, but also the way to exit needs to be agreed upon in early stages when the atmosphere is good and you don't need it. After all, it is better to know how the fire escape works and where it is before you need it, than to find it out when the fire is approaching you.
20. **Be flexible to transition the partnership when circumstances change**; you will start the partnership with an intention and scope based on what you know and your strategy on the time of creation. However, circumstances will change, the market or the opportunity may change and as such it will be good to transform the partnership into a new form or shape to ensure future success.
21. **Build and maintain your business plan from early stages on**; business or operating plans are the backbone for your partnership. Start building one before you actually approach a partner and keep on refining the plan during the creation and management phases. A partnership will thrive with an active plan and not with a "desk drawer" plan.
22. **Do a proper fit analysis on your potential partner**; it will help you to select the right partner and it will also teach you where you are different from your partner. These differences will be your points of attention during the alliance management phase. It is after all better to have points of attention, than points of tension.
23. **Make sure that all stakeholders are on board on the moment of alliance launch**; all too often we see alliances going through difficult times, because the alliance management teams forget to bring all stakeholders on board. Making a proper stakeholder analysis before the launch will help prevent this problem.
24. **Measure alliance performance on leading indicators that can adjust outcomes**; Revenue is important, but it is an outcome, a lagging indicator. When measuring your alliance progress, ensure to measure the leading indicators that lead towards alliance success and revenue, instead of just looking at the result at the end of the line.

25. **Understand the cultural differences**; your partner will be from a different company with quite likely a different culture and even within your own company different cultures will appear. Every department will have its own micro culture with habits and values that might differ from the company culture. Understanding these differences inside your own organization and the partners organization, is the first step towards a joint partnership culture for success.

Maybe not all of these tips apply to your situation and maybe you have different elements in your top 25.