

Sell Your Partnership

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Note – This is one from a sequence of exercises from the Business Development subject outlined in the Strategic Marketing Process eBook. Download the free e-book www.growthpanel.com/marketing-tools/index.html and subscribe to this subject at www.growthpanel.com/versions/get-started.html to download from Growth Panel’s Intelligent Marketing Platform.

Some of the graphics in this PDF might not display properly.

Once you’ve identified an opportunity, it’s time to approach your prospective partners.

First, prepare any of the materials you’ll need during the process.

| MATERIALS YOU’LL NEED | NOTES |
|---|-------|
| A short phone pitch that describes the reason you’re approaching the partner, the key benefits, and suggested next steps | |
| Presentation materials: A slide template, handouts, examples, background information about your company | |
| A proposal | |
| An agreement | |

Identify your next steps below.

| STEP | PERSON RESPONSIBLE | DUE DATE |
|------|--------------------|----------|
| | | |
| | | |
| | | |

When you’re ready to start “selling” your potential partner(s), treat the process as a high-level sales call. Here are general guidelines to guide you through each stage.

| STAGE | ACTIVITIES / TIPS |
|---|--|
| <input type="checkbox"/> Initial contact | <ul style="list-style-type: none"> ▶ Contact someone at the highest possible level (CEO or President if feasible) ▶ Introduce yourself ▶ Pitch the idea for the partnership ▶ Mention several benefits ▶ Gauge their interest level ▶ Set up your next steps: A meeting, a short proposal, or a conference call between both companies |
| <input type="checkbox"/> Presentation | <ul style="list-style-type: none"> ▶ Introduce everyone and their role ▶ Grab their attention with compelling benefits ▶ Explain your proposal with a focus on benefits ▶ Discuss how the partnership would work ▶ Discuss the investment and resources required from each party ▶ Agree on next steps, including who will be involved in negotiating the deal parameters |
| <input type="checkbox"/> Create deal parameters | <p>Complete the following exercises:</p> <ul style="list-style-type: none"> ▶ 375 - Create a Balanced Partnership ▶ 376 - Manage the Partnership <p>Use the information above to structure the deal</p> |
| <input type="checkbox"/> Agree on deal structure | <ul style="list-style-type: none"> <input type="checkbox"/> Present the deal structure to all decisionmakers <input type="checkbox"/> Agree on the functions and responsibilities of each party <input type="checkbox"/> Agree on the compensation for each party <input type="checkbox"/> Agree on the resources that each party will commit <input type="checkbox"/> Agree on the timeframe to launch the partnership <input type="checkbox"/> Sign an agreement and begin implementation, OR <input type="checkbox"/> If it will take a while to finalize the legal agreement, set a deadline by which you will do so |

| STAGE | ACTIVITIES / TIPS |
|---|--|
| <input type="checkbox"/> Formalize agreement | In your agreement, identify: <ul style="list-style-type: none"> <input type="checkbox"/> Objective <input type="checkbox"/> Term of partnership <input type="checkbox"/> Work produced by each party <input type="checkbox"/> Resources committed <input type="checkbox"/> Communication channels <input type="checkbox"/> Compensation <input type="checkbox"/> Handling of all monies <input type="checkbox"/> Confidentiality terms <input type="checkbox"/> Remedies for breach of partnership <input type="checkbox"/> Procedure for ending partnership |

Notes

CREATE A BALANCED PARTNERSHIP

Companies often launch partnerships and focus only on what they want to gain. However, successful partnerships focus on sharing resources, responsibilities, risks, and rewards. When a partnership is unbalanced, one party often finds it difficult to continue long-term.

Answer these questions and determine whether the partnership is balanced in the particular area. If not, determine which party has the advantage.

| Goals: What are the long- and short-term goals for the partnership? | Is it balanced? |
|---|--|
| Our organization | <input type="checkbox"/> Yes |
| | <input type="checkbox"/> No, favors us |
| Partner | <input type="checkbox"/> No, favors |

| | |
|--|---------|
| | partner |
|--|---------|

| Benefits: What will both organizations gain from working together? | Is it balanced? |
|--|--|
| Our organization | <input type="checkbox"/> Yes <input type="checkbox"/> No, favors us |
| | |
| Partner | <input type="checkbox"/> No, favors partner |
| | |

| Expectations: Do we have similar long- and short-term expectations for the partnership? If one partner has more aggressive expectations, it can set the stage for failure. | Is it balanced? |
|--|--|
| Our organization | <input type="checkbox"/> Yes <input type="checkbox"/> No, favors us |
| | |
| Partner | <input type="checkbox"/> No, favors partner |
| | |

| Resources: What time, capital and human resources will each organization commit to the partnership? | Is it balanced? |
|---|--|
| Our organization | <input type="checkbox"/> Yes <input type="checkbox"/> No, favors us |
| | |
| Partner | <input type="checkbox"/> No, favors partner |
| | |

| Risk: Do both companies face similar risks? Without risk, an organization is less likely to commit the proper resources to see the reward, ultimately destroying a partnership. | Is it balanced? |
|---|-----------------|
|---|-----------------|

| | |
|-------------------------|---|
| Our organization | <input type="checkbox"/> Yes <input type="checkbox"/> No, favors us <input type="checkbox"/> No, favors partner |
| | |
| Partner | |
| | |

| | | |
|---|---|------------------------|
| Rewards: Too often, an organization is focused on “What’s in it for me,” rather than “What’s in it for us.” For true partnership success, both organizations must benefit with relatively equal risk and reward. Think hard about the partner’s reward – companies often create “strategic partnerships” that are nothing more than thinly disguised requests for sales referrals and do not last because the partnership is unbalanced. | | Is it balanced? |
| Our organization | <input type="checkbox"/> Yes <input type="checkbox"/> No, favors us <input type="checkbox"/> No, favors partner | |
| | | |
| Partner | | |
| | | |

| | | |
|---|---|------------------------|
| Culture: When organizations work closely together, it is important that their work styles and company cultures mesh. | | Is it balanced? |
| Our organization | <input type="checkbox"/> Yes <input type="checkbox"/> No, favors us <input type="checkbox"/> No, favors partner | |
| | | |
| Partner | | |
| | | |

| | | |
|---|--|------------------------------|
| Track record: Has each organization created successful partnerships in the past? | | Is it balanced? |
| Our organization | | <input type="checkbox"/> Yes |

| | |
|----------------|---|
| | <input type="checkbox"/> No, favors us |
| Partner | <input type="checkbox"/> No, favors partner |
| | |

SUMMARY

Summarize your results below:

| CRITERIA | COMMENTS | BALANCE | | |
|--------------|----------|--------------------------|--------------------------|--------------------------|
| | | Balanced | Favors Us | Favors Partner |
| Benefits | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Goals | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Expectations | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resources | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Risk | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Rewards | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Culture | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Track record | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Does this structure create an equal and balanced relationship?

If the partnership is unbalanced, think of ways to equalize the deal structure to provide both companies the best chance at success.

IDEAS FOR EQUALIZING THE DEAL STRUCTURE

IDEAS FOR EQUALIZING THE DEAL STRUCTURE

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Next steps

| STEP | PERSON RESPONSIBLE | DUE DATE |
|------|--------------------|----------|
| | | |
| | | |
| | | |

As you work through the details with your prospective partner, it's also helpful to discuss how you will manage the partnership and deal with changes. [Exercise 376 can help.]