

Business Partnerships

Why Business Partnerships Are The Most Powerful Weapon For Your Business



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BUSINESS PARTNERSHIPS CAN GET YOU NOTICED BY THE BIG BUYERS



In all my research and experience with Small Businesses trying to land contracts with big buyers, there is one problem that really stands out – getting noticed.

One of the best ways to overcome this hurdle is to seek out partnerships and strategic alliances. By partnering up, you can tap into a whole new range of contacts, and importantly, appear to be bigger as a partnership or alliance than as a single, Small Business.

63% of Small Business owners say that ‘getting noticed’ is the biggest hurdle to getting work with big companies.

There are distinct differences between partnerships, alliances and joint ventures, but for this article, I’m going to lump them all together and disregard the legal niceties. The important common factor is the collaboration.

Over many years of working with Small Businesses, and having formed a number of alliances for my own companies, I’ve come to believe that there are a few vital elements that determine their success or failure.

6 VITAL ELEMENTS THAT DETERMINE THE SUCCESS OF YOUR BUSINESS PARTNERSHIPS:

1. A clearly defined purpose.

The purpose of the collaboration must be written, clear and without ambiguity. Like written goals, a clear statement that is agreed up-front prevents ‘scope creep’ and misunderstandings. You can’t just be coming together for a drink on Friday afternoon; there has to be a purpose to the collaboration.

2. A common issue or problem.

Collaborating is hard, and business owners will solve a problem themselves if they can. But if they can’t, self-interest will drive them to seek an alternative. If someone else shares the same pain, it is in both parties’ interest to collaborate to find a solution. The reward for collaborating must be greater than the discomfort of giving up some of your own independence.

3. Hope for the future.

One of my business mentors put it this way, “The collaboration has to be a means to an end, not an end in itself.” When you set off on a partnership journey in response to an initial problem, you really don’t know where it’s going to end. The alliance may open up a whole set of unanticipated opportunities. You have to be prepared to get on the train together, trust each other and keep going.



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4. The right people with authority.

I have seen a lot of time and money wasted on partnership negotiations, only to have the entire venture scrapped by someone with more decision-making authority. Make sure that the person setting out to create the alliance in the first place has the authority, and the financial authority, to do so.

5. Formal documentation.

Nothing says, “I love you”, like a contract. Have a short document that contains the clearly defined purpose, how the alliance will work, and importantly, a dispute resolution clause. If you do this up front, in most cases, it will go into the bottom drawer and never see the light of day again. What’s important is that the document exists, setting out the structure of the relationship in the first place.



6. Don't be precious.

As Small Business owners, your business is your whole life's work. The concept of sharing, and sharing unconditionally, may be difficult to digest. But it's absolutely vital to a successful partnership. The question (and the success factor for all partnerships) is, 'What can I do for you?' not 'What can you do for me?'

WHAT CAN ALLIANCES DO FOR YOU?

Offers a greater range of services.

You offer the deep knowledge that only a lifetime of practice can give. An alliance brings the skills of other specialists to your client without them having to spend the time to go searching themselves or deal with more than one contractor – big companies hate dealing with multiple contractors.

Keeps your client close to you.

Like a jealous lover, you need to keep your big-company contact close. Provide them with all (or as much as you can) of what they need to make them look good, and they won't go looking elsewhere.

Strategic alliances, partnerships and joint ventures can give your Small Business a real advantage in the eyes of your target big buyers.

But like any long-term relationship, it is important to stop, think and prepare before taking the leap, to prevent heartache later.



BRONWYN REID
Small Company, Big Business

<https://bronwynreid.com.au>
bronwyn@bronwynreid.com.au