

The Strategic Alliance Journey: Forging Outrageously Successful Relationships

Follow these steps to create partnerships that work.

By Ed Rigsbee



Successful alliances take plenty of work and a diligent process. You need to burrow deep and change your organization's systems and culture. The following steps will help you evaluate your systems before you embark on your alliance journey:

1. Analyze

Study your organization's needs, and identify areas for improvement. Develop an evaluation for your customers, suppliers, board members, and employees to complete. This assessment will help you inventory your organization's core strengths and limitations. Which strengths might be valuable to a potential alliance partner? What weaknesses could a partner help you shore up?

2. Educate and Contemplate

Ask yourself the following questions:

Which organizations do you know that have embraced partnering? What worked and what didn't? If partnering wasn't successful, what were the problems these organizations encountered?

What are the obstacles to changing your organization in order to collaborate? Is your organizational culture closed rather than open? If

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so, you'll find partnering more difficult.

Has your organization collaborated with a partner in the past? What lessons were learned from that experience?

What competencies do you desire in an alliance partner?

What kinds of strategic alliances would fulfill your growth needs and work best with your organization's culture?

What criteria will you use to select alliance partners?

What new training programs will be necessary to help you with your shift to partnering?

3. Select

This is the critical step. All your future efforts will be built on this foundation. Learn about organizations you consider partnering candidates. Ask yourself and your management team these questions about each potential partner:

What are this organization's strengths and weaknesses?

Does this organization's culture and core strengths complement those of your organization?

What effect would this partner have on your organization?

Can key people in the two organizations get along?

Is the alliance strategic to the goals of both organizations?

What driving forces pull you and your partner into an alliance arrangement?

Does the potential partner have a customer-oriented culture? Such a culture is critical to the alliance's success.

Embrace long-term thinking. Too-quick selection of a partner is the most common reason alliances fail.

4. Organize and Plan

Once you've chosen your partner, it's time to plan how you'll put the alliance together. Here are essentials for success at this stage:

Design an open communication system that keeps relationships between key people constantly alive.

Make sure all levels of both organizations share the partnering attitude.

In an ideal marriage one
partner is blind and the
other deaf.

Put time into blending the cultures of the two organizations, as cultural fusion is pivotal to success.

Establish mutual goals, agreeing who gives and gets what, when, where, and how. Develop mutual performance measuring instruments.

Look into the future, and encourage strategies that will sustain the relationship.

You need to burrow deep and change your organization's systems and culture.

Stress strong information systems, and share information constantly.

Phase in the partnering relationship gradually, giving partners a get-acquainted time. Reassess before moving on to a higher level in the relationship. Outrageously successful relationships take time to develop.

5. Create a Contract

You must have a formal mechanism for alliance members to identify goals, milestones, and turning points crucial to the relationship's success. Be sure your contract does the following:

Establish how partners will resolve questions of opportunity, accountability, and risk.

Spell out conflict resolution and exit strategies.

Detail an evaluation method that will measure implementation and performance.

Make sure the final agreement is reviewed and agreed upon by all parties.

6. Devise a Follow-Up Process

It's been said that in an ideal marriage one partner is blind and the other deaf. To keep your alliance healthy, each partner must overlook some of their partner's foibles. Each must keep communication open to minimize conflict and relationship meltdown. The best way to do so is through relationship value updates. Such updates work like this:

Every few months, write down the value you believe you're receiving, the value you think your partner is receiving, and ideas to make the relationship better.

Have your partner do the same, and then switch documents.

Sharing these updates is an excellent way to evaluate your alliance and find ways to improve. ■

This article was adapted from Ed Rigsbee's PartnerShift: How to Profit from the Partnering Trend. Ed Rigsbee, CSP, president of Rigsbee Research (www.rigsbee.com, ed@rigsbee.com, 800-839-1520) is also the author of Developing Strategic Alliances and The Art of Partnering.

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