

10 Tips for Successful Strategic Alliances

Forming the right kinds of strategic alliances can lead to increased business profitability and expansion, without a significant investment of money or commitment of other resources to achieve these results.

When forming alliances and once they've been formed, here are 10 tips to make them successful, from **Smart Match Alliances** by Judy Feld and Ernest F. Oriente:

- 1. Think big!:** Starting now, think in new ways. Away from 'go it alone,' toward collaboration. Away from one-dimensional thinking like 'My success is directly proportional to my investment of blood, sweat and tears' toward a matrix of ideas and professional relationships that produce exponential success. Away from 'in-person as often as possible' toward 'as virtual as possible', drawing on the best resources, minds, ideas, products, services and more - regardless of where they're located around the globe. Away from 'risk averse' toward 'risk-free experimentation with new ideas.' As you systematically think big and raise the bar for yourself and your business, you prepare yourself to hear opportunity's knock. Are you ready to open the door?
- 2. Get ready to play:** Are you someone you'd like to partner with? Try the SmartMatch **Alliance-Ability Checklist** and see how you rate. Several actions can jumpstart your alliance readiness and prepare you to play. Develop readiness habits that will enable you to recognise unplanned opportunities, make non-linear connections, take a leap of faith based on your instincts, make timely adjustments in your business plans, look for the new, the different, the untried, and take pioneering steps onto new ground before anyone else. For example, make the time to read everything you can about trends and developments in your current and target **PINS** (your **p**rofession, **i**ndustry, **n**iches - who you're focusing on - and **s**pecialties - what you're good at). Be a lifelong learner. Keep your skills, resources and expertise current, and start each year by selecting the industry or professional seminars and trade shows you'll be attending. Continue to master the technology that powers your industry or profession. Also, be ready for alliance inspiration - those 'aha moments' - to hit in unlikely places and at unexpected times - when grocery shopping, showering or sitting in traffic. Jot down these new ideas so you can act on them.
- 3. Positioning and visibility:** Make it easy for potential alliance partners in your current and target **PINS** to find you. Impress them with your professionalism and expertise and increase your appeal as a potential alliance partner. Each of the following strategies will help you gain visibility and exposure and, as a bonus, the increased exposure you get will help you sell more products and services along the way! Write articles that showcase your expertise and submit them to publications and organisations serving your **PINS**, such as magazines, trade publications, association newsletters, blogs, or magazines. Create your own e-zine or e-newsletter to stay in touch with individuals and businesses in your **PINS** with frequency and regularity. Or, consider hosting teleforums, speaking at industry, professional and educational events, and driving traffic to your website. Research the products and services of your competitors and, if possible, experience their strategic alliances. Look for how these alliances were created, what's being offered, how the alliance is being marketed and clues to any financial arrangements.

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4. **Find high potential alliance partners:** Get clear on your reasons for pursuing an alliance - what's in it for you? What results would you like the alliance to produce? For example, you might want to generate more sales, attract new prospects, streamline your operations, expand your internet presence or strengthen your own brand. How would you like for this to happen? Give these questions some careful thought. Use an alliance journal to record your responses. The more specifically you consider these ideal outcomes, the more targeted your alliance-building efforts will be. List the marketing and visibility assets you want your alliance partner to bring to the table, such as an e-newsletter, a website with high visitor volume, frequent trade show attendance, a radio or TV show, strong branding, a service or expertise that your clients or customers would value. Also, list your non-negotiables, such as integrity, at least 3 to 5 years in business, a content-rich user-friendly website, policies, practices and a culture that match yours.
5. **Analysing potential partners:** Gather as much information as you can about your high potential alliance partners. Subscribe to their e-newsletter and ask for back issues. Speak to others who've formed alliances with them in the past - how would they rate their experience? If available, review the company's annual reports, assess their website content and note their current partners and affiliates.
6. **Evaluating potential alliance partners:** Consider the potential quality of the relationships with this potential partner. For example, does communication flow easily, do you see things in the same way, will negotiation be smooth, fast and simple or like pulling teeth?
7. **Initial conversations:** Begin the alliance conversation with a call or in-person meeting. Let your enthusiasm shine through, approach the conversation as an exploration. Be flexible and open to new ideas and be specific about what each of you will bring to the alliance and the proportional benefits - for example 10-90, 90-10, 50-50 - and why. Discuss possible timeframes for an initial or pilot alliance project. If your potential partner continues to be interested, initiate a second contact in which you work toward agreeing on precisely how your alliance would work. Re-state the goals of the alliance and mutual gains, be crystal clear about roles - who will do what and when - specify your non-negotiables, ask for agreement that each alliance partner will respond to the other within 24 hours and discuss the specifics of the value exchange that will move the alliance forward.
8. **Agreements:** Create a brief written agreement, with start and end dates (and exit clause), that clearly states what each alliance partner will do for the other. This agreement will serve as a useful reference tool before, during and after the alliance is formed, and will ideally leave no room for interpretation about what each alliance partner will provide.
9. **Maximising your alliance results:** Be a good alliance partner by upholding your end of the exchange of value and adhering to all deadlines. Keep score on the ongoing success of your alliance. Compare the desired with the actual outcomes. Has there been an increase in your customers or clients? Has there been an increase in your revenues? Are you enjoying working with this alliance partner? Watch out for signs that the alliance isn't working, such as your partner not producing agreed-upon deliverables or doing so half-heartedly, not returning calls, or you spending a disproportionate amount of time on the alliance - more than you think you should. If the alliance isn't working, act swiftly and act proactively with your partner to solve problems if possible. If you can't resolve the issues, give your partner 30 days notice that you intend to exit the alliance. Keep your exit light and easy, *'This is just not a workable match for me right now,'* thank them and wish them the best.
10. **Enjoy expanding:** Let growing your business be fun (it doesn't have to be hard work and you don't need to do it alone) by aligning yourself with high quality alliance partners.

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