



Managing Successful Partnerships

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While managing successful partnerships is not rocket science, most partnerships fail to deliver results. We have found that most of the failure lies in the implementation...while many companies set off with the best of intentions, they fail in the execution.

Or perhaps it's because most companies establish partnerships with a “**win – so what**” versus a “**win – win**” attitude. In other words, companies establish partnerships to extend their market reach or reduce costs, but forget that their partner has needs too.

To develop a true win - win situation, each partner must understand the needs of the other partner and work to help meet those needs.

Here are ten simple tips that if executed, will help to guarantee successful partnerships.

- 1. Get buy-in from your management team.** Make sure that your management team fully supports your partnering efforts and is willing to spend money and devote other resources. If your management team is committed to the success of your program, you have a greater likelihood of success.
- 2. Set reasonable expectations with your management team.** Your management team must have reasonable expectations regarding the contribution of the program and its costs. Partnering represents a long-term (multiyear) investment in people and funds, with the impact of additional revenues typically in the second and later years of the relationships. If your management expects to see substantial payback in the *first* year of the program, your funding *will* be cut. And yes, you can quote us on this!
- 3. Involve your management in the relationship with your partners.** Invite your CEO to visit your top partners on a regular basis. Coordinate meetings on a CEO to CEO basis. While the CEOs are not responsible for the day to day activities, the heightened visibility in both companies will benefit everyone, and the demonstration of interest in your partner's business will drive attention for your product or service.
- 4. Take your CEO on joint sales calls with your partner to their end users.** This visit will open the eyes of your CEO with regard to the markets that your product or service is reaching via your partner. It will also squash any thoughts about cutting out the middleman and going directly to the end user.

5. **Ask your partners what they need...often.** And act on it.
6. **Make sure that your company's needs and goals continue to match up with those of your partners.** You need to ensure that all this work for your partner is going in the right direction...so periodically ask the question: "Are our strategic goals in alignment with your strategic goals?"
7. **Dedicate people to your partners.** Each of your partners should have a dedicated contact as their internal champion and primary contact point. We've found that one person can effectively support between 3 and 10 partners, depending on your market and the level of activity. Additionally, when you conduct joint marketing exercises with partners, assign someone to work with each partner and to be accountable for the results.
8. **Establish a partner advisory board and meet with them at least quarterly.** Choose the participants carefully...you want consistency in this advisory board with individual members participating for several years or longer. Make sure that the company management is involved in this advisory board and that when the board suggests something useful, they see follow-up action and results.
9. **Periodically evaluate your current partners.** Review your stable of partners to ensure that each remains a good fit for you...and you for them. Continue to look for new partners, and expect at least a 20-30 percent turnover in your partnership ranks.
10. **Measure your performance in your partner's business.** Do your products or services:
 - a. Account for a substantial portion of their overall revenue?
 - b. Contribute meaningfully to their profits
 - c. Show growth within the account?

For success in partnering you must also have the right partners and the programs to support these partners. While these tips will help make a good program more effective, they cannot substitute for a well designed and managed partner program.

You are an invited guest in the business of your partner, and you may have no other way to reach the markets available through the partner. Treat your partners like gold and invest in their business. In turn, they will take you to markets that you could not otherwise reach...and both of you will benefit.

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