

FORWARD THINKING BUSINESS PARTNERSHIPS

by Glenn Williams



"The trouble with our times is that the future is not what it used to be" (Paul Valery, 1871-1945).

Much could be said about our changing world—economic volatility, political and civil unrest, epic levels of national debt, corrupt governments, a global pandemic and the impact of new technologies on the labor market.

While not exclusively, there is no doubt that the online world has also pushed many organizations into markets they never intended to be in, but now find themselves under pressure to respond to. DePalma calls this, 'The Eighth Continent' (DePalma, 2004, xi).

Many leaders have been caught unprepared and untrained for such severe business scenarios, leading them to search for strategic partners.

However, when expanding across geographical boundaries, leaders must think very carefully about their strategy and the implications of extending their operational ability into markets they are not familiar with. *Strategic alliances rise and fall, often on seemingly harmless differences.*

In claiming to be global, Kets De Vries points out that for many organizations, their decision-making hierarchy, authority and power continue to be centralized locally. What is needed are culturally competent leaders to increase chances of success in a global marketplace (Kets De Vries, 2006, 186). He recommends organizations rate themselves on the following statements:

- To create an overall corporate 'glue', our organization devotes a large share of its resources to global executive development;
- Global experience is considered essential to a successful career in our organization;
- The power of our subsidiaries is considerable; and
- Non-home-country executives are well-represented on the board

What's the bottom-line?

It is a good idea for leaders and organizations to develop some criteria to help them assess the value of the partnerships they are looking for as they seek market penetration and sustainability. In addition to the questions above, it's healthy to clarify the following –

- Define the purpose of the partnership. Consider a joint mission statement that aligns with your mission. Is it compliant with your brand and the message you want to communicate with your supporters, customers, and stakeholders?
- Define the relationship. What are you seeking and what are you hoping to contribute? Don't be naïve about the weaknesses and strengths that exist on both sides.

- Define the scope of the project. What are the desired outcomes? Is there agreement on how they will be measured? Are there finite bookends to mark the duration of the partnership? Clarify expectations of each other.
- Conduct a financial and legal review of the partnership and understand up front what risks may exist.
- Have an exit strategy if things don't work out.

The world has changed. The value of partnerships has not.

References

DePalma, Donald A. (2004). *Business Without Borders: A Strategic Guide to Global Marketing*. Massachusetts: Globa Vista Press.

Kets De Vries, Manfred. (2006). *The Leadership Mystique: Leading Behavior in the Human Enterprise*. Harlow, England: Prentice Hall.