

The Real Deal – 10 questions to help make your strategic partnership successful

How does the partnership fit into the bigger strategic picture?	The partnership is important in itself but should be seen in the context of other partnerships and other strategic activities. Are there under-exploited synergies or conflicting objectives?
Have you won the hearts and minds of your partner(s)?	Cultural fit is often as important as financial fit and is often over looked. Be sensitive to cultural differences – whether between organisations, industries or countries. The “softer issues” are often the most difficult to tackle, but the most lucrative when you get them right.
Are you operating in your comfort zone?	Identify the most difficult relationship or aspect of the partnership structure and prioritise effort in that direction. Don't just stay in the comfort zone.
How well do you really know your partner?	Anticipate and evaluate your partner's value proposition - get inside their head. It will help avoid surprises and enable a solution that works for both parties.
How well have you defined and monitored KPIs for the partnership?	All businesses react to performance metrics, and so it's important that both parties agree on both “what” to measure but also “how” to measure it.

<https://www.pwc.co.uk/assets/pdf/strategic-partnerships-the-real-deal.pdf>

How much analysis and evaluation are you doing?	Analysis and evaluation makes you more confident, agile and sensitive to differences in culture and approach, avoiding misunderstandings. Remember, however, not to enter into an analysis/paralysis mode, as momentum is critical.
How constructive are you being in your negotiations?	Framing the proposition in a positive, constructive manner makes a huge difference – ‘take-it-or-leave-it’ deals may appeal, but risk alienation and relationship breakdowns.
How many unanswered questions do you have?	Always raise questions or issues that have come from the analysis and preparation you have conducted – the path untrodden may have been paved with gold, or at least been an easier journey for all parties.
Are you prepared for disagreements?	Establish review and dispute steps in the negotiation and implementation process early on – it avoids the potential for litigation and opens up new possibilities for challenge and improvement.
How much sponsorship do you have from all stakeholders?	Communicating benefits along the way helps to keep up momentum and increase sponsorship within the parent companies – it also keeps spirits up when times get tough (which they will, at some point!).

As a result, you are more likely to reap the following benefits of successful partnerships:

Enhanced profitability...

By tapping into new revenue streams and anticipating the operational model of delivering the proposition (which may reduce the costs of delivery); it may also capture benefits from tax or accounting treatments that deliver cost savings

Increased agility...

Through the use of a vehicle that increases the speed to market of the services, reducing the cost of management and improving the ability of management to respond to challenges in the future

Reduced costs...

By optimising internal staff time and external advisor support through efficient use of resources; this will free up staff time to work on other, more productive activities

Higher employee engagement...

By enhanced team-working, motivation and enjoyment of the partnership teams responsible for successfully executing the deal will result in improved employee satisfaction

Improved cash flow management...

By explicitly setting out appropriate payment terms from relevant suppliers/partners in the agreement

Enhanced governance...

Through the discipline required to successfully enter into (and exit) strategic partnerships will boost governance and management over a critical business process

Increased sponsorship and credibility...

For the individuals and teams who are credited with increased quality of analysis and negotiations to support the delivery of new services