

 

**Gain New Business
Using Joint Ventures, Strategic
Alliances and Partnerships**

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1

“Partnership is the work version of marriage.”
Marcia Corbett, AchieveGlobal

“I never knew what real happiness was until I got married, and then it was too late.”
Anonymous

2

Overview

Presentation overview

- Why partner?
- Types of partnerships
- Key considerations
- Benefits and costs of partnering
- Selecting a partner
- Where to find a partner
- Us

3

Why Partner?

The Problem – Working and Selling

- How do I sell and promote my firm while I'm working?
- How do I grow the business with limited resources?
- How do I maintain my independence and still develop committed relationships with others?

4

Types of Partnerships

- Referral Relationships
- Project Team
- Strategic Alliances
- Joint ventures/Joint consultancies
- Partnerships/Corporations
- Mergers

5

Legal Business Structures

Partnership

Definition - A voluntary association of two or more members (with or without written agreement) formed to carry on as co-owners of a business with the intent of making a profit.

- General Partnership
- Limited Partnerships
- Limited Liability Company (LLC)
- Corporation
- Non-profit Organization

6

Strategic Alliance

Building a Low Cost Sales Force

- Informal
 - Pass on contact
- Commitment
 - Actively connect with clients or network
- Financial incentives
 - Referral fees

7

Joint Ventures/Consultancies

- Develop common marketing name
- Maintain separate financial and legal structures
- Shared ownership
- Exclusive referral and collaboration

8

Mergers

- Create new company or integrate one firm into another
- Become single financial and legal entity
- Shared ownership

9

Key Considerations

- Set rules of engagement
- Determine who "owns" the client
- Discuss ownership of work product and intellectual property
- Define relationship clearly to clients
- Understand liability for actions of partner
- Address issues of potential competition
- Clarify ground rules for future engagements with client
- Develop an exit strategy

10

Key Considerations

Fee Arrangements

- Bill and receive for individual services
- Split revenue on % or flat rate basis
- Subcontractor add on
- Referral fee
 - 5% - 20% revenue
 - One time, first year or life of client
- Agreement for change in scope
- Payments to any partner contingent on payment from client

11

Benefits of Partnering

- Multiplies your network exponentially
- Increases your knowledge of consulting practices
- Enhances your technical expertise
- Expands project options
- Provides "back-up"
- Smooths the business cycle
- Provides personal and professional camaraderie

12

Cost of Partnering

- Time
 - Developing the relationship
 - Creating the concept
 - Reviewing agreements
 - Communicating to others
- Money
 - Attorneys, accountants, PR/Marketing, website designers, etc.
 - Lost opportunity costs

13

Cost of Partnering

- Control
 - Need to confer with another
 - Reduced ability to partner with others
- Identity
 - Possible marketplace confusion
 - Ego – association with your personal brand
- Unhappy endings

14

“One of the hardest parts of beginning a partnership is deciding who you are going to dance with and getting up the courage to ask.”

Sherry McCool, St. Louis Marriott Pavilion

15

Who is the Best Partner?

Internal factors to consider

- Define your culture and values
- What are your goals?
 - Time, money and work satisfaction
- What unique skills, experiences, contacts do you bring to a relationship?
- Who else needs what you offer?
- What gaps do you have in expertise, delivery or sales?

16

Who is the Best Partner?

Partner factors to consider

- Determine potential partner's culture and values
 - Match or no match
- Identify potential partner's goals?
 - Match or no match
- Determine potential partner's expertise and experience
 - Complimentary or overlapping?
- Due diligence

17

Great Partnerships

- Marie and Pierre Curie
- Meriwether Lewis and William Clark
- Larry Bird, Robert Parish & Kevin McHale
- Bill Hewlett and Dave Packard
- James Watson and Francis Crick

From Jay O. Light
Dean of the faculty, Harvard Business School

18

“Winning partnerships have a purpose, and the partners know it. You have to know your partner’s main business challenges, how your partner’s success is measured, and what your partners hopes and dreams are. Meshed with your own, these form the basis for a purposeful partnership...”

Melinda Goddard, Roche Laboratories

19

Where to Begin

- Reevaluate the reasons you started your firm
- Analyze the current state and future prospects
- Articulate what you are looking in a partnership

20

Where to Begin

Options

- Temporary – project specific
- Evolutionary – start small and grow the relationship
- “Go big or go home”

21

Identifying Partners

- IMC – *of course!*
- Professional Associations
- Linked In
- Referrals
- Clients
- Vendors
- Friends and family

22

Non-Traditional Partnerships

- **A large company**
 - Provide a niche service
- **Athletic team/association**
 - High profile, low income
- **Non-profit service organization**
 - Quality profile, no income
- **Local government or education institution**
 - Expand network

23

Other Partners in Your Life

Where does everyone else in your life fit?

- Spouse/significant other
- Children
- Parents
- Siblings
- Friends

24

Presentation Review

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- Selecting a partner
- Where to find a partner

25

Resources

- Dance Lessons – Six Steps to Great Partnerships in Business & Life by Chip R. Bell and Heather Shea
- Developing Strategic Alliances by Ed Rigsbee
- Measuring the Value of Partnering: How to Use Metrics to Plan, Develop and Implement Successful Alliances by Lorraine Segil
- Partnership: Small Business Start-up Kit by Daniel Sitarz
- **Power of 2: How to Make the Most of Your Partnerships at Work and Life** by Rodd Wagner (due 11/17/09)
- The Power of Strategic Partnering by Eberhard Schueing
- The Small Business Start-up Kit: A Step-by-Step Legal Guide by Peri Pakroo and Catherine Caputo
- www.directincorporation.com – set up business entity on-line
- www.nolo.com – partnership legal guidelines and resources

26

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27
