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Using Strategic Alliances To Increase Your Business

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Invest time and energy in taking the right steps in developing worthwhile, strategic business alliances. If you do, you will enhance the breadth of your "marketing to sales" funnel measurably. You will also enhance the ability of your company to help your customers or clients get what they need beyond what you provide.

Here are some proven steps you can take to develop a worthwhile, strategic business alliance.

ESTABLISH A CLEAR VISION AND PURPOSE FOR THE ALLIANCE - The organizations forming the alliance need to be integrated into a larger vision including both organizations. In other words, the leaders in both organizations need to think large and be tuned into current and emerging trends. In fact, the alliance needs to be designed in such a way that it encourages leaders in each organization to grow and make even greater contributions than before.

IDENTIFY WHAT'S ADDED BY FORMING THE ALLIANCE - The strategic alliance must be something that will add value to each organization's ability to serve its customers or the marketplace. The focus needs to be on the ultimate consumer of the product or service, not just the organization's players. Keep your focus on what is value added for the customer/client through the alliance. This will help everyone focus beyond the politics and organizational limitations.

USE AN OUTSIDE PROCESS FACILITATOR AND COACH - Objective facilitation of the coming together of the alliance is needed. This includes daily or weekly progress reports created by an independent, objective, agreed upon, coach or consultant. This is essential to tracking what is really being created between the prospective alliance partners. If you let each alliance partner write up their progress, it will be slanted to impress people. If an outside coach or consultant is writing it up each week and managing and tracking the steps of the strategic alliance development effort, then all prospective alliance partners are accountable to an objective party. In addition, this outside facilitator/coach will help facilitate creativity and experimentation. He or she will also help prospective alliance partners establish the proper structure for developing a worthwhile, strategic alliance.

BUILD TRUST - Trust is created when both parties are able to identify and be direct what they have to offer, what they don't have to offer and why they need the strategic alliance partnership. If the parties are trying to use each other, without being fully informed about the realities and potentials, then each party is going to hold back and struggle for position. This creates distrust. Mutual respect is critical.

ESTABLISH YOUR GROUND RULES IN ADVANCE - A complete understanding of the ground rules is critical. Develop a list of agreements, timelines, and resources needed. Also,

establishing ground rules between prospective alliance partners is essential. Issues of confidentiality, non-performance, deadlines, scope, outputs, ownership rights, worst-case scenarios, mutual efforts, and cost-sharing are wisely developed by the alliance partners themselves. Going through this process together bonds both groups and helps them honor promises. The facilitator/coach can facilitate this, serve as a mediator, and track compliance regarding these agreements.

HAVE FAITH - It's essential that both parties believe that there is something much bigger that can be created through a strategic alliance to achieve specific results that better serve customers or clients. If people doubt one another, they hold back key information and fail to give the alliance the positive power it needs to be effective.

ENGAGE IN OPEN DIALOGUE - Regular, open, discussions between prospective alliance partners is essential. Use e-mail and conference calls, as well as getting input from trusted persons outside of the prospective alliance partners. Leaders from other friendly companies or consumers of your products and services are excellent. The process of forming an effective strategic alliance calls for partners who are eager about learning and perfecting instead of just looking good to one another. Humility and an eagerness to develop an alliance that increases the excellence and breadth of services or products for your clients or customers is key.

AGREE ON SPECIFIC OUTCOMES - Ensure that there is mutual understanding about what exactly will be the outputs of each alliance partner. Who does what? By when? What are the measures of success? How will both partners know they have a winning alliance that should be advanced and expanded? What are the tangible benefits to each partner and their respective clients or customers? What are the intangible benefits? What will make it all worthwhile, even if things at times are not going very well?

ASSESS OUTCOMES - Whatever the outcomes are that have been defined, the functions of the alliance need to be continually assessed to make sure all is working well. Focus groups aren't enough; the products or services coming forth from the alliance need to be tested with current clients and customers to measure effectiveness and desirability. In other words, use current clients and customers to establish a "sounding board" and feedback resource from the very beginning.

INVOLVE STAFF - Both organizations should invite staff members to appropriately participate in carrying out the work of the alliance. This can be as simple as opening the door to receiving their feedback and ideas for enhancing the alliance. Many talented staff members may not have the time to become directly involved, but their comments and insights can advance the success of the alliance.

If you need help in mastering and implementing any of the skills and tactics mentioned, I'm here for you! Please visit the Call-A-Coach section of my web site for more information.

About the author:

Dr. Mac shares with business owners the practical knowledge and insights he gained as a small company CEO. He founded Sycamore Ranch, Inc. when 27 and as CEO led his partners and a staff of 100 for 16 years in developing and operating the 50 acre recreational facility. Years later, he integrated what he learned from his Doctoral program at USC with his practical business experiences and began consulting. For four decades Mac's coached business owners in mastering and applying "how to" leadership and managerial skills for: Hiring and retaining only the top ten percent producers; Optimally deploying and supervising staff to maximize their personal motivation; Developing high integrity leadership teams; Facilitating mutual performance accountability and peer coaching processes; and, Integrating his Intentional Business Integrity Process into their company operations. Mac has served leaders in manufacturing and high tech companies; accounting, banking and insurance enterprises; medical and health care organizations; service and retail oriented businesses; as well as educational, governmental and non profit organizations. Q&A ProActive Leadership 888-648-5552 or MacAdam@PALConsulting

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