

appraising alliances and allies

Webster's Dictionary offers a simple definition of an ally: one who is associated with another as a helper. Alliance has a slightly different twist: an association to further the common interests of the members. CEOs often use "allies" and "alliance" freely and without specificity. So let's get specific and ponder the conscious formation of alliances and choice of allies.

CROSS-PROMOTION

For the CEO of the smaller business, the simplest form of alliance often is cross-promotion. I promote your product or service, you promote mine.

To effectively cross-promote, each ally must have sufficient comprehension of the other's product or service to be able to promote it effectively. The easiest way to gain this understanding is to sit down one-on-one with each other and inquire until that understanding is reached. Successive monthly group meetings are helpful if multiple allies are involved. I belong to several networking groups where each month members tell success stories. Through these stories I know what they sell, who they are, their strengths and weaknesses, and the circumstances where they may be of service.

Certainly the most direct route to mastery of cross-promotion is to use your ally's product or service yourself. I had heard praises of the web site guru in one networking group, but when I retained him to create a new site for me, I became a truly enthusiastic promoter.

While really knowing your cross-promoter is critical, knowing the needs of your client beyond those you supply is equally important. Understanding the client's needs enables you to identify a situation where your cross-promoter may be of service. By being sensitive to your client's style and approach and knowing your cross-promoters, you may choose one of two or more businesses that offer the same product or service to cross-promote to a particular client. (A successful referral always increases the trust and loyalty your client feels for you.)

Once you've identified a product and a person fit, leave a reminder of your referral

with your client. A group I recently addressed distributes a directory of cross-promoting businesses that can be given to clients. Also, leave a card of your cross-promoter with your client and notify your cross-promoter of the referral. It alerts them to expect a call or email and to follow-up, and assures them of your continuing interest and support.

So, do you pay commission on business resulting from referrals on cross-promotion? I've spent hours drawing up elaborate letter agreements about when such commissions are payable. And, I've never paid or received a commission under them since no clients have resulted. In retrospect, the focus on the money upfront got in the way of true mutual understanding of the services my cross-promoter and I provide. I now trust that vigorous cross-promotion over time will yield at least roughly equivalent numbers of leads. If I get a lead, my cross-promoter has done his or her job. The rest is up to me.

STRATEGIC ALLIANCE

Suppose you feel outsourcing the growth or administration of parts of your business may help you concentrate on what you do best. Andy Nester of Pharos Management has developed a formal process for a comprehensive assessment, which includes identifying your internal needs, focusing your choice of allies and negotiating a formal alliance agreement.

Key steps in the internal assessment are identification of your core competencies and current alliance needs. Review of your potential alliance strategies yields goals, objectives and criteria for success.

Steps in the ally selection process include descriptions of appropriate roles and relationships, desirable character traits, potential

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candidate sources and possible deal structures complete with alliance budgets.

Finally, qualified prospects are contacted, an ally chosen and a deal negotiated.

So, suppose you've gone through all the informal or formal steps. How do you know your relationship with your ally is going to be a good one?

Minimizing negative and maximizing positive behaviors are the keys. Faith Fuller and Marita Fridjhon of *The Right Relationship* list four "toxic behaviors" sure to weaken or bring down any relationship:

- Blaming/Criticism: Attacking your associates [with] negative words about their character or personality.
- Defensiveness: It's not me, it's you.
- Contempt: Includes sarcasm, belittling, cynicism, name-calling, hostile humor and belligerence.
- Stonewalling: Includes cutting off communication, silent treatment, refusal to engage, withdrawal.

Set up some trial situations where you can determine, as much as possible, how your potential ally reacts when things are not going

well. Then keep alert for any of the four negative behaviors, in you or your potential ally, point them out, assess the reaction and the implications for an ongoing relationship.

To maximize positive relationship interchanges, Fuller and Fridjhon suggest following nine very practical steps:

- Take turns talking.
- Don't offer unsolicited advice.
- Don't interrupt.
- Show genuine interest.
- Communicate understanding.
- Look for value in the other person's perspective. Say "What I like about your idea is..." Abolish "but" from your vocabulary.
- Express admiration and respect.
- Validate emotions, positions and perspectives.
- Use brainstorming techniques to keep creativity alive.

A positive relationship ultimately rests in playfully appreciating and celebrating your relationship with your ally. Billy Collins captures this well in his poem, *Shoveling Snow With Buddha*:

All morning we work side by side...
After this, he asks,
can we go inside and play cards?

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