THG LLC

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Successful co-branding partnerships don't just happen. One key element is to make certain that organizations seeking a joint venture are deeply compatible in values and personalities. This is partly a matter of smart marketing. An effective partnership must link companies whose target audiences are fundamentally similar in terms of taste, demographics, income and interests. It also helps if the leaders of the partnering companies know and respect one another. If you "speak the same language" and have fundamentally similar values and philosophies, there's less likelihood of encountering difficulties, which can't be overcome.

Organizations can enjoy these benefits only if their leadership teams make a serious commitment to address the challenges involved in achieving <u>alignment</u>:

- You can't fake partnership – unless each organization is genuinely prepared to treat the other's concerns as equal in importance to their own, they can't expect to forge a real or lasting partnership.
- Partnership demands creativity – it is usually easy to see how the interests of partners conflict or don't align; it is not so easy to find a new way of doing business that allows you to transcend the conflict and meet both partners' needs.
- Partnership requires compromise – if the idea of leaving a single dollar on the table is a driver for either company, you may not be cut out for management by partnership.
- Partnership demands commitment and consistency – when you enter a partnership, you are inviting other people in, which requires organizations to rely on one another. In effect, each is saying, "I will follow through on my promises; I will be here tomorrow, and the day after that, and the day after that." This doesn't mean that either company can never change; it does mean that they can't change arbitrarily or capriciously, without considering the impact on the other.
- Partnership requires flexibility – a controlling person or someone who thinks "win/lose" is unlikely to be comfortable in a true partnership. One of the main benefits of a partnership is that it mobilizes the talents of each company to benefit them all; but this can't happen unless each is willing to let the other unleash their talents – even if they make choices that are different from the ones each might have made on their own.
- Partnership requires openness – organizations need to engage and understand one another as well as their business. This means sharing information in enough depth so that everyone is equipped to manage appropriately for everyone's mutual benefit. You can't expect to keep each other in the dark.
- Partnership requires fairness – everyone must benefit; otherwise, it's not a true partnership. If either company tries to use a partnership as an opportunity to exploit or take advantage of the other, the partnership will soon collapse.
- Skin in the Game – each party must have some form of skin in the game, some real investment that is at risk along with the other party.

Coming together is a beginning. Keeping together is progress. Working together is success.
- Henry Ford (1863-1947)

<u>The Power of We: Succeeding Through Partnerships</u> by Jonathan M. Tisch and Karl Weber (Sept. 12, 2005)
Stanford University curricula material from Influence and Negotiation Strategies Program