

Three-Dimensional Partnering

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In today's economy partnering is a requirement, but why is it so difficult?

In today's market everyone knows they have to partner. Customers demand more comprehensive solutions, but suppliers must remain focused on what they do best. Companies need to expand into new markets, but can't afford to add many more employees. Others—especially competitors—are partnering. Leaders see a clear trend and know they have to participate; they can't afford to wait too long and be left out.

Naïveté is gone, though. Partnering isn't easy and failed expectations are common. Hard work sometimes yields poor results; sales people won't participate; partners don't do what's expected. Some wonder why they can't seem to pick the right partner. Others get results, but results that are inconsistent and successes that aren't repeatable. It sometimes seems that the partner is getting all the benefits from the relationship, yet putting in little or none of the work. It can be discouraging when managing a partnership is so hard and takes so long.

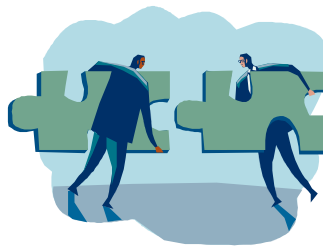
It's not always like that. Some companies know what to expect from their partnerships – and they get it. People do what they're "supposed" to do: partners bring leads, sales people work together, issues rarely arise. Companies expand into new markets through partnerships, and gain market share in their own markets. Some companies become the company that everyone wants to partner with. They are the companies that can pick and choose their partners, and they know how to pick the right partners. These are the companies for which partnering has moved from a requirement to a strategic advantage – a core competency.

3-Dimensional Partnering Model

The difference between frustration and success is the completeness of one's approach to managing something as complex as an alliance. Those whose results are frustrating have focused on only one or two

of the key aspects, or dimensions, of a successful partnership. Those who succeed address all three dimensions.

The first critical dimension of partnering is the **joint solution**. This is well understood and most companies do a good job of joining their part of the solution to their partner's, delivering a joint solution that is more valuable to their customers than either was delivering on their own. Since most companies understand this dimension of partnering it is not surprising to see that only 10% of partnership "failures" come from a failed joint solution.



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Some companies recognize they have to address not only the solution, but also the **market**. This 2-dimensional approach considers how a partnership complements one's products and services, and how it complements one's market presence and market image. Partners are selected for "marketing" issues, not just for the technical capabilities of their products and services. Partners are selected because their market presence extends the reach of the partnership. They are selected for brand compatibility and complementary brand recognition. 2-dimensional approaches to partnering can often be recognized because their sponsorship comes from the Strategy or Marketing organization. This 2-dimensional approach helps, but is not enough. In fact, with only 20% of partnership failures attributable to market problems, the vast majority of problems (70%) come from somewhere else – the third dimension.

The third dimension is **people**. People make partnerships succeed or fail. It's the people on one's sales team who either embrace or resist working with partners. It's the people on the partner's sales team who either bring new leads, or wait for new leads to come in from you. It's the people in Product Management who either support partnering or undermine it and it's the people in senior leadership who either communicate a culture of partnering or reinforce status quo. 70% of partnering failures are attributed to people not doing what is needed to make the partnership successful.

A 3-Dimensional Partnership approach integrates these key factors: **solution, market, and people**. Partnerships are planned from each of the three dimensions. Partners are picked based on technical, market, and people characteristics. Most importantly, implementation ensures that the solution is integrated, that markets are addressed, and that everyone is prepared and motivated to play their required role in executing the partnership.



People make partnerships succeed or fail.

The 3D Partnership

For some, integration of all three dimensions comes naturally. For the rest of us, we need some tools, techniques, and processes to help maintain the required balance and completeness in our focus. This applies across all phases of partnering.

When initial strategies are developed, consideration must be paid to the needs the partner will fulfill – the technical capabilities required, the market presence and image, and the actions that individuals within the partner's organization will be expected to take. Consideration must be paid to the objectives and motivations of these key individuals. Why will they want to do what is required of them? Good initial planning will yield a clear picture of what is required – what the partner will add to the solution, what the partner will add to the market

presence, what roles the partner will play in selling and delivering the solution, what the ideal partner would look like, and why participating in this partnership is in the interest of the potential partner.

Good planning yields much more effective discussions with potential partners. The discussion between two potential partners is often based on some gut feel that the two companies will complement each other, typically at the solution level. Discussions are much more effective, though, when the companies understand how they can further each other's business strategies. The

companies get together already having a good idea of not only the joint solution, but which markets they will target together (and which they not), what roles each will play, and why both companies – and the individuals within each company – will benefit from the partnership. Good planning yields effective meetings and eliminates waste-of-time meetings. Good planning

also provides a basis for choosing among potential partners; a much better basis than the typical "I'll partner with anyone willing to partner with me" approach.

Disciplined 3-Dimensional Partner requires effective joint planning as well. Joint business planning must address the solution, the market, and the people. Partnership agreements should define how the companies will work together in all three dimensions. Implementation must address both the solution integration work and the training and motivation of every key person. Every player has to know his/her role in the partnership, must have the knowledge and skills to execute that role, and must have motivations that are aligned with their performing that role.

3-Dimensional Partnering also requires ongoing attention to all three dimensions. Joint solutions must evolve and improve; new markets may be targeted and images

may be adjusted; and people — their skills and their motivation — must be constantly reviewed and improved. Constant communications is needed to complement the early work. Success has to be communicated internally, and with partners. The relationship has to be reviewed and adjusted on a regular basis. Partnerships should be pruned when they are not delivering needed results or when they are no longer needed. 3-Dimensional Partnering is truly a cradle-to-grave approach to partnership management.

The 3D Partnering Program

Most companies are looking for more than one successful partnership. The goal is typically to create one successful partnership after another. This requires a partnering program built around the richer set of 3D considerations. A consistent, structured approach ensures that all partnerships enjoy the benefits of a proactive, 3-Dimensional Partnering approach. This consistency also creates a sense of confidence among partners and potential partners; no one wants to work with a partner who is inconsistent and constantly changing. Consistency and predictability is a major factor among companies who become a “partner of choice”, the companies others seek as partners.

The planning required for a successful, 3-Dimensional Partnership can be replicated through consistent use of a planning process and planning tools. These processes and tools should be used by product or market managers as well as partnership managers. Roles should be well-defined and everyone should understand their role. This brings alignment and eliminates the chaotic environment that develops at some companies where literally hundreds of uncoordinated, conflicting, and non-performing partnerships get formed across the enterprise.

Measurement systems are also critical to successful partnering since they drive what people do. Companies that measure the number of agreements that are signed get lots of agreements; they don't necessarily get partnership results. The measurement system should drive the right balance between generating new sales out of existing alliances with the need to explore and develop new partnerships. It also has to focus attention on results, while gently encouraging the right steps toward those results. Partner manager compensation plans have to reward the right behaviors. In other words, a 3-Dimensional measurement and compensation plan will inspect and reward the balance inherent in a 3D approach.



Partnering is performed by the whole enterprise

A 3-Dimensional Partnering Program needs partner managers with the skills to implement 3-Dimensional Partnering. Partner managers have to be recruited and selected based on key skills and the right training has to be available to them.

The 3D Partnering Enterprise

Finally, partnering isn't something done by a partnering organization; partnering is performed by the whole enterprise. A 3-Dimensional Partnering culture is needed. Building this culture requires specific things: communications, training, appropriate reward systems, and on-going attention. Success requires enterprise-wide attention.

The 3-Dimensional Partnering Enterprise aligns everyone around a shared understanding of why they are partnering. The word has to get out — the enterprise won't rally around something they never hear about. Enthusiasm requires awareness. Each person in the enterprise needs to understand his or her role in the partnerships and should understand the value that the partner is expecting to get out of it as well. Training is required across the entire enterprise. Reward systems should be examined to ensure that the enterprise isn't



telling people to partner and rewarding an opposite set of behaviors.

Cultures don't change quickly and they don't change based on edict. In order to refocus a culture to support 3-Dimensional Partnering there has to be a long-term commitment, from the top on down. The CEO has to talk about partnering, celebrate successes, recognize good partnering behavior, and personally exhibit the same behaviors. The message must be consistent and must last so that it doesn't become flavor-of-the-month.

Getting Started

If this sounds complicated and complex, it is. If partnering were easier more companies would be experiencing success already. But it can be done. Developing a successful, 3-Dimensional Partnering program requires four things: the commitment to succeed, the discipline to persevere, the patience to avoid skipping steps, and the impatience to avoid

delaying. It can't be done without an experience-based plan. It may take specific skills, experience, or resources that may not exist within the enterprise. Leveraging outside resources may be needed to speed progress and get the best results. But the most important thing is to get started. A good first step is to take stock; review the current program and past results; determine how many aspects of 3-Dimensional Partnering are already being practiced and which new ones need to be developed.

Successful partnering isn't easy, but it can be made easier with the application of the right approach. Successful partnering is profitable. Once mastered, effective partnering skills allow companies to move quickly, exploit market opportunities, and expand well beyond their internal capabilities. The 3-Dimensional Partnering approach will enable this new competitive advantage. Good luck, and good partnering.