

How Can a Partnership Help My Business?

Creating a Roadmap from Solo Venture to Partnership

Before deciding on creating a partnership, you want to consider what you hope to gain from it. What gaps do you have in your own business that you hope a partner (a person or another company) can help out with? Often, thinking about a partner starts with an entrepreneurial wish list.

“My business wound up forming a partnership with a local institution. I have access to their resources, brand name and more. It took some work, but the partnership feels really solid. It saves us about \$25,000 per year in location rental fees and another \$7,000 in staff time to find and negotiate with the locations. In addition, we’d normally have to pay a licensing fee to use the university logo, so that’s another \$50,000 or so in value annually.”

–U.S.-Based Entrepreneur

What’s on your wish list? For example, do you hope to:

- 1 ? ... Distribute products in a new area and want help navigating a new distribution network?
- 2 ? ... Partner with a similar business that serves a complimentary customer group?
- 3 ? ... Get help marketing your product from a marketing firm you’ve admired?

EXAMPLE:

Partnerships can take many different forms and help you attain a wide variety of goals. One such partnership, created by Miranda Bennett Studio in Austin, Texas, has helped a number of manufacturers deliver high-quality products to their customer base. The partnership between Miranda Bennett Studio and the Multicultural Refugee Coalition's social enterprise, Social Arms, has allowed Miranda Bennett Studio to stick with their core values of manufacturing in the United States, encouraging sustainability, and offering a fair wage. Social Arms paired their network of refugees interested in clothing creation with the values and needs of Miranda Bennett Studio. Representatives from Miranda Bennett Studio meet with Social Arms clothing manufacturers once a week and have supported the hiring of more clothing manufacturers based on their need for more clothing production. Creating a partnership should benefit your business and your potential partner's business.¹

Thinking About Partnerships:

As a first step, think about:

1. What would you like help with in your business to spur growth?
2. What would a partnership look like for you?
3. What skills and assets do you have to offer a partner company?

HOW TO USE THIS TOOL

A Use the check boxes below to identify which areas are potential gaps/needs in your business.²
These include:

- **Distribution of products** *[Example: You have a product developed and ready to go but need help delivering it to a customer base.]*
- **Technology** *[Example: You want to upgrade your website to include online ordering.]*
- **Providing services** *[Example: Your business needs help expanding the amount of customers you provide services to.]*
- **Finance/capital** *[Example: You want your business to find new ways to increase access to capital.]*
- **Production** *[Example: Your business wants to expand your products either by increasing the customers you reach or increasing quality and quantity of your products.]*
- **Personnel** *[Example: You need an extra pair of hands to help your business.]*
- **Expanding market share** *[Example: You've been thinking about growing the audience your business reaches.]*

- Sales/marketing [Example: You want to increase how many people know about your products/services.]
- Other: _____

B Focus on one or two of the boxes you checked above.

1. Why is this gap important for me to fill?
2. What do I hope to gain from a partnership in this area?

Use the space below to answer these two questions.

There are many different partnership models for you to consider depending on the gaps/needs you've identified.

Use the table below to help brainstorm various partnership types (see example in first row).

Type of Partnership	Description	Example of how this model would work at my company. Consider "easy" and "stretch" goals.	Candidate partner companies (list) and any action steps
<p>Referral</p> <p>For: expanding market share, providing services, distribution of products</p>	<p>Referral partnerships offer a back-and-forth exchange of customer referrals. Your partner recommends you to their clients who need your services. In exchange, your business would refer business to the partner company and/or pay a referral fee.³</p>	<p><i>Example:</i> Easy (example) "We refer business to our accountant already. We can ask them to think of us when a client needs a caterer." Stretch (example) "Referrals from largest game company in area (deliver pool tables, etc. to parties). We cross-refer business."</p>	<p><i>Example:</i> Accountant Ask Sandie if we can hold a tasting, and if they'd be comfortable referring to us. Game company Have Marc introduce us to owner (ideally at event we're catering). Ask if they give referrals, and if so, what would it take to get on their list.</p>

Type of Partnership	Description	Example of how this model would work at my company. Consider “easy” and “stretch” goals.	Candidate partner companies (list) and any action steps
<p>Joint marketing</p> <p>For: expanding market share, marketing, personnel, distribution of products</p>	<p>A joint marketing partnership is an agreement to promote both businesses at the same time. This partnership helps expand into new markets and uses both companies’ marketing power. Some examples are taking out an ad together, sharing exhibit space at a conference, or co-branding marketing campaigns.</p>		
<p>Product development</p> <p>For: production, capital, personnel</p>	<p>A product development partnership allows businesses and other organizations to pool their funds to enhance product development activities.⁴</p>		
<p>Tech/IT</p> <p>For: technology, personnel</p>	<p>A technology partnership provides needed technology and advice for your business. A technology business can help with needs such as website development and hardware and software support, among other needs.⁵</p>		
<p>Distribution</p> <p>For: distribution of products, expanding market share, personnel, capital</p>	<p>Distributors will help you get your products into your customers’ hands. This partnership will help you expand your market while taking advantage of an established distribution network.⁶</p>		

Type of Partnership	Description	Example of how this model would work at my company. Consider “easy” and “stretch” goals.	Candidate partner companies (list) and any action steps
<p>Social good/ cause/social entrepreneurship</p> <p>For: marketing, expanding market share</p>	<p>A social good partnership combines a social mission or project with your business. Your business can sponsor charity events, give a portion of your sales to a cause, donate prizes to local fundraisers, and more. Examples of how your business can benefit include the “halo effect” from involvement with a cause, increased brand recognition and improved employee engagement.⁷</p>		

C Now that you’ve identified what you can gain from a partnership and the type of partnership you want, it’s time to think about what a partner can gain from you. Go through the list in Part A. What are strengths and assets that might be of benefit to a partner company? Add your own categories as needed.

- Distribution of products—Asset/Strength:

- Technology —Asset/Strength:

- Providing services—Asset/Strength:

- Finance/capital—Asset/Strength:

- Production—Asset/Strength:

- Personnel—Asset/Strength:

- Sales/expanding market share—Asset/Strength:

- Marketing—Asset/Strength:

D Considerations for Partnering with Another Business

Before partnering with another business, make sure their goals align with your own. Use the table below as a starting point for developing key “must haves” versus “nice to haves” in your partnership.

Answer the following questions, and have your potential partner answer them as well. Compare your ideas and notes with theirs to ensure their direction matches your own.

Consideration	Importance	My Business	Partner
<p>What is my business’s mission statement?</p> <p><i>Does my partner’s mission align with that of my business?</i></p>	<ul style="list-style-type: none"> ▫ Must have ▫ Nice to have 		
<p>What do I consider to be my core values as a part of my business?</p> <p><i>Do my partner’s values align with mine/those of my business?</i></p>	<ul style="list-style-type: none"> ▫ Must have ▫ Nice to have 		

Consideration	Importance	My Business	Partner
<p>What are the major characteristics of my/ my business's work style/work ethic?</p> <p><i>Is my partner's working style consistent with ours?</i></p>	<ul style="list-style-type: none"> ▫ Must have ▫ Nice to have 		
<p>Growth: Where do I see my business in six months, in 2+ years, and beyond?</p> <p><i>Are my partner's growth goals aligned with mine?</i></p>	<ul style="list-style-type: none"> ▫ Must have ▫ Nice to have 		
<p>People: Who will be responsible for the partnership management and growth?</p> <p><i>Are there people dedicated to the partnership?</i></p>	<ul style="list-style-type: none"> ▫ Must have ▫ Nice to have 		

Consideration	Importance	My Business	Partner
Add any additional criteria below:	<ul style="list-style-type: none"> ▫ Must have ▫ Nice to have 		

Conclusion:

Partnerships can be a great way to grow your business. Collaborating with another business can extend your network and open up new markets for your business. The right partnership can help fill in the gaps in your business while your business helps fill in gaps your partner may have. Making sure a partner business shares your core values is essential before agreeing to a partnership to ensure both businesses can grow and expand.

For additional ideas, see how the following organizations encourage partnership development:

- [How to Partner with NASA](#)
- [National Science Foundation Partners](#)
- [Partnership Resources from the United Nations](#)

1 *Story and Contact*, Miranda Bennett Studio, <http://www.mirandabennettstudio.com/story--contact.html> (accessed Aug. 13, 2019).

2 Pamela Wasley, *8 Critical Considerations for Choosing a Business Partner*, Entrepreneur (May 20, 2016), <https://www.entrepreneur.com/article/273813>.

3 *How to Grow Your Business with Partnerships*, Marketing Samurai (Oct. 15, 2015), <https://marketing-samurai.com/business-partnerships-your-key-to-massive-growth/>.

4 Pamela Wasley, *8 Critical Considerations for Choosing a Business Partner*, Entrepreneur (May 20, 2016), <https://www.entrepreneur.com/article/273813>.

5 *Grow Your Business with a Strategic Partnership*, SCORE, <https://www.score.org/blog/grow-your-business-strategic-partnership> (accessed Aug. 16, 2019).

6 Terri Denison, *Strategic Alliances: Possibilities Through Collaboration*, U.S. Small Business Administration, <https://www.sba.gov/offices/district/ga/atlanta/resources/strategic-alliances-possibilities-through-collaboration> (accessed Aug. 16, 2019).

7 Ibid.