

The Importance of Developing a Plan for Strategic Alliances

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Strategic alliances have become a major factor in today's business models. Strategic alliances can enable the business owner to offer more services to their most valued clients ' and for many businesses, strategic alliances are the most profitable avenue of revenues.

Strengths of Strategic Alliances

According to recent research, 80% of surveyed CEOs found strategic alliances beneficial for several purposes:

- Quickly enter into the marketplace
- Promptly obtain technology advancements without research costs
- Minimize the budgetary costs typically associated with growth investments

To ascertain what type of strategic alliance is right for you, it is important that you assess your business thoroughly. Are you looking to penetrate a greater volume of the market share? Are you looking to reach a potential partner's customer base? Would you like to launch a new product line? Understanding your specific goals ' as well as your market position, strengths, weaknesses, and available resources ' will help you craft an appropriate strategic alliance.

However, the main reason why strategic alliances fail is because at least one of the partners is not happy with the results. Why does this occur? In most cases, the strategic alliance fails because a solid plan was not created at the outset of the endeavor.

Know Your Business ' and Your Partner's

All strategic planning deals with three key questions:

- What do we do? It may sound simple, but to effectively join efforts with a strategic partner, you must have a good concept of what your business offers. Without a clear defined understanding of every aspect of your goods and/or services, it is nearly impossible to target a valuable strategic partner.
- Who do we serve? Every business has a target customer or client. That doesn't necessarily mean that your business will solely market to that target profile, but it gives you a deep understanding for who is using your products. This allows you to key in on the specifics when choosing an alliance partner.
- Who is our competition? In order to stay at least one step ahead, it is important to keep informed as to who your competitors are and what they are doing. By placing your head in the sand like an ostrich on this issue only gives your competitors an edge on rising above your business. In order to compete in any business, you must not only "Keep up with the Jones," but you must beat them. A huge benefit to creating a strategic alliance partner is that often a business can avoid competition by aligning with proper partners.

Develop Your Plan

Alliances succeed with good planning. Whether you are looking to join email marketing campaigns, or perhaps a new product launch, a strategic alliance must have a clearly developed plan. Within your plan, you must clearly define several elements:

- Goals of the strategic alliance

- Specific marketing plans
- Analysis of cost sharing
- Defining the success of the relationship
- Encouragement of formal communication
- Marketing plan management details

Once a business and strategic alliance plan are in place, a proactive search for alliance partners can then be implemented. In order to create a solid strategic alliance, the first step is creating an in-depth strategic plan.

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