

Marketing Mastery Program – Module 5

DEVELOPING STRATEGIC ALLIANCES

6 Steps to building sustainable lead generation through collaboration



What is a Strategic Alliance (SA)?

A SA is a partnership between two or more businesses who share the same Ideal Customers but do not compete with each other. This partnership is established for the purpose of leveraging each other to generate new leads for each business.

SA's can be one of the most powerful of all marketing strategies and it can also be one of the hardest to get working well. When talking with business owners, it is a common event that they have tried to set them up but they never really amounted to anything or just sort of fizzled. Hence the need for a proven methodology to create partnerships that actually work. So read on :)

So why are SA's so cool? Think about it this way—if you could find 5 other businesses who had hundreds of customers who were your ideal customers, and they agreed to promote your business to their customers, what impact would that have on your business? How much do you think that would cost you to do vs. advertising cold in traditional vehicles like newspapers?

When a lead is generated from a Strategic Alliance, it is a form of referral. And referrals come with a degree of inferred trust. The level of that trust varies depending on the depth of the relationship between the SA and their customer.

So how do you get all these businesses to promote you and send you free leads? Well let's ask the question a different way: What would someone have to do for you to make you want to promote their business to your customers? And there you have the crux of

the concept.

A sustainable SA is one where BOTH parties benefit and the level of perceived benefit is equal and fair.

Getting it off the ground

Here are the key steps to follow:

Step 1 – Select your Ideal Customer. You've done lots of work here to date. As usual, each campaign (or Strategic Partnership) should be centered on one particular Ideal Customer. This makes it very easy to select who your potential partners could be. It also makes it easier for your potential partners to understand who your Ideal Customer is. If at the start of a relationship, you bombarded them with 6 different types of customers you are looking for, they are going to turn around and walk out the door. Keep it simple ... at least in the beginning

After you've established a working relationship with that SA, perhaps run a few campaigns together, you may expand to include other Ideal Customer descriptions, but for the start focus on just one.

Step 2 – Fill out the SA Wheel (below). The SA Wheel is your tool to brainstorm all the potential SA partners that could be available to you. The goal here is to think about who else your Ideal Customer does business with? The answers you come up with should obviously not be direct competition to you. It is best to start some broad categories. For example if you were a yoga studio you might want to explore the following categories:

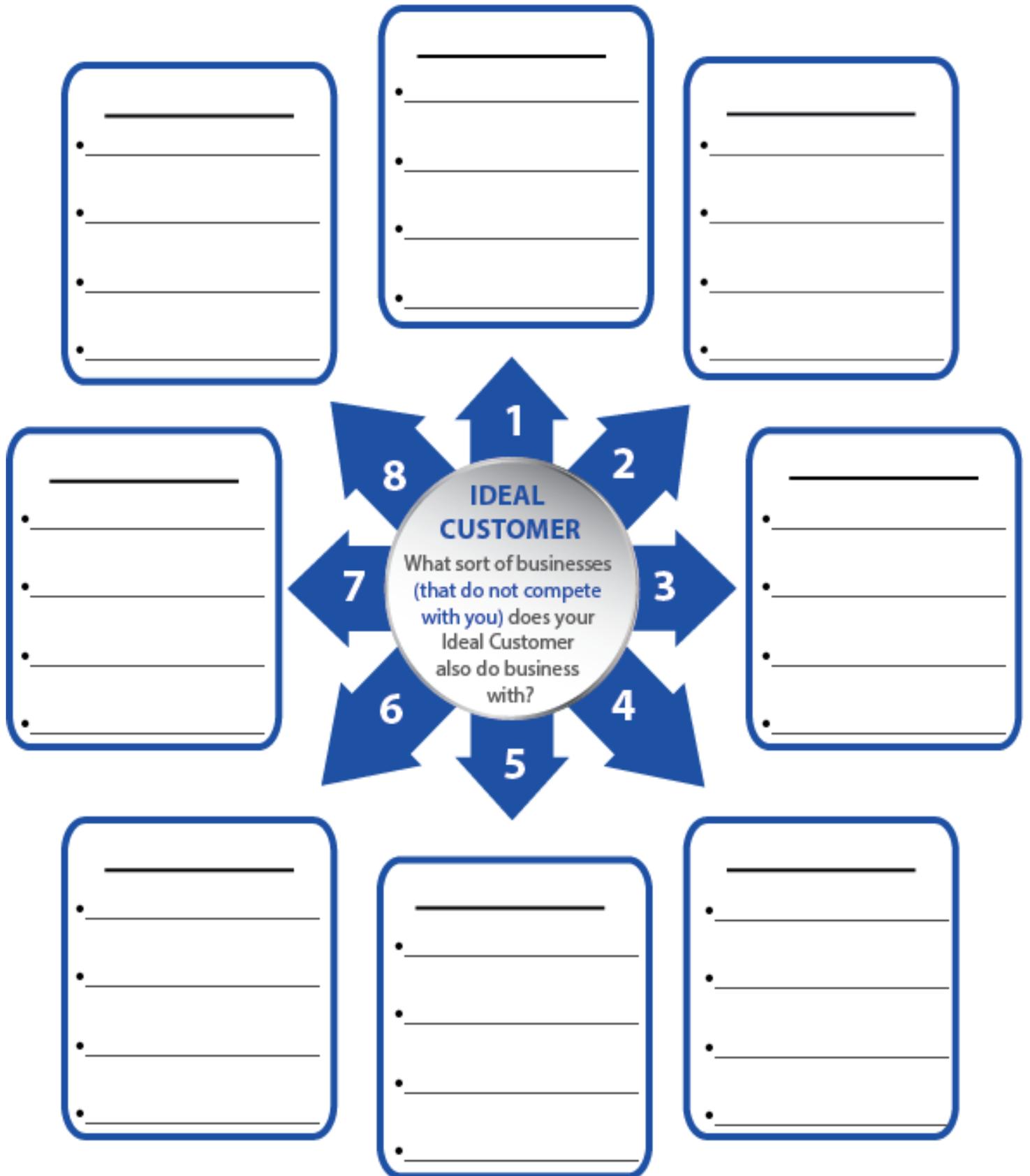
- ★ Health Food Store
- ★ Naturopathic Doctor
- ★ Chiropractor
- ★ Exercise retail stores

Once you've got 6-8 Categories listed out, now start identifying 3-5 specific businesses within each of those categories. If you don't know actual businesses in a category or you don't know enough, search online or in business directories. Don't limit yourself here by being concerned about 'how' you are going to set these up. Just focus on getting a nice big list.

Completing this section should give you a list of between 18-40 potential SA partners. Don't worry—we are not aiming to get all of them, but having more to choose from gives us great options.

WARNING – listing 5 potential SA's and believing 3-5 of them will work is a recipe for failure. Work on the assumption that out of every 7-10 businesses you talk with about developing a strategic alliance, 1 of them will actually work out really well—hence the need to start with a big list.

Strategic Alliance Wheel



Step 3 – Make Contact. Pretty straight forward – this is where the rubber hits the road and you start to get some traction and feedback on your approach. Before starting to make calls there are three key components you need to nail down. They are:

1. What script are you going to use to get the meeting?
2. What is your process going to look like? By process I mean, once you've booked the first meeting, what are you going to discuss in that meeting and what will happen at the end of the meeting. How many meetings will there be? What are the expectations of the relationship?
3. What information might they need to know about your business?

Let's take a look at each of those in detail.

1. **Your Opening Script.** Your goal is to make contact and get a first initial meeting. Your script is going to vary depending on how well you know the person you are speaking with. For someone you've never met before it might look something like:

"Hi Bob, my name is Jamie Cunningham and I am a managing partner of Small Business Mastery here in Australia. Bob, the reason for my call is that over the past couple of years I've heard your name in conversation and people have always had very good things to say about your company. (Only say this if it is true). And Bob we've been very successful in growing our business through developing strategic partnerships. Now these are partnerships that result in both companies growing at a faster rate working together than what they could individually. We've actually become very good at this and are constantly looking for other leading companies that might have potential to become partners. So getting down to it Bob, I'm wondering if you are interested in a 30-minute exploratory meeting to see if there is any potential fit between our companies.

Obviously if you have an existing relationship, you can be a little less formal than that.

Like any script it is important it does not sound like a script. Understand the key points you need to communicate then put your own natural language around it. In this case, the key points are:

- ★ You are looking for partners who want to grow their business
- ★ They are only committing to a 30-minute meeting.

This is just as important for you as it is for them. A quick initial meeting will give you a good feel for whether it is worth moving forward.

2. *Developing your process.* This does not have to be too complex but understanding the end game helps to bring clarity to your meetings. Basically you want to have a series of 2-4 meetings ready to position if the first meeting goes well. Here is what it might look like.
 - A. Make the call to get a meeting.
 - B. First meeting - Discovery
 - ★ The goal here might be just to get to know each other and learn more about your respective businesses. You might make the outcome to decide if you believe there is potential for working together. Assuming you agree there is; you might agree for the next meeting you both should come with some ideas to discuss on how you might be able to work together.
 - C. Second Meeting - Ideas Discussion
 - ★ The goal of this meeting is to throw around some ideas and decide which you both think have merit. You may even start to flush out some details.
 - ★ Set a time for the next meeting
 - D. Third Meeting – Concrete Action Plan for a Test.
 - ★ The outcome of this meeting should be to have a least a draft of an action plan with goals, timelines and details on how to execute.
 - ★ You should both have an understanding of costs and time commitment.
 - ★ It can be a good idea to include any other people in this meeting who will be involved in the execution.
 - ★ You should have a communication plan. How often will you speak to make sure you are on track?
 - ★ Be very clear on roles, responsibilities and expectations of each party. Failing to outline this here will results in poor results and potential frustration for both parties.
 - E. Fourth Meeting – More Actions (if required)
 - ★ You may need to hold a fourth (or fifth) meeting if you need the planning time. This is OK if really needed, but be wary of over-planning and having too many meetings.
 - ★ The benefit of meetings is they keep momentum and they give you more time to develop a relationship. This can be important if it is a new relationship.

3. *What do they need to know about your company?* - This will vary depending on how much they know about you before you meeting with them. Look at it this way; if they are a completely cold contact, you need to send them some literature or point them to your website prior to the meeting. If you know them well nothing is required. You be the judge of how detailed you need to get, just don't underestimate the power of being proactive. The more professional and organized you look on the first contact, the better chance the relationship has of working out. The details count.

Step 4 – Filter through your process. As you start conducting your meetings you'll start to learn who will be a good fit and who won't. While you won't be actively deselected (although sometimes you might) you'll find they will do that *for you* by how engaged they are in the process. Some people will be extremely hard to get hold of again, for which there could be a variety of reasons.

Peoples actions will tell you how much they value the idea of working together and how committed they are to make it work.

Filtering partners is really a learning process too. While some people will deselect themselves, it may also be feedback that you have not done a good job of communicating the value. You are still the driver of this process so don't assume that you should never have to follow up with people and they should be begging at your doorstep to be in this relationship. If they are begging that might not be a good sign either :(

Step 5 – The Finalists. We call it the finalists but what we really mean is that after meeting with several potential partners, a few will rise to the top as having the most potential. These are the ones you want to focus on. Not to say the others are a lost cause; it's more about putting your time where you are going to get the highest payoff. Once you are clear on which businesses are your best fit, it's time to following through with step 6 which is really where the benefit pays off.

Step 6 – Execution and Momentum. Through your process as developed in Step 3, you should now know plenty about each other and even have a few ideas on how you can work together. Coming up with ideas is usually not the hardest part. The hardest part is the execution and maintaining momentum. Everyone gets busy and has other priorities in their business, so it is vitally important you both recognize this and make a commitment to keeping the alliance alive.

The more automated you can make your collaboration the better. Regardless, it is still going to be vital to have a momentum plan. Here are a few options:

- ★ Monthly coffee/beer/yoga meeting (whatever you are into :?)
- ★ Weekly 5min call
- ★ Regular reporting on effectiveness of joint promotions
- ★ Quarterly joint planning session.
- ★ Networking/Power group made up of all your SA's who meet regularly to discuss

ideas and build relationship.

Hopefully you find the 6 steps relatively straight forward. We've gone into the detail only where we believe it is required. The 6 Steps above outline the hard tactics to get a Strategic Alliance relationship up and running. The other vital component in making these work, is how you act and behave as the lead partner.

To be a good alliance partner you must:

- ★ Do what you say you are going to do.
- ★ Focus on providing value for the other person first.
- ★ Be proactive and the driver of the process.

The last component to make SA's success is your commitment to making it work. Be committed to the process. Dipping your toe in the water will not bring results.

Commit to conducting a specific number of meetings per week or month. 2 per week is a good guide. Less than that to get off the ground is really only a half attempt. As you gain more experience you will be better and better at guiding these relationships to success.

Massive Action gets Massive Results.

Appendix A - Partnership Marketing Vehicles



- ★ Joint Events
 - ★ These can be Trade Show or Educational type events. In this instance it is where all partners participate in marketing and speaking/hosting the event. The goal is that people will attend from each partners list and will have the chance to interact/meet and start a relationship with the other partner businesses.
- ★ Host Beneficiary Education Events -
 - ★ One partner acts as the host and invite their database to the event. The second partner provides the value for the event e.g. speaking or tradeshow.
- ★ Reverse Invoice Stuffers.
 - ★ Each partner provides a value coupon or marketing piece to be included in other partners invoices/mail out communication.
- ★ Newsletter Articles.
 - ★ Posted in each partners website or email newsletters. Best when created as a link back to writing partners website. Can also incorporate free e-books/white papers that require registration to download.
- ★ Guest Blogs / Videos.
 - ★ Similar to newsletter articles above, this is where one partner would write a blog or record a video to create value for the partners database and is hosted on the partners website. Like the newsletter articles, these should also have links back to the contributing partners website. Links create value for both partners: the hosting partner receives the SEO benefit of having external links, and the contributing partner gets the benefit of people clicking the link and visiting their website
- ★ Email Marketing / Direct Mail Promotion.
 - ★ This one is pretty straightforward. It is where each party sends out an email or a physical letter to their database promoting the other partners business. The power of this vehicle is in the offer coming from someone they trust.

- ★ In Store Reciprocal promotion - Gift Vouchers, Discounts, upsell offers.
 - ★ This strategy works well for retailers or businesses that have customers coming to their physical location. Each partner would display some form of promotion, promoting the other partners business. Or you may hand out brochures, offers or invitations directly to your customers.

- ★ Personal Referral.
 - ★ Again this one is pretty straightforward. The trick to making referrals work is to be proactive about it. Simply mentioning the other partners business, while beneficial, won't necessarily result in your core customer contacting your strategic alliance partner. If you can make referrals work, it is best to have a mechanism in place where you directly connect them or give permission for your strategic alliance partner to contact your customer directly. It can be a good idea to measure the results of this strategy to make sure it is working. We have seen situations where one strategic alliance partner says they have been promoting consistently (and they may well have been) but there was no business to show for it at the other end. As with all of these strategies it is a case of testing and measuring. Obviously the benefit of measuring is so you can make changes and maximise the success of the strategy