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*Date : Friday, October 7th, 2011 Time: 8:30 AM- 4:30 PM*

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## How partnership with a larger company can propel your business to the next level

In this issue of InfoPays we consider the concept of partnerships. Should you look at partnering your business with another? What are the dangers - and opportunities? And how do you find the type of partnership and a partner that is right for you? After all, meaningful partnerships can be the foundation for success. If this all sounds intriguing, we invite you to read on...

### Cozying up to a corporation

A successful partnership with a big player can be a great way to grow your business. The nature of these relationships might take the shape of:

- Joint development efforts
- Agreements for combined marketing, sales, or distribution; or
- New product or service creation
- Licensing deals

No matter how a partnership is structured, it can mean a big jump in sales by expanding your distribution and product lines. And such relationships often lend a small company that boost in reputation through association in a way that attracts new customers and motivates occasional clients to buy more --and more often.

### Play up your innovation advantage

You may be smaller, but remember you do have something to offer to your larger counterparts: innovation and nimbleness. These are qualities that are in high demand by the large players -- and where the smaller company's true advantage lies. It is common for larger companies to look to smaller ones for that kind of innovation that they can apply to areas like new product development. Companies in fields such as medical devices, high tech, and consumer food and beverages, where innovation and speed to market are crucial, are most open to such partnerships.

*Continued on back....*

### Ten smart reasons to partner your business

- Double or quadruple your potential customer base
- Increase the number of your business referrals
- Strengthen your selling proposition to your consumer
- Raise credibility for your business
- Pool marketing resources and achieve improved ROI
- Increase website back links that will boost your SEO
- Share resources, ideas and contacts increases your network
- Improve cash flow through paying for goods or services' in kind' rather than with cash
- Improve technical expertise
- Access established markets and distribution channels

...From Front

## Cozying up to a corporation

### What type of partnership is right for you?

It helps to consider the key goals and objectives for a partnership.

- Are you aiming to break into a new market quickly? If so, try a distribution agreement
- Looking to beef up revenues without a need to build brand awareness? Then a licensing deal may just be the ticket.

Once you know what you need, you can proceed to make a list of companies with complementary goals. Study each company's web site, analyst reports, and media coverage, in order to generate your shortlist of potential partners with the qualities and strengths you need.

Once you've found a potential partner, you'll need someone within that company to back you up and become your "raving fan" and champion. Most likely, that person will be in new-business development or, if you have a new technology, in research and development. When making your pitch, be sure to customize it to the interests of the larger company. Demonstrate compellingly how your product or service can help your potential partner:

- Achieve a particular goal
- Fill a hole in its product line, or
- Differentiate itself from rivals.

### Play your cards close to your chest

You may be ready to get your deal in motion, but a large company's might take 2 weeks – or as long as even 2 years – to perform due diligence on your business. The company you are approaching may test your product or require the approval of many layers of management.

The danger at this stage is revealing too much and disclosing your company's strategic advantage only to have the potential partner leave you in the lurch. So, do keep some of your information confidential as long as you can. Especially be cautious with joint development or licensing deals in which the other company wants to use your technology. One solution is to look for partnerships that require less disclosure, such as agreeing that a partner manufacture only a few components of your product, limiting its understanding of how it operates.

When it comes to the contract, be sure to set a timetable that is long enough to make gearing up worthwhile, but not so drawn out that the price you negotiate may prove too low by the time the contract is up. Three-year contracts are typical. To ensure you get paid, ask for a minimum amount of money up front and nail down what the larger company will do to promote the product, including the size of the company's sales force and its budget.

### Stay involved

Your active involvement will be essential to be sure the alliance delivers the results you hoped for. Depending on the size of your company and the work involved, you might have yourself or one or two of your employees oversee the partnership. This may entail visiting factories, checking numbers and even lunching or golfing with the key players in the partnered company. Most importantly, don't just assume the larger company will be pushing your product. Finally, be sure to seek out alternative champions within the larger company. The longer the deal lasts, the more likely your original alliance may have moved on – and you need others willing to protect you.

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