

REPLACING
- THE -
RAINMAKER

WORKSHOPS

STRATEGIC ALLIANCES

This workbook accompanies the audio workshop. It includes speaker's notes, which summarize the content covered in the workshop. It also includes activities, which you'll complete during the workshop, and a continuing education assignment, which you'll complete after the workshop. The continuing education assignment gives you a chance to apply the theory you learned in a practical setting. At the end, there's a quiz to test what you've learned as well as space to make notes and information on where to go to learn more.

SPEAKER'S NOTES

Learning outcomes

- You'll learn how strategic alliances benefit both you and your clients.
- You'll learn how to choose wisely when selecting strategic alliance partners.
- You'll learn strategies for how to develop and maintain successful alliances.

Sources of new business

- Accountants generate business from a variety of sources, including clients, colleagues and professional contacts.
- One way to ensure a steady stream of new business is to partner with other professional service firms.
- These partnerships between firms are referred to as strategic alliances.

Strategic alliances

- A strategic alliance is a partnership between two organizations for mutual benefit.
- Usually the two firms that are partnering up will share an ideal client.
- Firms enter strategic alliances to meet more ideal clients and provide more services to their existing clients.

Win-win-win

- Strategic alliances should be a win-win for everyone involved.
- They should benefit you, your strategic alliance partner and your clients.
- Strategic alliances broaden the array of services you can offer to your clients.

Trusted advisor

- Strategic alliances help position you as a trusted advisor to your clients.
- Clients have increasingly sophisticated needs and are engaging more and more advisors.
- You want to be their #1 trusted advisor, the one they turn to the most.

Opportunities and introductions

- Strategic alliances are an important source of new clients.
- Ideally your partner firm will regularly send you new clients without much additional work on your part.
- In some cases, strategic alliances provide an opportunity to bring in additional money.

Serve your clients

- Strategic alliances also benefit your clients.
- Strategic alliances give your clients access to a broader range of services.
- By working closely with your alliance partners, you're helping your clients implement integrated strategies.

Resources

- There are three types of strategic alliances: resource-based, reward-based and referral-based.
- With resource-based strategic alliances, one alliance partner serves as a resource by providing a valued service.
- That alliance partner doesn't reciprocate new business referrals.

Resources

- For example, an accounting firm might serve as a resource to an outsourced financial services company.
- The accounting firm would receive a steady stream of new clients, but they're not expected to refer clients back.
- Instead, they demonstrate their value through their work.

Rewards

- With reward-based strategic alliances, one alliance partner is monetarily compensated for the relationship.
- This is common for accounting firms that form alliances with wealth management and insurance firms.
- The value of this type of relationship is primarily monetary and isn't based on reciprocating referrals.

Referrals

- With referral-based strategic alliances, the parties cross-refer clients.
- The two firms are a considerable source of new business for one another.
- The value in this type of relationship is the referrals and the chance to meet more ideal clients.

Define your terms

- Be clear from the beginning of each relationship what kind of strategic alliance it is.
- Escape the tendency to only value relationships that directly lead to new clients for you.
- A strategic alliance partner who never refers work to you can be a valuable partner.

Ideal client match

- Look for strategic alliance partners that work closely with your ideal client.
- In any referral relationship, you want to receive high-quality leads.
- Partner with firms that will be the most likely to send you ideal clients as referrals.

Wants and needs

- Look for firms that provide a service your clients want and need.
- Don't waste your time building alliances with firms that provide services your clients don't need.
- Form partnerships that will benefit both you and your clients.

Quality control

- Partner with firms that consistently deliver outstanding client service.
- You are putting your reputation on the line when you offer a recommendation to a client.
- Don't refer your clients to a firm that can't be trusted to do good work.

Give and take

- Partner with firms that are comfortable referring clients and sharing referral sources.
- A lot of firms won't be comfortable with this.
- They'll treat their client list as a treasure to be protected at all costs.

Select partners carefully

- Prioritize the firms you would most like to work with.
- Look for firms that are run by people who think like you.
- Look for firms that run their business along similar ethical lines.

Identify ideal candidates

- Next you have to go about finding candidates.
- Look for firms that have established contacts in a valuable area, but lack your expertise.
- To identify potential candidates, ask yourself: Whom do they serve? What are they known for?

Ready, set, analyze

- Perform a SWOT analysis of any potential strategic alliance partners.
- A SWOT analysis identifies strengths, weaknesses, opportunities and threats.
- Ask yourself: What beneficial qualities do they bring? What would hinder your partnership?

Explore the opportunity

- As you consider a potential alliance partner, explore what kind of opportunity exists.
- Talk to references and testimonial sources to complement what you learned from the SWOT analysis.
- Sit down with your potential alliance partner and perform a needs assessment.

Make a commitment

- Get any reservations out in the open before moving forward.
- Once everyone is on board, commit to the first step of your partnership.
- Document all tasks and timelines in writing.

Conduct a beta

- Conduct a beta to see how the alliance will work in practice.
- This will give you an idea of your alliance partner's management style and attention to detail.
- You'll also have a chance to evaluate your alliance partner's actual investment in the project.

Evaluate without risk

- Create low-risk opportunities to demonstrate value, such as serving as a resource to one another.
- This will let you assess the quality of their work without endangering a client relationship.
- Set benchmarks for your trial period and know what has to be achieved to warrant formalizing the alliance.

Be clear on desired outcomes

- If you have unrealistic expectations of a strategic alliance, you're setting yourself up to fail.
- Specify how much you expect to generate in dollar terms and the number of hours you can commit.
- Lay out any concerns and discuss any issues you anticipate running into along the way.

Never assume

- Many business alliances fail because of poor communication.
- Discuss all relevant aspects of an alliance.
- Don't simply assume that things will work a certain way.

Aim for a win-win

- If an alliance is not based on a win-win, it has little chance of success.
- Without a win-win approach, one partner is likely to become frustrated, annoyed, reluctant and resentful.
- Model good behavior and indicate that you're invested in making this work for both firms.

Promote from within

- Keep putting work in to make sure the alliance flourishes.
- Make sure your team understands what your alliance partner does and for whom they do it.
- Offer lunch n' learn sessions as a vehicle to educate and inform staff members.

Speak with one voice

- Make it clear that you're part of the same team.
- Create joint collateral to clearly articulate the value proposition of the alliance.
- Invite alliance partners to business development meetings and staff meetings.

Celebrate successes

- To maintain momentum within your alliance, it's important to record any significant milestones.
- Recognition of shared achievements will help build the relationship.
- Celebrating individual successes will reinforce desired behaviors.

Review and improve

- Constantly review your performance and look for ways to improve.
- Highlight the positives, identify challenges and outline ideas for improvement.
- Document the value of the alliance in numeric and fiscal terms.

Stay the course

- You get out what you put in.
- Left unattended, your alliances will flounder.
- Invest the necessary time, energy and resources to make strategic alliances work.

Summary

- Strategic alliances can be a great way to meet new clients and better serve your existing clients.
- Seek out firms that share your ideal client, offer a service that your clients need and are comfortable referring business.
- Once you've identified a suitable candidate, get to know each other and start working together.

ACTIVITIES

If you're completing these activities on your own, please write down your answers in your workbook. If you're completing these activities in a group, please write down your answers individually. Then share your responses with up to two other people. Look for commonalities among everyone's responses and discuss any differences.

Activity 1

What strategic alliances has your firm already forged? How are you utilizing those partnerships from a business development perspective, and how might you better utilize them in the future?

Activity 2

What strategic alliances that you have yet to forge make the most sense for your firm? What makes them suitable strategic alliances from a business development perspective?

CONTINUING EDUCATION

Seek out prospective strategic alliance partner firms that share your ideal client, offer a service that your clients need and are comfortable referring business. Start the conversation by making suitable introductions to others in the firm and explore a beta.

QUIZ

1. A strategic alliance is a partnership between two organizations for mutual benefit.
2. Strategic alliances should be a win-win for everyone involved. They should benefit you, they should benefit your strategic alliance partner and they should benefit your clients.
3. There are three different types of strategic alliances: resource-based, return-based and referral-based.
4. With resource-based strategic alliances, one alliance partner simply serves as a resource by providing a valued service, without reciprocating new business referrals.
5. With referral-based strategic alliances, parties cross-refer clients and are a considerable source of new business for one another.
6. You want to look for alliance partner firms that are run by people who think like you and who run their business along similar ethical lines.
7. A SWOT analysis is typically sufficient in the due-diligence phase. It's not important to talk to known references and testimonial sources to complement what you learned during the SWOT.
8. You should avoid the temptation to take the alliance beyond an initial trial until you have seen and realized your partner's true commitment.
9. Just because you have unrealistic expectations of a strategic alliance doesn't mean you're setting yourself up to fail.
10. To maintain momentum within your alliance, it's important to record and celebrate all significant milestones.

NOTES

FOR MORE INFORMATION

For more information about additional workshops, or other Replacing the Rainmaker products and services, please visit ReplacingTheRainmaker.com.