

## The Lone Ranger Forms Business Alliances Today

*"The Lone Ranger is dead." Jan walked out of the room and I paused to consider that she'd labeled me as an uncooperative maverick. Her impassioned plea for me to consider doing business differently focused on the fact that tighter and closer relationships can ensure continued growth.*

Like many Boomers, I attended The School of Hard Knocks. Throughout my career as an employer, employee, owner or partner, I integrated lessons and focused on improving my game without giving much thought to alliances.

"A strong alliance is greater than the sum of its individual parts," Jan said. Alliances offer a way for sole proprietors to grow quickly, I reflected. Networks expose you to market or product opportunities you wouldn't ordinarily encounter.

A networking alliance such as Business Networking International (BNI), encourages formalized referrals within its membership. The Costco network offers member discounts on operational costs such as insurance, shipping or office supplies.

An alliance could be simple: get your landlord to display information about your business. Offer a coupon/membership discount to encourage referrals. Think about the real benefits you might garner from a professional network.

Is there information you need regarding political or legal issues? Does your business need exposure to market or product opportunities? One small manufacturing operation had the opportunity to be part of a

national trade show at a fraction of the cost as a result of state alliance that they formed. Those leads developed into additional sales and new profits.

Alliance structures can range from the informal to the structured and complex. FedEx/Kinkos, for example, took product delivery teamwork to a new level with the most aggressive of alliances, a merger and acquisition.

A coop alliance lets two or more firms share in the distribution/marketing costs of each others products or the purchases of commonly used resources. Val Pak coupons are a form of co-op direct mailing.

Supplier alliances have become increasingly critical to sustainable business growth, taking the form of strategic long term contracts, joint ventures or partnerships. In each case, interdependence between firms is created and both the firm and the supplier seek methods to maintain or enlarge market share, improve product offering and respond to market changes.

I returned to reality with a start. It was suddenly clear to me that no matter what type of alliance formed, a successful alliance requires hard work, continuing analysis of goals and marketplace conditions, ongoing and timely communication, resource allocation and a sincere commitment to a win/win outcome.

I smiled to myself as I assigned the Lone Ranger the job of staying informed on the alliances that could best serve me going forward. © Mary Ellen Merrigan, 2007