

How you can make your strategic business alliances actually work

Quite a common that businesses in alliances make big promises in the beginning and then fail to stick by their words in terms of business deliverables. In many a cases, the alliance businesses turn up a 'strategic gridlock'. Let's take an example.

"The CEO of a consulting firm housing 3 employees cater to the business needs of small businesses and start-ups. They later decided to get into a strategic alliance with a solo practitioner who thrives on immense knowledge and unmatched expertise into enterprise resource planning.

And the main objective of the consulting firm behind this business alliance is to expand their client base by offering their services to large scale businesses. Both parties involved into the alliance boasts of a strong client base. They signed contracts and everything was in streamlined until the 1st Steering Committee meeting.

When the objectives behind the alliance seems blurred, it is challenging for both businesses to work together fulfilling each other's' business needs. Staff at the consulting firm seemed to swiftly change the work flow to meet the ongoing needs of their existing or priority clients, the small businesses, and stayed a bit reluctant to recommendations of the solo practitioner, who is more familiar with the requirement of large scale enterprises for resource management.

These all leads to a scenario when the defined timeframes and measurements of success started becoming inappropriate. Business goals started getting overlooked. After a few months, they both were finding it extremely challenging to spare the needed time and resources to get new client, all due to their own priorities. And this is when the business alliance acceded to 'strategic gridlock' – where both businesses are claiming each other for the loss of business."

Do you think that such scenario isn't too common? If yes, think again. Businesses of all types and sizes continue making strategic alliance either to meet their various business objectives, it holds true particularly for small businesses and start-ups. When go right, business alliances are an effective way to widen your market reach and add more to what you offer currently.

A strategic alliance can empower your business, or company, to increase production, fast-track growth, and improve technology. But when the businesses actually start working together, they may face unexpected problems which are mainly a result of points overlooked at the primary stage of developing alliance.

A truly productive business alliance would need more than knowing business objectives, preparing a contract and setting up an operation process. Instead it is important to identify and fix the particular business related and strategic obstacles that shall come at different stages of the process of developing alliance.

Here are some proven tips that can prevent many business alliances from failure.

- Define your individual alliance strategy and the main business objectives before you begin to look around for a strategic partner
- Before you sign the contract, make sure you together with your to-be-alliance partner develop a joint strategy for your business alliance
- Together explore business opportunities by trumping your way through

- Over time, evaluate and make some adjustments in your strategic business alliance to benefit both businesses

Taking these tips into account will help you develop a productive alliance, a win-win condition for both the businesses.