

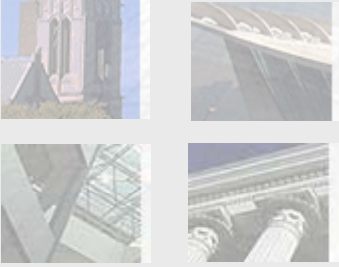
Building Solid Strategic Alliances

NEW YORK AND NEW
JERSEY REGIONAL REAL
ESTATE FORUM
JULY 27, 2010



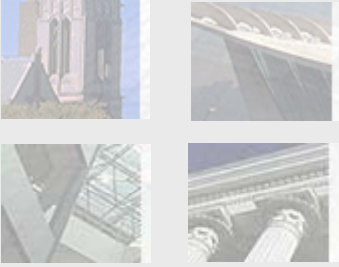
Overview

- Strategic alliances are critical elements to many business strategies.
- Alliances can become a powerful means of enriching solutions for our organizations.
- Promote growth of our own knowledge, capabilities and companies.
- We can extend our core competencies through relationships with organizations that have capabilities that compliment ours.
- The circle of success is kept in perpetual motion by a series of alliances and great subsequent service.



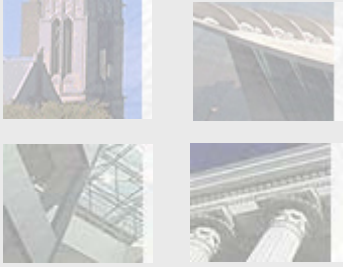
The New Economy

- Shortening life cycle of products and services. “If you understand the technology, it is obsolete.”.
- Customer driven economy. Customers aggressively seek alternatives and hold out for the best option.
- Globalization of world economies, technologies and innovations.
- Shift of emphasis from a declining industrial economy to a knowledge based entrepreneurial economy driven by innovative thought and technology.
- Merger mania prevails!



Solid Strategic Partnerships

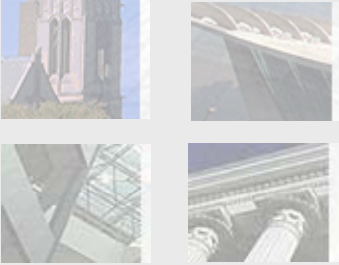
- Every one talks about them
- Joint ventures, outsourcing, supply chain alliances, partnerships or contracted service partner
- “I want something from you” vs. “How can we work together for mutual benefit?”
- 70% of partnerships fail.....why? What is the difference between a paper partnership and a real one?
- Creating successful partnerships requires hard work
- Without shared values, resources, risk, and vision....the partnership is unbalanced and unoriginal



More than just contractual agreements

Shared Core Values
Shared Vision
Shared Resources
Shared Risk
Shared Rewards





Clear starting point

Current Reality

Success Measures – ROI

of Employees

Level of Sales

Profit/Margins

Future Desired Reality

Goals – What you want to accomplish in the future

Challenges/Gaps

Fear, Doubt, Indecision

Good Teamwork/Leadership Overcomes Doubt



Shared Values

- Common value systems
- Complimentary culture
- Bedrock of the relationship
 - Means, motivation & commitment
- Successful conflict resolution
- Demonstrated professionalism

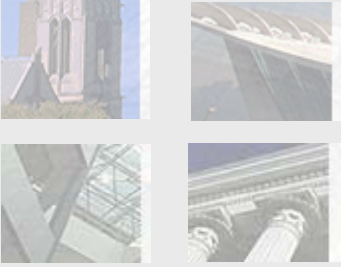




Shared Vision

- Common view of objectives
- Clear agreement on desired results
- Common vision of the relationship importance





Shared Resources

- Capital
- People
- Knowledge
- Technology





Shared Risk

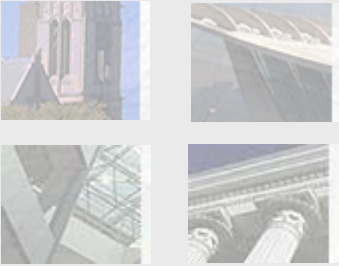
- Appropriate & Fair
- No partner has a disproportionate risk
- Contextual Terms & Conditions provide guidelines



Shared Rewards

- Appropriate sharing of rewards e.g. incentives, cost savings & dividends
- Partners working to create mutual wins
 - increased customer satisfaction, market share increase, process improvement

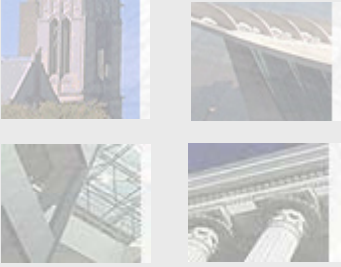




Effective Contractual Agreements

- Well defined scope
- Easily understood Terms & Conditions
- Strong contract governance through ***PMP- Performance Management Program;***
goal setting,
coaching & evaluation



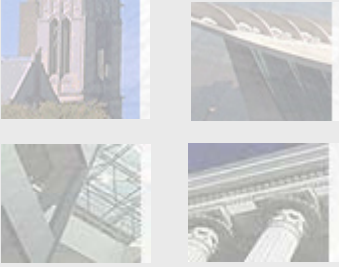


***Commitment, trust &
collaboration***

VS.

***Each party approaching the
opportunity based on just the
contractual agreement***

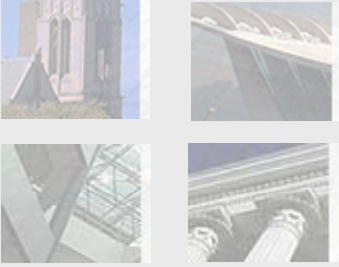




Things that can go wrong with alliances

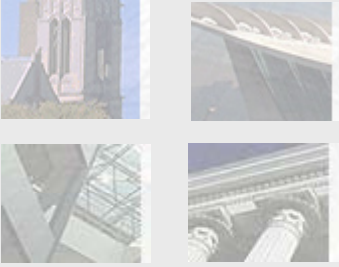
- Poor planning; do the work upfront or later....your choice
- Faulty Financials
- Underinvestment in the Transition
- Passive Aggressive Teamwork
- The Tower of Babel
- Unrealistic expectations





Points to Ponder...

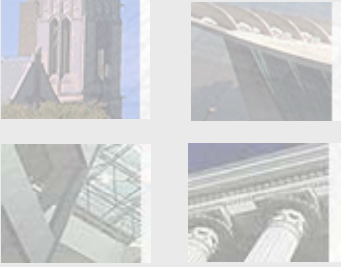
- What commitments are we making to ensure each partner is successful in this alliance?
- How do we share information and knowledge with each other?
- How do we build trust in the relationship?
- How do we manage problems that occur in the alliance?
- How do we reconcile differences that occur in the relationship?



Points to Ponder...

- Do our company cultures and values promote us working well together? How do you know?
- What happens when the original sponsor to the partnership move on?
- What is our track record in implementing alliances? What has worked/not worked well? Why?
- How do we best make the relationship sustainable?
- What is the real value to each of us in investing in this relationship?





Now the rest is up to you...contract or strategic partnership? The choice is YOURS!

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