

# STRATEGIC ALLIANCES: A FEW INSIGHTS

*Mind the Bridge*

JAMES C. ROBERTS III

GLOBALCAPITAL

GLOBAL CAPITAL LAW GROUP PC | GLOBAL CAPITAL STRATEGIC GROUP

GLOBALCAPITAL



# PRESENTATION PLAN: FROM THE INSIDE OUT

1. Hypotheticals
2. Internal Processes Get your internal procedures right first
3. Selecting Strategic Alliances
4. How to Get the Attention of Your Targets
5. Structural Elements of Strategic Alliances



---

---

# Part 1. Hypotheticals

---

---

GlobalCapital



# HYPOTHETICAL: SOCIAL MEDIA CAMPAIGN ANALYTICS

XYZ determined its milestones/goals:

- Increase sales of long-term subscriptions to brand managers
- Increase MindShare (to attract new subscribers)
- Reduce Costs (CAC projected to be high)
- Achieve technical integration (new/complementary features)



# SOCIAL MEDIA CAMPAIGN ANALYTICS: WHICH ALLIES MEET GOALS

XYZ determined types of potential allies:

- Sales to brand managers
  - *Ad agencies, digital marketing companies: They operate as brand managers/brand advisors*
- Increase MindShare
  - *Ad agencies can provide co-marketing resources*
- Reduce Costs
  - *Lowers CAC; does not require large sales team*
- Achieve technical integration
  - *Platforms might need this feature*



# SOCIAL MEDIA CAMPAIGN ANALYTICS: WHAT ARE THE COSTS?

Sales to brand managers through ad agencies:

- *Requires sales team (relationship managers) with ad agencies*
- *Requires “reseller” agreement*
- *Requires marketing campaign to ad agencies*

Increasing MindShare through such alliances

- *Must re-tool marketing materials to show benefits to ad agencies*

Reducing Costs

- *Reduction offset by increased costs from “pivot”*
- *Lose some margin to ad agencies (who serve as resellers)*

Achieving technical integration with platforms

- *Resources must be devoted to integration issues*
- *May cannibalize other sales (direct & indirect)*



# HYPOTHETICAL #2: CUSTOMER ENGAGEMENT TECHNOLOGY\*

ABC determined its milestones/goals:

- Increase sales of long-term subscriptions to brand managers
- Increase MindShare (to attract new subscribers)
- Reduce Costs (CAC projected to be high)

*\*e.g., outbound calling technology*



# CUSTOMER ENGAGEMENT TECH: WHICH ALLIES MEET GOALS

ABC determined types of potential allies:

- Enterprise clients already served by systems integrators
  - *SIs provide integrated solution to enterprise clients*
- Increase MindShare
  - *SIs can provide co-marketing resources*
  - *Big SIs provide credibility*
- Reduce Costs
  - *Lowers CAC; does not require large sales team*
  - *Sis assume burden of 1<sup>st</sup>-line tech support*
- Achieve technical integration
  - *SI solutions need this tech*





# CUSTOMER ENGAGEMENT TECH: WHAT ARE THE COSTS?

## Sales through SIs:

- *Requires sales team (relationship managers) with SIs*
- *Requires “reseller” agreement*
- *Requires marketing campaign to SIs*
- *Very, very long sales cycle*
- *Do their sales teams care about your tech?*

## Increasing MindShare through such alliances

- *Must re-tool marketing materials; do they care enough?*

## Reducing Costs

- *Reduction offset by increased costs from “pivot”*
- *Lose some margin and pricing control*

## Achieving technical integration with platforms

- *Resources must be devoted to integration issues*
- *May cannibalize other sales (direct & indirect)*



# ANYTHING MISSING?

## Numbers

1. Annual minimums & minimum pricing
  - *If integrated into a solution, they might give yours away*
2. Projected & quantifiable benefits
  - *How many leads, how much revenue?*



---

---

# Part 2. Internal Processes

---

---

GlobalCapital



# THE ALLIANCE PROCESS

Alliances take time

1. Take the long view
2. Use your own milestones to determine which alliances you need
3. Determine benefits & costs
4. Determine how to market to obtain those alliances



# CHANGE YOUR MINDSET: TAKE THE (LONGER) VIEW

What are you doing 90 days from today?

- Does your team understand what it has to have done by then?
- Do *you* know what your team has to have done by then?

Strategic alliances take a lot of time—  
long sales cycles



# MANAGE TOWARDS MILESTONES

## Create Milestones for your Business

- What do you need to achieve in this financing round?

## Create Milestones for 4-5 “Dimensions” of Your Business, e.g.

- Product/Services
- Sales/Marketing
- Internal Processes
- Team



# WHAT ALLIANCES DO THOSE MILESTONES IMPLY/REQUIRE?

Simple questions:

- 1. Can you achieve any of those milestones through alliances?*
- 2. Should you?*

Which companies are likely allies for each “dimensional milestone?”

GLOBALCAPITAL



# PART 1 RESULTS

1. You have identified milestones by “dimensions” and managed accordingly
2. You have identified potential strategic allies to help achieve those milestones





---

---

# Part 3. Selecting Strategic Alliances

---

---

GlobalCapital



# SELECTING STRATEGIC ALLIES TO ACHIEVE YOUR GOALS

1. What do strategic allies like?
2. What goals do they achieve?
3. How do they achieve them?
4. What do you offer to the allies?



# STRATEGIC ALLIES LIKE . . .

## 1. Stable companies

- *Existing client base—with credible and relevant clients*
- *Well-known in the market (easy to Google)*
- *Stable technology—passes their internal tests*

## 2. Tech that enhances their solutions (and therefore sales) *and* has healthy margin



# WHAT DO ALLIANCE TARGETS OFFER YOU TO ACHIEVE YOUR GOALS?

## Sales:

- Sufficient sales team and could understand your tech?
- Appropriate target clients
- Appropriate geographic reach

## Credibility

- Well-known and well-respected



# HOW DO THEY ACHIEVE THOSE GOALS?

1. How will they increase your sales/leads?
2. How do you make sure that they increase your leads?
3. How do they support your sales efforts or how do you support their sales efforts?
4. What is the sales cycle and how long is it?



# WHAT DO YOU OFFER TO YOUR POTENTIAL ALLIES?

1. Sales leads? Doubtful
2. Needed tech solution? Probably.
3. Margin improvement? Probably.

*Who benefits in the ally from your  
involvement?*



# PART 3 RESULTS

1. Names of potential allies
2. Potential allies ranked by:
  - Benefits
  - Costs



---

---

# Part 4. How Do Get the Attention of Your Targets?\*

---

---

*\*AKA “Why Marketing Matters”*

GlobalCapital





# THE BASIC RULE

Companies cannot do business with you  
if they do not know you exist . . .

. . . or they have forgotten.

GLOBALCAPITAL



# GET THE RIGHT PEOPLE TO KNOW YOU

## Potential Allies

- *Relevant decision-makers*

## Decision Influencers

- *External & internal to the targets (e.g., lawyers, CPAs, investment bankers)*

## Clients & Targets they care about

- *Pitch your solutions to their clients*

## The *relevant* media



# ABOUT THE MEDIA: THEY NEED YOU

The media (generally) need you as much as you need them

- *They need fresh stories*

All of you probably have a *fresh* story

- *Transnational programs*
- *Unusual backgrounds, ethnicity, education*



# WHAT'S YOUR MESSAGE?

Depends on the Medium/Media

- *The Irish Press Office is one thing*
- *TechCrunch is another*

What's your angle? Connects to a particular audience

- *Current crisis*
- *Shared background that resonates with a particular audience*
- *“Unique” event that resonates with a shared audience*



# WHAT'S YOUR MESSAGE TO POTENTIAL ALLIES?

The benefits you have for *them*

- *Solves a problem/meets a need*
- *Makes them money/saves them time*
- *Enables them to meet new clients*
- *Your solution/company is really hot*

The benefits you have for *their* clients

- *Current crisis*
- *Shared background that resonates with a particular audience*
- *“Unique” event that resonates with a shared audience*



# IS IT YOUR COMPANY OR YOUR SOLUTION?

- Do the benefits come from your company or your product (or both)?
- They will make the decision on both



# THE GOAL: BE LIKE THE GHOSTBUSTERS

*When you've got a problem, who ya gonna call?*

. . . In other words, potential clients will  
call you.

GLOBALCAPITAL



# SALES V. MARKETING

Marketing prepares the market for sales

- Makes the relevant people aware of you
  - When you approach them (call to action)
  - When they need a solution you offer
  - When they need to make a decision

Sales close the deal: the signature has money attached to it.





---

---

# Part 5. Some Parts of the Structure of Strategic Alliances

---

---

GlobalCapital



# STRUCTURING THOSE ALLIANCES

## “Dimensions” and milestones

- Sales
- Marketing
- Product/Technology
- Corporate structure
- Corporate procedures



## IF EXCLUSIVE, REQUIRE:

- Annual minimums
- Mutual exclusivity
- No development of derivative works



# TECHNOLOGY INTEGRATION:

1. No access to source code
2. No copies
3. Who owns new developments?
4. Obligations for new developments



# SALES & MARKETING EFFORTS

1. Co-marketing obligations & opportunities
2. You provide marketing materials
3. Sales team training



# SALES PROCESS: REFERRALS, THEIR SALES, CO-SALES?

- Referral to you to close on your module/technology/solution?
- Co-sales efforts?
- Their sales
  - White label your technology? Higher price
  - “Powered by”



## 3 BIG ISSUES

- Who owns the client relationship?
- Who owns data?
- How you keep them from replicating/replacing your part of their solution at the end of the relationship



---

---

THANK YOU.

---

---

[jcr@globalcaplaw.com](mailto:jcr@globalcaplaw.com)

© 2012-2017 Global Capital. All rights reserved.

GlobalCapital

