



44 Building alliance relationships

What is an alliance relationship?

Alliance relationships are based on harnessing the existing goodwill and strong relationships that all sorts of other businesses have already established with prime prospects for your own product or service. If you form a relationship with a business that is not in direct competition with you but sells to the same people as you, potentially you could both help each other.

Examples of this might be:

A conservatory company might form an alliance relationship with a building company or an estate agent.

A business consultant might form an alliance relationship with an accountant or a solicitor.

A plumber might form an alliance relationship with an electrician.

A print, copy and design company may form an alliance relationship with a website company or a marketing company.

A business you might form an alliance relationship with will tend to be selling something that goes before, goes along with or follows the product or service you would sell to these people.

Why are alliance relationships valuable?

Forming alliance relationships is a very easy way to get access to potential new customers who could be in the market for your products and services. Because your alliance already has a relationship with their customers they can provide a solid and trusted foundation for you to start from. If an alliance is willing to recommend your services to their customers it provides you with free marketing.

Your challenge

Your challenge is to open your mind to all the possible relationships you could form and be creative in your thinking. Ask yourself who in your business area

already sells to the customers you want to reach or serve. Make a list. Now think about why someone should offer you an alliance. To develop strong alliance relationships you will need to sell yourself and your service in a way that makes it attractive. Alliances are only going to agree to recommend your services when they feel confident that you will deliver to a high standard.

What makes an alliance relationship successful?

An alliance relationship works best when there is no competition and both services naturally complement each other. If by recommending your service your alliance adds value to their own customer relationship it will have served two important purposes.

A good alliance relationship is a relationship of trust and rapport

HOW TO SET UP ALLIANCE RELATIONSHIPS – SPECIAL RESPONSE CHECKLIST

- ▶ Make a list of all the things your customers might buy that are associated with the reason they use your services. For example if you sell insurance what might your customers have bought beforehand that would prompt the need for the insurance – car, house, a business? A coffee distribution company which deals with the catering industry might add food or other beverage suppliers to their list.
- ▶ Make a list of all the contacts you already have with people who provide some of the services associated with your own. Consider how you could build an alliance relationship with these businesses.
- ▶ What could you offer that would give them a chance to experience your service themselves? Once they have tested you out themselves, with a good experience behind them, they are more likely to have confidence in you. You could offer a 'free' experience of your service for a period of time to enable the evaluation of its potential value to their customers. You could also offer a selection of customer testimonials.
- ▶ Choose a selection to make contact with. You could call, email or write in the first instance.
- ▶ Set up meetings that allow you to explore the best way of working together.
- ▶ Discuss ways in which your service could add value to their existing customer service.
- ▶ Ask what they would need to know about your service to feel confident enough to recommend you.
- ▶ Provide what they need to start the process and agree a periodic review for feedback.

Sample letter/email to open the door to an alliance relationship

Dear

I noticed that you currently offer x service to y people. We are a business that offers z service to a similar customer base. As we are not in direct competition with each other, but offer services that potentially complement and support each other, I wondered if you might be interested in discussing a way in which we could recommend each others' services to our mutual advantage. I will give you a call during this next week to arrange to have a conversation at your convenience if this suggestion sounds worth exploring further.

Kind regards

How to make the most of your alliance relationships

There are many ways in which you could work your alliance relationships to mutual advantage. One way might be that your alliance agrees to give your card and a verbal recommendation each time they see an opportunity with one of their customers. Or they may agree to include a recommendation in their e-newsletter. You may swap website links. You may get included in their pre- or post-sales communication.

You may develop a financial incentive to encourage your alliance to look out for opportunities to pass business your way, or you may simply agree to help each other without financial recompense. Either way your arrangements need to suit both parties and be ultimately orientated to make it easy and attractive for customers to buy.

Think alliance and reach more customers easily