

Partnerships and Corporate Success

Developing and managing a partnership with a strategic customer or supplier as outlined in this book can provide you with a competitive edge and help tilt the playing field in your favor.

– Richard A. Locke

*Vice President, Supply Chain, Food Packaging Americas
& Global Pharmaceutical Packaging, Alcan*

Overview

Increasingly, corporate success will depend on the formation of mutually beneficial relationships with key customers and suppliers. While business leaders and academics have championed the value of partnerships for this purpose, the challenge is to find an effective method, which can be implemented and sustained, for forming these types of relationships. In this chapter, we describe why partnerships are so critical for corporate success, what a partnership involves, why management should seek partnership arrangements with key customers and suppliers, and a tool known as the partnership model. The Partnership Model provides management with a repeatable method to identify appropriate candidates for these increasingly critical relationships and determine how to appropriately resource and structure these relationships.

In an environment characterized by scarce resources, increased competition, higher customer expectations, and faster rates of change, executives are turning to partnerships to strengthen supply chain integration and achieve a sustainable competitive advantage.

Why is Partnership Important?

In an environment characterized by scarce resources, increased competition, higher customer expectations, and faster rates of change, executives are turning to partnerships to strengthen supply chain integration and achieve a sustainable competitive advantage. Partnering provides a way to leverage the unique skills and expertise of each partner and may also “lock out” competitors. According to Rosabeth Moss Kanter, “...being a good partner has become a key corporate asset...In the global economy, a well-developed ability to create and sustain fruitful collaborations gives companies a significant competitive leg up”.¹ But exactly what is a partnership, when is one appropriate, and who should management target to form these relationships? At first glance, the answers to these questions may appear straight-forward, but they are not.

There is considerable confusion over the definition of partnership and when

¹ Kanter, Rosabeth M., “Collaborative Advantage: The Art of Alliances,” *Harvard Business Review*, Vol. 72, No. 4 (1994), pp. 96-108.