

WHY ALLIANCES ARE STRATEGIC: CRUCIBLES FOR TRANSFORMATION

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http://www.spibr.org/why_alliances_are_strategic.pdf

The answers to important questions are often “hidden in plain sight”. Such is the case when considering the question “Why are strategic alliances important?” Strategically important things are evident in ways that surpass numbers; sales revenue *is* very important, but it is not the *only* indicator of strategic importance.

Why are alliances strategic? The answer to this question flows logically from a set of simple assertions:

1. **All we have are RELATIONSHIPS.** This statement is true in life and in the world of business. Where in life is there *not* a relationship? And what in business happens *outside* of a relationship?
2. **VALUE happens in relationships.** Value in any form requires a relationship. Whether we’re talking about the creation, exchange or extraction of value, if there is no relationship there is no value.
3. **TRANSFORMATION happens in relationships.** What does transformation have to do with strategic alliances? If a strategic alliance is not about *changing* a business then it is not strategic.

What is true in our personal lives is also true in business; we need each other in order to *create* value and in order to *change*. We need each other; life and alliances are both “we things.”

4. **The more INTENSE AND CHALLENGING the relationship the BETTER.** In our personal lives our *greatest* growth and transformation happens in our *most* intense and *most* difficult relationships. After we have worked through a challenge we realize how much they have blessed our lives.

Our most intense and challenging relationships *always* bear gifts, *if* we work for them.

5. **STRATEGIC ALLIANCES are the MOST INTENSE AND CHALLENGING form of business relationship.** Strategic alliances are about the *long-term creation* of value; to accomplish this requires healthy collaboration. However, if the partners are successful in business they must be fierce competitors, too. They often compete against each other in areas outside of the alliance. Add to this the fact that the default mindset in business is a scarcity-orientation, i.e., “Your win is my loss.”

A fear-based and scarcity-oriented climate is *counter* to the atmosphere required for healthy collaboration, thus making alliances the *most* difficult form of inter-company business relationship. Paradoxically it is their *difficulty* that makes alliances strategically important – the source of their gifts.

6. **Alliances offer STRATEGICALLY-IMPORTANT GIFTS to businesses.** Because alliances are businesses’ most intense and challenging form of relationship, they end up being the best crucibles for the development of transformational competencies that help companies grow.

Here is a list of some of the strategic gifts alliances offer business:

- Understanding how to build trust via healthy confrontation.
- How to collaboratively create value in the midst of fear, scarcity and uncertainty.
- Teams with clearly aligned focus on a compelling vision.
- How to create productive communities, attracting greatness to them.
- Ability to assess and change the climate in a business.
- Being transformational agents of change, thriving on “controlled chaos.”
- Empowered and empowering leaders who are inner-directed and other-focused.
- Relationship-building competencies are strategic.
- Enacting healthy insurgency to improve strategy, being catalysts for transformation.
- Expand “value” to embrace *intangible & long-term* forms (driving near-term revenue).
- Adaptive, flexible and responsive leadership.
- Crucibles for bringing practical consciousness into business.

Assessing the value of an alliance based solely on its sales revenue is like assessing the health of a marriage based on counting the number of children; both are important, obvious and *incomplete* metrics. It is all-too-easy to dismiss relationship issues as being the soft, warm and fuzzy things that don’t matter; the *opposite* is true. Relationship issues are *hard* and relationship is the foundation of business. What alliances offer businesses are strategic gifts that will lead to greatness via on-going transformation ... and sales, too!