



advice news tips and training for the marketing professional

Site Search

Search



[Home](#)

[This Issue](#)

[Latest News](#)

[Emarketing Insights](#)

[CRM](#)

[Books of the Month](#)

[Research](#)

[The Marketer](#)

[Training](#)

[Archive](#)

[Contacts](#)

[Site Map](#)

[Find a Supplier](#) [Marketing](#)



Issue 52

THIS MONTH'S ISSUE

More than just a makeover for the CV

Paul Sykes of recruitment specialist Michael Page explains why marketers need to keep their skills up to date.

1 + 1 = 3

David Rowson of strategic branding consultancy StrategicFusion offers advice on how to manage marketing during a merger.

The Might of Management Development

Marketers who rely on outdated qualifications and innate talent will be doomed to a lack-lustre career, according to Jo Causon of The Chartered Management Institute.

High Performance Thinking Skills

What separates the winners from the 'also rans'? Stephen Reid offers an answer that provides food for thought.

CPD and the need to measure marketing performance

Nicolas Watkis of Contract Marketing Service explains how keeping up to date with measurement is a vital part of marketing CPD.

The power of partnership

It's never been easier for the competition to catch you napping. Amanda Crouch, CEO of the Global Business Partnership Alliance, looks at how to avoid this by going far and wide for new ideas.

How much money are you wasting on search engines?

Check how up-to-date you are in your approach to marketing through search engines against Dave Chaffey's Ten Don'ts of Search Engine Marketing.



the marketer

Memory test - Martin Croft rounds up the key marketing events of the last 12 months.





IN THIS MONTH'S ISSUE

advice news tips and training for the marketing professional



Site Search

Search



Home

This Issue

Latest News

Books of the Month

Research

The Marketer

Training

Archive

Contacts

Site Map

The power of partnership

"People can be divided into three groups: those who make things happen, those who watch things happen, and those who ask 'what happened?'."

It's a great quote. Which group do you, your brand and your business fit into? The global economy means unprecedented pace. Competition is full on – 24 X 7. Organisational and geographic boundaries are shifting and blurring - even becoming permeable. Your brand and business could be impacted by changes happening on the other side of the world – possibly while you're sleeping.

Savvy marketers are seeing this as an opportunity rather than a threat. Companies are looking to reinvent themselves recognising the 'survival of the fittest' ethos. And that strength comes not from facing the competition alone but by building sustainable partnerships and alliances.

Find a Supplier Marketing



Take the recently announced North American Coffee Partnership between Pepsi-Cola and Starbucks as an example. Rather than worry about whether a consumer might choose a cold can over a hot coffee - or vice versa - the two are focused on growth and opportunities. Giants in their own right, the two have got together to create a new segment in the ready-to-drink coffee category – worth more than \$800 million in the US alone.

Do CEOs view getting into bed with the competition as a weakness? Quite the opposite. A recent study¹ - based on interviews with more than 750 of the world's top CEOs - reveals interesting insights as to how business leaders view partnerships, particularly as regards innovation. More than three-quarters of these CEOs ranked 'business partner' and 'customer collaboration' as top sources for new ideas. One CEO said: "On a scale of one to five, collaboration's importance is enormous. I'd give this a six if I could."

The findings show that CEOs are also looking beyond new products and services. They are increasingly focused on innovation in their business models and operations as key mechanisms for driving change. In the past, innovation may have been seen as something that had to be kept 'inside' behind closed doors. Now, working closely with 'outsiders', both customers and partners, is seen as indispensable.

Traditional market research is already rethinking its role to ensure it is not left behind by merely focusing on previous consumption patterns. Forward-looking companies are reaching out to other organisations. Brands are leveraging their collective power. Companies that can bring ideas to a shared table and can work successfully with others to go to market are the ones that will succeed. And the ideas or brands do not need to come from the same market sector.

Sport and music are not obvious bed fellows. Yet they were brought together like never before with the Nike and Apple® announcement earlier this year.

The first innovative Nike+iPod from this new partnership is a wireless system that allows Nike+ footwear to talk with your iPod® nano to connect you to what is claimed as "the ultimate personal running and workout experience". Information on time, distance, calories burned and pace is stored on your iPod and displayed on the screen; real-time audible feedback also is provided through headphones. The idea is that it's like having your own personal coach or training partner to motivate every step of your workout.

What was also interesting from the recent CEO survey was the confirmation that collaboration makes businesses more successful. Out performers used external sources 30 per cent more than underperformers. This view was corroborated by management consultants AT Kearney². Their research showed that companies who demonstrate excellence in partnering can out-perform the stock market average for their sector by a margin of up to 40 per cent. Clearly such an advantage is one no marketing manager can afford to ignore.

BT, the UK tele-communications operator, and HP, the US information technology company, are examples of companies who could not ignore the opportunity. In 2004 the two companies got together to develop a strategic go-to-market alliance to address mutual growth opportunities in the global information and communications technology (ICT) marketplace.

Although the partnership has been beset by both companies' legacy issues, it is more than just big corporate smiles and PR opportunity handshakes. It is enjoying some success. For example, the alliance announced a European IT and networking services contract with Hertz Europe recently. And the latest contract is with Aker Kvaerner, a global provider of engineering and construction services. HP and BT have been selected to supply an agile environment for IT and communications. The contract is said to be worth \$50 million over five years.

One way to avoid the legacy issues of the two partner businesses is to create a separate fresh entity for the partnership. Ocado did this when they launched an on-line grocery business in partnership with Waitrose in January 2002. The business model is entirely different - unlike other supermarkets, the goods delivered from Ocado come direct from dedicated distribution warehouses rather than supermarket shelves, avoiding double-handling. Strong distinctive branding and advertising are differentiating the service at the front line, too.

Automobile manufacturer Mercedes and Swatch, a watch company, also set up Micro Compact Car AG as a separate business when they collaborated to produce the Smart car. The new organisation had very different ideas and approaches to product development from either Mercedes or Swatch. The car was launched in October 1998 – though this also marked the end of the joint venture as Swatch sold its interest to Daimler-Benz shortly before the Chrysler merger.

Partnerships could also mean approaching distribution outlets in a different way. Costa Coffee, for example, is in direct competition with the likes of Starbucks and Cafe Nero in many a UK high street. The chain has looked to differentiate itself by collaborating with other retailers such as Abbey National, WHSmith and Ottakar's book stores. The lure of warm beverages and the opportunity for customers to bank or browse at a more leisurely pace is delivering mutual benefits.

Bringing together products and brands can create whole new sectors – shampoo and conditioner in one bottle created the 'two in one' sector in the hair care market. But this is an obvious connection. Innovation expert Paul Sloane³ recommends marketers look for weird combinations to spark creativity. And 'weird combinations' means going far and wide – looking beyond any boundaries. Even the competition. Think of the Pepsi-Cola and Starbucks alliance. How could your brand work with what is today a competitor but tomorrow could be your partner?

Thinking beyond boundaries and seeking out partnership opportunities will make sure the competition doesn't catching you napping - and ensure you are not the one to ask; 'What happened?'.

Ends

1 The IBM Global CEO Study 2006

[link to www.ibm.com/services/us/bcs/html/bcs_ceostudy2006.html]

2 *The Partnering Imperative* by Anne Deering and Anne Murphy, AT Kearney [link to <http://www.atkearney.com/>]

3 Paul Sloane is the author of *The Leader's Guide to Lateral Thinking Skills* [link to <http://www.destination-innovation.com/>]

About the author

Amanda Crouch is the chief executive of the Global Business Partnership Alliance (GBPA). GBPA is the leading corporate membership organisation focused on internal and inter-company collaboration and business partnering.

<http://www.gbpalette.com/>

