

Here's how to form the right business alliances

Set your terms and conditions early to achieve a positive partnership and maximize outcomes.

As you continue to network and market the business, you may be open to innovative ventures and exciting opportunities that come your way to boost the company's platform and share its products or services even further. At first glance it may seem like a good idea to join forces with a new alliance in business, but how much do you really know about your potential partner's financial track record, its commitment to customer satisfaction, and whether it shares your same core values and views on what it takes to maintain success in the marketplace?

That's why 13 [Fast Company Executive Board](#) members want to point out additional key factors that leaders must consider in the decision-making process prior to signing the next deal.

1. PARTNERSHIP ALIGNMENT

First, there must be synergy among our teams, resources, goals, and priorities. Our strengths and weaknesses must match. Second, relationships matter, so spend time getting to know each other and understanding each other's values. Never underestimate how easy it is to do business with positive people. Partner with those who have the resources to make it past the startup. – [Ray Titus, United Franchise Group](#)

2. WILLINGNESS TO SIGN A CONTRACT

Having a contract between the partners is key because handshakes and verbal agreements no longer protect one's interest. A legal document can also prevent breakdowns that may occur throughout the relationship. Establishing terms and conditions, early, sets clear expectations, guidelines, and potential outcomes. A good contract goes beyond an agreement between associates. It can carry over to protect heirs, spouses, and other interested parties. – [Lonnie Buchanan, Veracity Solutions](#)

3. ETHICAL AND MONETARY REPUTATION

We definitely look into our prospective new partner's ethical and monetary reputation. The larger the business grows, the more thorough the compliance check should be. It is important to research where the funds of our future partner or investor originate from in order to rule out nasty surprises that may come up. This is a common-sense practice as indicated by international financial institutions. – [Yura Lazebnikov, TECHIIA holding](#)

4. DEVOTION TO THE BUSINESS

Make sure both sides have a champion that's devoted to the task. Otherwise, it will fall apart soon enough. Someone has got to be in charge of this project A-Z. – [Yoav Vilner, Walnut](#)

5. COMMUNITY ENGAGEMENT

It's important to focus on partners that are not only beneficial to *your* business but are an active part of *their* regional community. We call these businesses "local heroes," when we target a new market since we witness from afar how strong their brand identity is. Consumers love a restaurant that not only engages with them but is a staple and the fabric of their community. – [Christine de Wendel](#), [sunday](#)

6. RELEVANT EXPERIENCE

More and more founders are working with external teams to launch their products. If you're considering this, take the time to find a partner you feel confident in. Were they recommended by someone you trust? Do they have relevant experience and testimonials? Are they upfront about who you will work with on their team? A thorough evaluation will save you time and give you peace of mind. – [Erad Fridman](#), [Fluxon](#)

7. QUALITY CUSTOMER SATISFACTION

Ask yourself if this partnership supports your employee and customer needs. It's important that business leaders think critically before bringing on a new partner and ask themselves: what is the value that partner is going to offer all stakeholders. For example, I'm very passionate about not taking funding unless that partnership is going to help the growing businesses that ActiveCampaign supports. – [Jason VandeBoom](#), [ActiveCampaign](#)

8. TRACK RECORD OF SUCCESS

Identify your areas of weakness and choose a partner you trust that has a proven track record of success in those areas. In the early stages of my company, my mother, Ellen McAlister's over 35 years of business experience was an invaluable asset. Because I trust her implicitly, I had confidence in her counsel and her ability to steer me on the right path. – [Kelley Higney](#), [Bug Bite Thing](#)

9. LOYALTY AND LONGEVITY

There are a lot of great partners for the good times. What you need is a good partner in the rough times. With every business, there will be setbacks. There will be pressure, disagreement, and friction. So, when you look at potential partners, consider this: Is this person someone you can disagree with and still work productively with afterward? If the answer is yes, you've found your partner. – [Barry Fiske](#), [Merkle](#)

10. THE WIN FACTOR

It is important to define what winning means for both sides. If both sides cannot articulate a quantifiable win from the partnership, it will not work in the long term. A quantifiable win is not always a simple business trade or transaction so do not assume you know what winning means to your partner. Also, be transparent about the potential weaknesses of the partnership to each other and the market. – [Paola Doebel](#), [Ensono](#)

11. INDUSTRY ECOSYSTEM

Understand the industry ecosystem. Is there a systemic pattern of behaviors, including buying, that you're unaware of? If so, it's much easier for the small guy to change than it is for the big partner. Do this without losing your ability to solve the problem at a high rate of confidence. – [Maurice Kelly, Windpact Inc.](#)

12. FAITH AND TRUST

How much do you trust the other party (or parties)? A promising business model and promising revenues won't mean a great deal if you don't have faith in those you are going to have to work closely with, and with whom you will be bound in very real ways. – [David Jaber, Climate Positive Consulting](#)

13. FINANCIAL HABITS

Look at their books. Financial information, while dull and boring, is very important as understanding how well they make, handle, and spend money is important. If they are diametrically different from your own methods, give the partnership more thought. – [Christopher Tompkins, The Go! Agency](#)