

# ACTION PAPER

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## How exposed is your partnership program?

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*A **four-stage process** to reassess the value you offer partners. Giving you a seat at the table to **manage the challenging conversations** toward the 'new normal'.*

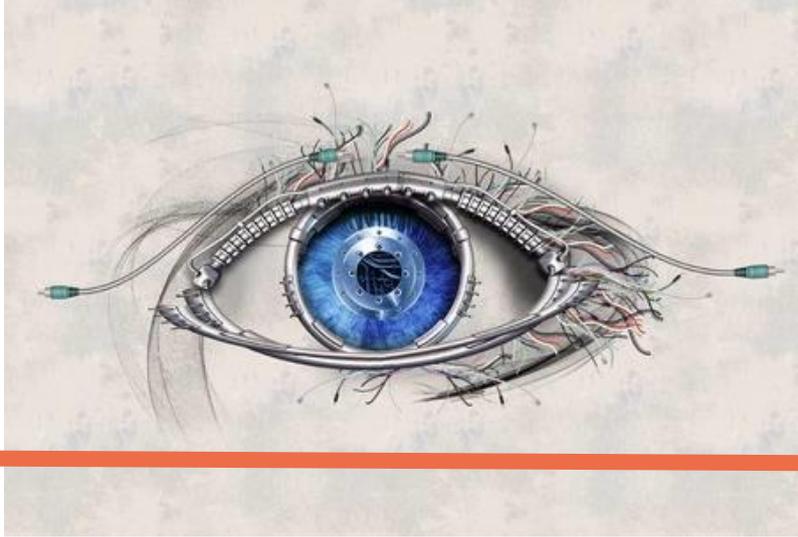
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April 2020



# Facing the reality

## EYES WIDE OPEN



What a tumultuous few months! If you're like me you've been through a washing machine of feelings and tolerance levels, waivered between being focussed and feeling directionless, and being frightened to being excited about what new opportunities will emerge and how they relate to us.

At this stage it's challenging to see beyond when the lights go back on for Australian business. But with talk about the restrictions being lifted, we do need to start planning for what that might look like. Specifically, we need to be prepared for the **HUGE impact all this will have on your partnership deals.**

Very generously, lots of brands have announced they are staying with the activities they sponsor. However, **all that expenditure is going to be put into question**, if it isn't already.

The impacts of this may be significant to your organisation. So there are two options:

1. Sit back and let it happen to you, OR
2. Take a proactive approach.

I'm in the camp of **let's lean forward and be part of the discussion** so we may be able **to influence the outcome.**

To help support this I have laid out a **suggested process to review your program**, while you have some breathing space. So you can make the most of the time you have, be in the best position to move forward when the world begins to function again.

### A note about brands

These are challenging times. Some brands are thriving, while others are flailing. The Government stimulus keeps workers in jobs, which is fantastic, however it doesn't mean there is certainty. The lights are starting to come back on, but it doesn't mean customers are walking in the door and revenues are flowing.

With 30 years of growth in Australia, many brands don't have contingency planning for a down turn market. There are lots of edges that will need to be trimmed and in my experience of this process from living in Europe during downturns, this typically includes a **reduction in marketing spend.**

Not every brand is **going to slash all sponsorships as soon as they can.** However, it is likely that marketing teams are reviewing all expenditure and having to articulate how each activity has the potential to meet the business objectives in the post COVID-19 world. So you having a pro-active approach, **being part of the process** to articulate the value, could mean the **difference between being kept or cut.** Your goal is to give them every reason to **keep your deal, over others.**

**Not everything is doom and gloom** – there are brands fairing extremely well out of the C-19 pivots, such as brands producing completely different products than they went into business for (booze brands making hand sanitiser); brands delivering very different services than before (hotels hosting the homeless), and so many other examples of pivoting around the world.

This situation may provide a chance to talk with these brands in the coming months.

This approach also **positions you as a leader**, having a clear head during these challenging times, striving to find the best path forward will bode well in the eyes of the CEO, GM or Board.

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*The reality is, **your deal may not make it, however, knowing you've done everything you can to help realign the partnership to support your partner's (new) objectives, will hold you in good stead.***

*It will **keep the relationship strong for when things turn a corner.***

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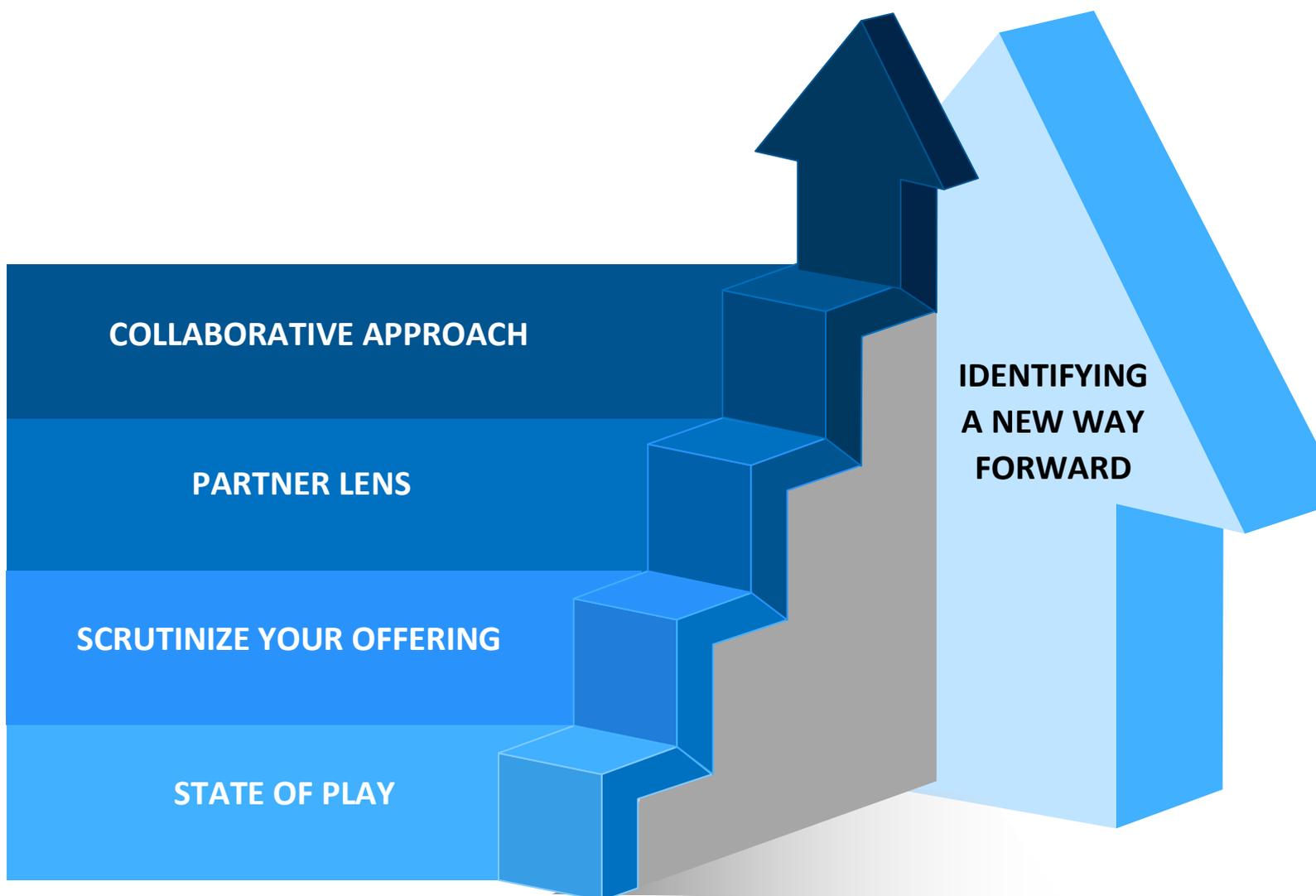
# A new approach TO PARTNERS

This four-stage process will **guide you and your team** to look deeply at the partnerships you have and how you may be able to retain as many as possible, and even grow your base into the 'new normal'.

It will take some time to execute, however, will hopefully **give your team direction and focus** to make the most of the 'lights off' period.

**This approach will give you a seat at the table with the brands that are in a position to have these challenging conversations.**

You could decide to use the 'wait and see' approach, however, I believe this is a better way.



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*This is a difficult time, so you may be challenged by rolling out this process alone. **If you'd like some more hands-on strategic support, we can help.** Get in touch and let's discuss how we can help facilitate the process or coach you and your team in support, for you to execute.*

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# Stage One

## STATE OF PLAY

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### How your organisation has changed

Let's start by confirming how your organisation's direction has changed since C-19 started. There may need to be a change in what you do forever, or it may just be a temporary shift.

Clarity on your organisation's way forward is required to identify what impact that has on what you are able to offer partners – for now and into the 'new normal'.

The truth is, the majority of right holders have evolved since C-19 kicked off in some way shape or form. Some things for now, others forever. AND some impacts have been positive and others negative.

There are many things that have shifted how you do what you do. Each of these are epic shifts and have their ups and downs to consider in building the reality of now and a path to a new normal.

### Some **negative impacts** include:

- The reality that some sports may not see their seasons begin at all in 2020.
- Arts events unable to be held until restrictions ease.
- Charities not being able to deliver services or host functions which are unlikely to go ahead until people feel safe to be around larger groups of people again.

### Some of the more **positive impacts** include:

- New digital programs being created to compliment physical activities.
- The ability reach a wider, more remote audience, bridging the tyranny of distance.
- More personal educational offerings – technical lessons with a tennis star, intimate conversations with costume designers, etc, etc.

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### CONSIDERATION [Scale: 1 low to 10 high]

- How significantly has C-19 impacted what you do – positively? And, negatively?
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## Assessing your situation

It's important to know what we're dealing with, how serious is the challenge that's in front of us. So the first stage is to get a state of play.

**Draw up a list of all of your partners**, perhaps pull together a spreadsheet.

The summary might include:



<b>Overview</b>	- Who is the partner, their partnership tier, etc.
<b>Terms</b>	- What's the term, when is it due to expire, etc.
<b>Investment</b>	- How much is the contract for? - What is the split on this deal – cash, in-kind services/product, marketing?
<b>History</b>	- How long you've been in partnership, how did it come about, etc.
<b>Champions</b>	- Who are the key people and advocates throughout the partner's organisation we should consult with?
<b>Inclusions</b>	- What's included in the deal (high level)? - What can you still deliver (based on restrictions)?
<b>Objectives</b>	- Where does the partner derive most value? - What measures of success do they place on this relationship? (Can you still deliver this, or do you have to look to deliver something better or different?)
<b>Relationship</b>	- How do you rate the health of the relationship? [1 – weak / transactional to 10 – strong / integrated]
<b>Opinion</b>	- As the relationship manager I think xxx, yyyy, zzzz about this deal moving forward (include the positives, challenges or negatives)
<b>COVID-19</b>	- How has their business been impacted by C-19?
<b>Indicators</b>	- Has there been any comments made by this partner to give you an indicator of impacts C-19 may have on this deal?

## Determination

Now it's time to determine what's the **reality of your state of play**. Based on your gut instinct: **what percentage chance to you give this partnership to continue** in its current format? **Why?**

This is a frightening reality, however, **it's better than a 'wait and see' approach**. So, please invest the time to face this reality. With a worst-case scenario in mind, things might not work out as badly as you imagine.

**With this view**, you can **start to raise any concerns internally so it doesn't come as a shock**. And you can start to bring in other members of the wider team to brainstorm ways forward.

### **CONSIDERATION** [Scale: 1 low to 10 high]

- How confident are you that your team has the capability **AND capacity to conduct this review** at this time?

# Stage Two

## SCRUTINIZE YOUR OFFERING



It's important to review your offering **from a number of angles** – your pre-C-19 approach, a renewed direction, potential way forward into the new normal.

Pull together a group of people from across your organisation for a **facilitated working session**. This group can help scrutinize your offering and support your team to craft a new way forward.

### Review your pre C-19 offering

Let's look at what you had in market prior to this situation. Assess your approach and your offering to **identify the strengths and opportunities** you can take forward.

Now that everything is metaphorically smashed on the floor, this provides an opportunity to identify which elements put you in a strong position in the market.

Determine which are the **most valuable** elements, the **best bits** that partners love, the **most profitable** components.

Ponder the strength of the way you have **articulated the value you deliver** to partners.

Taking input from across the organisation will really help to bring perspective on your approach to date.

### Opportunities from the pivot

Let's now look for the silver linings. There's been so much pivoting going on, take a moment to consider **how this may open the door** to new opportunities, new markets, or new partners – which you probably didn't have time to do prior to this down time.

Identify **what opportunities might exist** as a result of the current **challenges to the typical ways** you deliver what you do.

Being forced to deliver what you do in completely new ways, in new formats on new platforms, has likely changed how you do what you do forever.

For inspiration, look at some examples from across Australia: physical sports shifting to eGames solutions, charities creating new offerings and delivering these services digitally, Arts organisations sharing short-form and interactive lessons online, to name a few.

Capture what **new assets have been created** and consider how you might benchmark them and bundle them to your offering.

Investigate what others are doing and how you might include those in your new way forward.

Also, take this opportunity to get rid of some elements of your offering that deliver poor return on investment, try to reshape them, then consider do they stay or go.

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### CONSIDERATION [Scale: 1 low to 10 high]

- How comfortable are you to **reshape and benchmark your offering** to drive growth, unsupported?
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### The value in your value proposition

If there's one thing that you need to know, above all else, it's the answer to the question – **why would someone invest with your organisation?**

**Your value proposition** to the market **must be clear**, because inside brands right now, there are people, who do not have anything to do with this partnership, asking questions like:

- **Why should we keep this partnership?**
- How does it help us **meet our objectives?**
- **Which objectives** does it meet?
- **Are we clear on the WifM** (What's in it for Me?) compared to other marketing channels.

If you **have the answers**, you can help the champions of each partnership, put it in the **strongest possible position to avoid 'the cut'**.

In reviewing your articulation of value **does it explain** to the other party:

- **Why partner with us**, over other organisations.
- **Why 'us'**, working together makes sense.
- **Why now**, is the right time.
- **What's possible**, ensure it **sells the dream**.
- Does it clearly outline the **vision of success** – **what coming together can deliver**.

Invest time to refresh your **value proposition** so you can **remind your partners** of what a **difference their investment with your organisation makes** to their brand, reputation, bottom line, or all of the above.

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#### **CONSIDERATION** [Scale: 1 low to 10 high]

- How confident are you that your value proposition **can stand up to scrutiny** from leaders looking to cut costs?
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# Stage Three

## PARTNER LENS



### Existing partners

Now you have a **wide view of the situation, and the opportunities** that have presented themselves thanks to C-19. Take some time as a group to ponder the world from **each existing partner's perspective**.

Based on what you know from past behaviours, and conversations to date, what do you think:

- they value most from this relationship,
- from the newly created assets, which of these suits their brand best, and
- how could they leverage this relationship to drive their objectives, as we head towards the 'new normal'.

**Build out a proposed way forward** for the partnership in light of what you know and what your team have brainstormed. This doesn't have to be too detailed. **The objective is to:**

- Think through how the relationship might evolve from where you are to the end of the contract term and beyond.
- Propose some ways that will deliver greater or different value to each partner based on things that have come out of C-19.
- Craft some ideas that will help open the discussion with the partner.

This will most likely evolve after you meet with the partner but showing them you've invested time to think about the relationship – their brand, benefits and what the future might look like – demonstrates your commitment to the partnership.

With all of this thinking, you are in a strong position to open the discussions with each of your partners.

### Potential new partners

Once you've worked through what might be possible with your existing partners, you could invest some thinking into identifying which brand might be a potential new partner.

Look for potential **new revenue streams** as a result of C-19 changes [Ensure you consider existing partners for these opportunities first.]

Consider brands that you couldn't reach previously, that you might now have an opportunity that could **open up the conversation**.

This might provide your business development team some ideas they can use to kick off the research phase of prospecting for some new partners.

The balance will be in determining when to start conversations, as it's likely that most brands are focussed inwardly at the moment, so consider timing of the approach.

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### CONSIDERATION [Scale: 1 low to 10 high]

- How confident are you that your team have enough brand-side experience to **conduct this review objectively?**
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# Stage Four

## COLLABORATIVE APPROACH

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Now it's time to bring everyone together – **your team, and your partner's team.**

Assuming your partner is open to a working session, invite them to bring to the table an outline of **where they are** in the process.

This will give them an opportunity to **set the scene** from within their organisation and help your team understand how they've been impacted and what they are focussed on.

This session should start by setting the tone. This is an open dialogue about the **future of the partnership** – short and longer term.

You understand the reality that in this economic climate **everything is under review.** This session is about collaboratively trying hard to find a way forward, together if possible.

This is about ensuring your partner has **what they need to give this deal the best chance to stand up to internal scrutiny.**

Discuss where you came to **during your internal workshop** sessions. Then use this time to **open it up for discussion**, debate and reshaping to identify what this **partnership might look like** short term and towards a 'new normal'.

Depending on what's identified and discussed, the next steps may include further working sessions or taking away information that was shared and propose any new or changed benefits to the partner in order to move forward.

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**CONSIDERATION** [Scale: 1 low to 10 high]

- How comfortable are you in **facilitating these sessions**, knowing parts of the conversation may be uncomfortable?

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Well, that's it! I hope you find it helpful. I suggest you **take some time to ponder** your initial responses to the **'Considerations' throughout this document**. Invest some time thinking about **who you have to support you** through this process and **who can do what, by when**.

If your response to the 'Considerations' were **consistently low scores, we can help**. If you would like support from an **objective external party**, someone at arm's length to the relationships, to keep emotions and history at bay – someone perhaps like me 😊 **Give me a call**, let's discuss where you are and how I might be able to support you and your team.

Depending on your need we could lay out a program of support that helps you get through the immediate triage phase or take a bigger view of what the 'new normal' looks like in readiness for once the lights go back on.

Determining the way forward for your partner program, into the 'new normal' is likely to look somewhat dissimilar to how it did pre C-19. While **these times present challenges**, this situation also **presents many opportunities**.

It's an unusual and uncertain time, but one that will pass. Meanwhile, take this opportunity to dedicate space in **gaining clarity**; asking the questions that **drive your objectives forward**; and **share the load** by working with the partners you both invest so much in to achieve from joint goals.

We're all in this together, so if you need a hand or just a friendly chat, reach out any time.

Cheers

Sam



## GET IN TOUCH



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