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## Warning: Too Many Alliances Can Hurt Your Business

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The logic of linking with other professionals to better serve your clients is compelling. There is much to learn from the right partners and with coordinated marketing — everyone wins by securing new business.

Despite earnest efforts to build relationships and give referrals, dreams of linking with other professionals to grow each other's businesses rarely come to fruition. Far too many commit to an alliance initiative without a clear strategy, without defining expectations and without measures for success.

While most attorneys and others are willing to accept your referrals, very few are willing to commit to a productive alliance. Successful alliances start with finding the right partner. A mistake during this phase of the process dooms the alliance to failure.

Common mistakes include:

1. Trying to forge alliances with little understanding of the potential partner's client base, marketing strategy or growth objectives. An alliance makes sense if you are both focused on serving the same type of clients. Just because you have capabilities to help a wide range of people, does not mean you should establish alliances to serve all these different types of people. An alliance with a divorce and family practice law firm is very logical if your target market is divorcees. However, it is just a waste of precious resources if you are targeting 401K plans. If the attorney is in the wind down phase of their business, it is unlikely they will be a strong referral source for you. While they may have a large client base, they are no longer trying to grow their business. They don't have any incentive to invest in an alliance that will pay off down the road.
2. Misfit of business maturation or size. If you are a solo producer with a relatively small practice and you are trying to link with the most established attorney in town, you have little to no significance to the attorney. They probably have established alliances already. Unless you provide special expertise or an opening to their target market, it doesn't make sense for them to invest much in a relationship with you. Yes they will accept your referrals, but most likely will not invest in a relationship with you.
3. Trying to forge too many alliances. Alliances require a serious commitment of nurturing before they bear fruit. There are a limited number of alliances that you can effectively support. An alliance can't last if both parties fail to provide sustained support.

To select the right partners, clarify your target market: whom you want to serve and how you want to distinguish yourself. This will help you develop your selection criteria and determine what role you want the other professionals to play. Next, develop your vision of how you want the alliance to work for all the parties. What roles do you see each partner playing?

Define your criteria for an alliance partner. Consider the following:

- **Fit of client base.** Do they have an attractive client base and do you have one attractive to them? You can't expect a partner to invest time and money pursuing business outside his or her marketing goals.
- **Fit of growth objectives and marketing strategies.** Are their growth objectives and beliefs on generating business compatible with yours?
- **Complementary expertise.** Alliance partners must provide expertise serving the needs of your target market. The alliance should provide all alliance partners with a competitive advantage.
- **Willingness to invest.** Is the other party willing to invest time, money and exposure to their client base at the same level you are? Get these issues out on the table quickly and test them by asking for an early commitment of time and money.
- **Reliability.** Are they dependable? Do they provide quality service and do they fulfill their commitments as an alliance partner? Ask if they have worked with similar types of alliances. Find out with whom and call them.
- **Potential value to the partner.** The alliance must be worthwhile to your partner. Define specifically what you feel they can gain from it and strive to structure the partnership so both parties win in a roughly equal manner.

Next, develop a list of candidates by asking clients and others in your network to recommend those they view highly, then interview a few for the purpose of exploring an alliance. Learn about their vision for their business, their growth objectives, their client base and target market and how an alliance might fit with their marketing strategy.

For the final step, start with the one person or firm you feel is the best fit and create a joint marketing plan. Develop a clear set of expectations for both parties. Identify an event or some marketing initiative where both parties must invest. This will give you an early indication of their commitment. Establish measures of success. Set short-term goals such as the number of referrals you will generate for each other in the next quarter. Then review the progress quarterly to see if both parties are meeting the expectations and how the strategy is working.

With these steps, you will save time because you will focus only on those who have real potential to enhance your practice. You will also quickly distinguish between those who can be serious partners and those who just talk a good game.

An alliance strategy can provide big wins if you have the right partners and support them well. A small number of highly effective alliances will be vastly superior to a large number of ineffective ones.

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