

How To Create Powerful Strategic Alliances

by Michel Fortin, Ph.D.

I truly hate networking. Really, I do! I hate it because, in my experience, it hasn't brought me anything substantial in return. But wait a minute, hear me out. Networking isn't a bad concept; far from it. In today's world of hypercompetitiveness, networking can be a fantastic marketing tool. Referral-sources can become potentially effective in bringing you business.

However, here's the problem. Having a network and having a networking system are two entirely separate things. When you're only networking, more often than not people will want something in return. They will stop sending you clients if you don't take the time to recognize their efforts (and, if you're like me, that's if you have any time left at all). So, how can you reward your network? Better yet, how can you turn your network into a networking system? The answer is by developing and establishing a network of *strategic marketing alliances*.

I'm sure you have heard of many ways to set up strategic alliances in some form or another. Essentially, there are as many different forms of systematized networking opportunities out there as there are businesses, and I strongly encourage you to vigorously seek them out. But in my experience, I have found that they mainly fall into three major categories, namely the info-network, the auto-network, and the intra-network. Let's take a look at each of these three systems and how you can develop them and apply them to your situation or business.

Info-Networking

The information network is one in which a strategic alliance is created where information is exchanged in some form or another between parties. Basically, that information includes qualified leads that both you and your alliance share, or information about each other that is promoted to each other's market. As long as your alliance logically shares a same target market without directly competing with you, there is an immense potential for you to consider.

For instance, free reports and especially newsletters are great marketing tools. Advertising space within them can be sold at a nominal cost in order to pay for their distribution, or it can be offered to alliances that might be happily interested in being directly promoted to your market. In turn, you should seek out advertising space in publications of mutually beneficial alliances. But if you publish your own newsletter, the obvious advantage is that it can save you money by "swapping" ads with another newsletter also catering to your target market.

This also refers to mailing lists where you and your alliance can exchange each other's prospect or client lists. Mailing lists seem to have increased tremendously in popularity these days. If used properly, they can produce pretty good results. For example, mailing list brokers sell or lease mailing lists that they've compiled and with which you can use to conduct direct mail and telemarketing campaigns -- lists of people that fit into your specific demographics.

A more effective approach is to use, rent, buy, or exchange a strategic alliance's list of prospects and clients. Most of them will approve especially when you trade your lists with them. But if you have to rent or buy their list, the cost will definitely be far less than that of one coming from a broker -- they're not cheap! And most strategic alliances are not accustomed to the idea of sharing their lists and will therefore be happy with just a few bucks. (However, realize that this segment refers specifically to offline mailing lists, not e-mail.)

Auto-Networking

Auto-networking is the process of creating referral-sources that automatically supply you with quality leads without having to lift a finger. For example, brochures, posters, flyers, coupons, and business cards can be set up at the offices of potential referral-sources. However, auto-networking doesn't mean to simply give out cards

or literature to a possible referral-source and then hoping it will produce something in return. It means setting up a system between both of you where, since you are catering to a same market, you have made an arrangement to constantly and systematically supply each other with materials and information.

A drycleaner who discovered that the largest clientele of a busy restaurant near its location was mostly made up of executives having "power lunches." The drycleaner, knowing that her greatest clientele was made up of executives who bring their shirts or dresses to have drycleaned saw it as an opportunity. Together they formed a strategic marketing alliance.

Coupons were made up and handed out by the restaurant's waiters and waitresses along with their clients' food tabs. They offered a 5% percent discount on dry-cleaning services and the coupons could be accumulated up to a maximum of 25% -- of course, they were valid for a limited time only. In return, the dry-cleaner handed out coupons (clipped to the garment bags of their clients' dry-cleaning) offering a free appetizer or desert at that particular restaurant -- good for one per person per lunch -- with every load of \$30 worth of dry-cleaning.

Another form of auto-networking is, as the saying goes, "You can't teach an old dog a new trick but you can surely teach a new dog to cook you breakfast!" Trying to create networking systems with referral-sources who are either approached by competitors or already implicated in other commitments may be a difficult task. So, what can you do? You get them while they're starting out. Many potential referral-sources may have already been the target of a competitor. The key, therefore, is to approach them before they do become potential targets.

For example, I teach hair transplant doctors to become known among the hairdressing community and possibly set up strategic alliances with them by, among other things, setting up brochure stands in their salons. However, many of these hairstylists may have already been approached by other doctors or have a fixed idea in their minds of a doctor to whom they would refer their clients for cosmetic surgery. Consequently, I help doctors to set up special presentations in order to become guest lecturers at local hairstyling and beauty schools.

Schools love it since it's part of their curriculum to teach future hairstylists the mechanics of hair and alternatives for hair loss. Some provinces or states also make it an essential part of their licensing requirements. However, the effectiveness of this approach is the fact that, by giving a lecture or presentation, the doctor not only gets his name inculcated into the minds of these future hairstylists but also created an almost impenetrable barrier against competitors. By being part of their schooling, doctors naturally became a part of their minds!

This technique can be applied in almost every industry, with trade schools, business schools, community colleges, government services, unemployment insurance subsidized courses, and so on. A government software programmer can give a small computer presentation during courses that the government provides to recently-hired purchasing agents. A wedding planning consultant can give small courses to church groups offering pre-nuptial courses (often referred to as "marriage preparation courses") for engaged couples in their parish or community. An accountant specializing in corporate taxation can give small seminars to young entrepreneur workshops (most chambers of commerce offer this type of service). And the list goes on.

Intra-Networking

An intra-networking system simply means two or more parts of a whole that are independent but at the same time interdependent. This is the old bartering system that goes back since the beginning of time. But in the context of intra-networking though, it is not a direct exchange of service for service or product for product (or even product for service), but an exchange of a service or product for information, clients, referrals, or promotions.

For instance, a restaurant owner makes an arrangement with a local gas station to offer coupons to each client that comes to pump gas. They were given the permission to hang posters in the station, leave menus at the counter, and place fridge magnets on the pumps. For every ten coupons the restaurant received, the employees

at the station were given a free meal. A freelance writer edits corporate newsletters that target her market as well. In exchange for her editing services she will have her articles and ads published for free.

What kind of product or service do you offer from which a potential referral-source may benefit? Think of ways of being able to offer your services for free in exchange for free promotion, pre-qualified leads, or, as mentioned in info-networking, promotional efforts. Intra-networking can also become powerfully effective if you were lucky enough to stumble onto another company that offers products or services that complement your products or services well, while at the same time sharing costs, leads, and clients as well as referral-sources.

Altogether, info-networking, auto-networking, and intra-networking are powerful tools to help make you create good referral-sources that work and never stop working. The idea is nonetheless to network but to do so wisely as to be able to create as many leads and clients as possible with the least amount of effort. Don't network. Make your net work for you!

About the Author

Michel Fortin, Ph.D. is a consultant dedicated to helping businesses turn into powerful magnets. Visit <http://SuccessDoctor.com> to receive a FREE copy of his book, "The 10 Commandments of Power Positioning." He is also the editor of the "Internet Marketing Chronicles" e-zine -- subscribe FREE at <http://SuccessDoctor.com/IMC/>.