



A CHECKLIST FOR PARTNER SELECTION

- ✓ Know clearly what you need from a partnership and whether the partner really has it.
- ✓ Take time to understand your partner's real strengths and weaknesses. Don't be fooled by superficial similarities.
- ✓ Make an effort to understand why the partner wants to do the deal.
- ✓ Understand the potential partner's organizational and management structure, decision-making process, financial capabilities, dividend and re-investment strategies, employment policies, compensation programs and hiring strategies, profit and growth orientation, and financial and accounting practices in terms of compatibility with yours.
- ✓ Assess your company and the proposed relationship from your partner's perspective. Is it a good deal for both of you?
- ✓ Pay close attention to the differences and similarities between your corporate culture and your partner's.
- ✓ Be aware of the partner's relationship (political or ownership) with the host government.
- ✓ Take time to understand the business culture in which a potential foreign partner operates.
- ✓ Know where the partner is situated in its industry, i.e., leader or follower.
- ✓ Understand the possible competitive aspects of the partnership — are you strengthening or creating a competitor?
- ✓ Look at your partner's track record. Has it lived up to previous partnership commitments? Has it litigated against former partners? Is there a history of patent and trademark infringements, health and safety violations or labour unrest?
- ✓ Know how close the alliance is to the core business or product of the partner.
- ✓ Be aware of the partner's other alliances and understand the importance of the proposed venture within the partner's corporate portfolio.
- ✓ Make sure there is policy and operating level commitment in both companies.
- ✓ Seek to identify champions and potential champions in the partner's company.
- ✓ Understand the influence of the partner's parent on its operations.