



your firm to the possibility of a partnership. The strategic rationale and objectives of the proposed alliance should be communicated to line managers and staff, and all should be aware of the importance of the proposed relationship.

Selecting the Right Partner

Along with unfocused strategic objectives, poor partner selection ranks high among the reasons for alliance failure. Hence,

this is another area where you should not be looking for shortcuts.

One of the first rules in undertaking a partner search is to be willing to commit the time and resources to select and analyze partners. Depending on the scope and complexity of the alliance, you may be looking at a couple of months to a couple of years to put the deal together. The GM-Toyota joint venture, for example, was almost two years in the making. Moreover, if you are looking for more than one partner, you may be looking at a lengthy period to get all your deals together.

It almost always takes longer than predicted to find the right partner. To be realistic and avoid disappointments, you may want to double your initial time estimate. If you think you can put together a deal quickly, you are probably letting hope substitute for good judgment. There will always be more problems than you anticipated and more issues to be worked through than you thought. Furthermore, it is likely that there is more than one right partner. It is worth taking the time early in the game to determine who would best meet your strategic needs.

Small companies seeking partners are often prone to panic as they find themselves running out of money and time in their partner search. In their eagerness to close a deal, there is a temptation to rush to sign a contract with any company that expresses interest, whether or not it fits the partner profile. This is almost always a mistake. If you haven't done your home-