



Partnerships are a growing phenomenon. Organisations pool their collective resources believing that collaboration will bring greater benefits and improved experiences for their customers. However, corporate ideals are one thing... the reality can be quite different, as Carlos Keener and Steve Bernard explain.

# The perfect partnership...

**There are many reasons** behind the creation of partnerships in business today. Improving service performance is only one – but the impact of businesses merging, diversifying or being acquired invariably has major implications for customers.

The current climate makes it more important than ever for companies to remain customer-focused. Sustaining relationships throughout periods of organisational change and upheaval is essential to increase customer retention and competitive differentiation.

Partnerships that deliver complementary products, broader services and better customer experiences can be successful. To make them work, however, the reasons for collaboration must be genuine, easily understood and carefully crafted to simplify or enhance customer interactions.

Conversely, today's pressure from stakeholders will only build on partnerships to deliver direct

financial benefits. Whatever business arrangement is involved – merger, acquisition, joint venture or alliance – on-the-ground collaboration needs to be deeper and delivered faster than ever before.

Deals that focus predominantly on delivering cost reductions or other financial goals rarely put the customer first. Although largely internally-focused, such measures often end up materially damaging previously strong customer relationships.

For example, partnerships formed when businesses acquire competitors are often the most difficult to justify. Bitter rivals one day... a 'perfect combination of strengths' the next may not wash with many customers, especially those concerned about reduced options and an increase in one organisation's influence over the other.

What about the partnering businesses themselves? Mergers can bring a huge, two-fold identity crisis where both sets of employees are unclear about their

role and purpose. In this malaise, the new organisation may take its eye off the 'customer' ball and unintentionally reduce service and attention to detail during a prolonged integration. This sends a confusing or diluted brand proposition and story to the market.

So how might this translate to the front line? It could, for example, lead to new unprepared account management teams and changes to products and pricing structures that create a lengthy period of uncertainty. It's hardly surprising therefore, that customers rarely see business mergers and partnerships in a favourable light, at least in the early stages.

These issues can be avoided as has been shown by the insurance giant Aviva. A product of the multiple merger of General Accident, Commercial Union, Norwich Union and latterly AmerUS, combining these brands could have been disastrous.

Instead, Aviva made great efforts to provide clarity and singularity of message

about their brand, using the dropping of the Norwich Union brand to signal their ambition as an enlarged group.

They began communications with staff six months before the change and took care to listen to, and understand, the thoughts and feelings of employees as well as customers.

This example demonstrates that all partnerships have to establish credibility with their customers. The key issue is how to retain and build customer support, resisting any competitor reaction, while taking advantage of internal synergies and new opportunities for growth.

There are several sound principles and steps available to act as a guide. They include:

**• Know who you're getting into bed with**

As with any reputation, brand value takes years to establish and weeks or less to destroy through poor integration. Prior knowledge of a partner's reputation and dealings with customers is essential – papering over the cracks once the deal is struck (which sometimes occurs with partnerships of necessity, such as distressed acquisitions) won't wash with customers and, in any case, is too late.

Having a clear understanding and customer viewpoint of the merger or acquisition is vital. So too is the early resolution of outstanding reputation issues. A transition strategy is best planned around recognisable improvements in quality and service.

**• Get the story right**

Clarity around branding and the reasons for the alliance are essential from day one. Staff should understand these so they can give credible, consistent explanations to customers who will be anxious to learn the impact on them and how they will benefit.

**• Kick the tires and make sure the partnership works properly**

Integration of the commercial and operational aspects of the business may be a priority in delivering benefits or at least in protecting the combined custom and revenue while back-office efficiencies are delivered. Much planning is needed on how to motivate and retain the best people – customers will soon notice if they are less committed!

**• Talk to customers early and often – and listen well**

Like employees, customers are stakeholders and can help identify ways that they and the partnership can benefit. Questions like 'What's in it for me?', 'Who will be my account manager?', 'Will it affect pricing?', 'Will terms and conditions change?', 'Have I now lost my back-up supplier?' and 'Will customer intimacy and service suffer?' are all valid and must be dealt with – quickly.

Have the answers ready and involve customers at every opportunity. That's the best way to try to retain them. Once this 'barrier' is passed they may be more receptive to hearing about the new opportunities that may be available.

**• Keep an eye on the competition**

They will watch events unfold and take every opportunity to use them to their advantage. A poorly-executed integration, confused messages and deterioration in service levels gives them opportunities to pull ahead. Watch for changes in their communications, behaviour, positioning and offerings towards customers. Establishing new partnerships expends much time, attention and energy and can leave a newly-structured organisation vulnerable.

**• Keep your radar tuned to the right signal**

Customer 'touch points', for instance call centres and feedback mechanisms, can be disrupted during integration. Company processes need to be established early to maintain the quality of information and access to the right

insights from customers. Ensure too, that communication channels allow credible information to flow through the organisation.

**• Give customers a seat at the table**

Identify influential customer advocates and use them extensively. It's essential that the customer's voice is heard when important decisions are taken. Don't be wrong-footed by a partner's different organisational structure or language for customer strategy – work it out together.

Partnerships are challenging yet potentially exciting prospects that can provide a raft of improvements – financial and in delivering better service performance.



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Analyse the rationale for the partnership. Then do so again, this time from the customer's perspective. Look at the end-to-end customer experience and make sure everything stacks up – the reasons, expectations, operations and the fulfilment.

Even if it doesn't stack up first time, asking the right questions will lead to solutions that customers will be happy with.

Talking to customers before, during and after the launch is imperative. No organisation can afford to lose sight of their needs, expectations and opinions. Otherwise the game changing partnership becomes its Achilles heel.

# ...or an Achilles heel?