

## Partnerships Promote Profit

I've been thinking a lot about partnership issues lately. As many of you know, my partnership with Bill Farquharson has ended. I'm a little bit embarrassed that it ended only a few months after we expanded it to include sharing my column in *Quick Printing*, but as Murphy's Law and it's First Corollary clearly state, *Whatever Can Go Wrong Will Go Wrong*, and *It Will Always Happen At A Bad Time*. As many of us have learned over the years, Murphy's law runs wild in a small business, especially when we're talking about partnership issues.

This whole partnership business is worth thinking and talking about, though. Because although you may not be part of a formal partnership in your business, you are absolutely involved in a number of business partnerships. And the success of those partnerships has a lot to do with the overall success of your business.

### Partnerships With Customers

I wrote a column about "partnering possibilities" for *QP* a few years ago. That column pointed out some of the benefits of establishing real partnerships with your customers. The most obvious of those benefits is to "lock up" their business, of course, since the customer who thinks of you as a true partner is a lot less likely to entertain a competitor's advances than one who thinks of you as "just another printer."

There's more to a partnership with a customer than simply locking up the business, though. In fact, the greatest benefit of a real two-way partnership with a customer is that those customers will do things that make your life easier!

Think about the possibilities. Wouldn't you love to have a whole bunch of customers who don't wait until the very last minute to place orders with critical deadlines? Or a larger group of customers who pay attention to those little details like putting the fonts and the graphics files on the disks they send you, or telling Adobe Acrobat to separate the colors before creating the PDF file? How about a few more customers who pay their bills on time?

As I pointed out in that column, partnering with a customer is not always a tangible "thing." What partnering really is at the most basic level—where a buyer and seller come together—is a way to think about a relationship, and I think this provides you with a very important management tool.

Here's how to use that tool. First, make a list of your ten largest customers. Second, list the things they could do to make your life easier. Third, make a list of things you might do to provide even greater value to them, giving them some incentive to do what you want them to do. Fourth, get out there and talk to those customers. Fifth, repeat the process with ten more customers, and then ten more, and then ten more until you've talked to them all.

The key to success here is to remember that with customers, you have to *give to get*. The smart seller always accepts the responsibility of bringing the first measure of value to the relationship. "*Here's what we give you already,*" you might say, "*and here's more that we're prepared to give. In return, here's what we want to get from you. What do you think?*"

### Partnerships With Suppliers

I remember thinking, back in my early years as a salesperson, that the world was a very unfair place. I spent most of my working life *giving*, dealing with that responsibility to bring the first measure of value to the relationships I was trying to create. Over a period of time, though, I started to realize that I was a consumer too, and that when I was wearing the buying hat, the people doing the selling had a responsibility to me!

I've become a lot more demanding of my suppliers over the years, but I have never lost sight of the fact that a partnership with my suppliers provides real benefits to me too. Here's a "close-to-home" example. I have a chronic problem with my electric/electronic garage-door opener. Every 3-4 months, it works its way out of alignment, and when that happens, the door won't open or close by remote control. The first time it happened, it took five days before a serviceman arrived to fix it. The second time, it took four days. The third time, I asked the owner of the company if there was anything I could do to accelerate the service.

"Let me tell you my situation," he said. "You have a three year warranty on your garage door from your builder, and my agreement with him is that I have to fix those doors without charging him anything for all three years. It's not a big job to adjust them, but I hope you can understand that since every repair call is costing me money, they don't go at the top of our priority list."

I did understand that. I don't necessarily like it, I told him, but I understand. "OK," I said, "how about if I pay you. How much will it cost me to get same-day service when this thing breaks down?"

“Mr. Fellman,” he said, “if I can charge you just \$25 for a service call, I’ll make sure that we get to you within a couple of hours!”

I went into the conversation knowing what I wanted. Now I knew what he wanted. And when I considered the cost of \$25 vs. the aggravation of having to get in and out of my car for 4-5 days to open and close my garage door—usually in the rain, remember Murphy’s Law?—I decided that I was more than willing to spend the money!

You may not think this is a very good example of a partnership. After all, he *should have* been providing better service, or maybe he never should have made such a bad deal with the builder in the first place. I think it’s a perfect example, though, of a real partnership and of its opposite. The reality of the situation for me was that I had to *give to get*, and when I examined the whole value proposition, I decided I was willing to *give* what it would take to *get*.

The opposite of partnership occurs when the value proposition doesn’t balance. Consider this, the builder gets to tell me that my garage door is warranted for three full years, which would seem to enhance his value proposition. The reality of the situation, though, is that I’m going to get lousy service if I have a problem, because the company doing the service had to give up too much in order to get the order for the garage doors and their installation in the first place. The buyer and the seller have something less than a real partnership going on, and who suffers? Me!

Now please consider this. I said earlier that the smart seller always accepts the responsibility of bringing the first measure of value to the relationship. As we look at that statement again, I think we’d better realize that this is one of those “in a perfect world” situations. The reality is that most sellers aren’t that smart. Most sellers really don’t understand the whole concept of partnership. Buyer or seller, you usually have to *give to get*, and even as the buyer, you may be the one who has to *get* the real partnership discussion started.

I know you’ll see how being a smart seller gives you a competitive advantage. I want to make sure that you also see how being a smart buyer provides you with an equally important competitive advantage. Hopefully, your garage door works better than mine does, but how about your presses and copiers? If they break down, do you get priority service...which then allows you to meet your commitments to your own customers? If not, is there something you could be doing for your supplier that would make you a higher priority? If you’re having problems getting service—or paper delivery or turnaround on brokered jobs—I don’t think you can afford to wait for your suppliers to bring more value to the relationship. Give them a call, and start the conversation on what it would take to create a real partnership.

### **Partnerships With Employees**

I was privileged during my early working years to work for a couple of employers who really treated me like a partner in their businesses. They understood that I could help them reach their goals, but more importantly, they understood that it was much more likely to happen that way if they helped me to reach *my* goals.

Please understand that we’re not only talking about money here, although that was certainly part of it. We’re also talking about training (providing me with the tools to do the job they wanted me to do) and responsibility (the opportunity to put that training to use and continue my personal growth in the process). That’s what your partnership with your employees should be all about.

I think it’s a fair statement that most small business people don’t view their relationships with their employees as any sort of partnership. “They work for me,” I’ve heard, “not the other way around.” And of course, when push comes to shove, your employees do work for you, and there are certain things you have every right to expect from them.

Let’s stop short for a minute, though, because I think this might be another one of those “in a perfect world” situations. The reality of the situation is that smart employers treat their employees more like partners and less like objects on the other side of a paycheck. And again, we have the ground truth that you have to *give to get*.

I’d like to see you sit down to make another couple of lists. First, a list of all of your employees. Next, a list of the individual things each of them could do to make your life easier, and/or your business more productive and profitable. Next, a list of things you might do to better understand and then meet their individual needs and goals, giving them an incentive to do what you really want them (need them?) to do. The sum of all of this could be a conversation that will take your employer/employee relationships into the realm of true partnerships.

### **Bottom Line**

I think the bottom line here is that partnerships promote profit. I don’t have any scientific data to back this next statement up, but I do have a strong gut feeling that most of the profit leaders in quick/digital/small commercial printing operate much more as partnerships than as dictatorships. The profit-leading printers I know seem to get more out of their customers, more out of their suppliers, and more out of their employees. I think they get more by giving more, and I think that’s part of what you have to do if you’re not yet one of those profit-leaders.

One final thought. It’s important to understand that there’s a significant difference between “*give to get*”—the absolute foundation of a successful partnership—and “give and take.” This point came up recently in a discussion with one of my own customers. “Whenever I’m having one of those give-and-take discussions,” she said, “I usually

feel like I'm giving and they're taking. And I remember from school that the word 'take' implies something that's not freely given."

For any partnership to be successful, you have to give as much as you get, or at least enough so that the value proposition satisfies your partner(s). You also have to be careful about taking more than you're entitled to. Remember, as Yogi Berra might have said, it's not a partnership unless it's really a partnership.