



GOODWILL BUILDS PARTNERSHIP: A CONSTRUCTIVE DIALOGUE

The value of business goodwill is in the throws of a major revival under the tent of mutual interest and partnership. Amid a global partnering boom, the future value of your business is at stake.

Go-it-alone competitive practices are for the scrapbook.

Partnering opportunities created by the communications and distribution revolution along with a global explosion in consumption and production are reshaping the ability of companies to reach larger audiences and acquire value creating resources.

A growing number of countries are announcing international business alliances. Small to large enterprises are discovering partners across the global Internet. Nearly any business conference you attend this year is sure to feature passionate evangelists espousing the virtues of strategic alliances and economic goodwill.

Shake here.

Partner or Perish

This fast-growing business climate is focused on collaboration and reciprocation. You can feel it building momentum. To survive in today's worldwide growth and innovation game your company must seek alliances based on compatible differences.

How do you get into the partnering game? Grow, shape and leverage your goodwill. Grow your goodwill by instituting best practices. Prepare your company for future alliances by using your goodwill to shape a receptive mindset within your organization. Leverage your goodwill to team up with allies and the allies of your allies.

Are you involved in a constructive dialog with one or more potential partners? If not, what's holding you back? The days of viewing your competitors with distant suspicion and enmity are over. Few enterprises can operate competitively working out of a cocoon.

Today, it's not unusual to find one division of a company signing on to an alliance with a direct competitor of another of its divisions. The first rule of this game is: "we work together, any chance we get, because working together is nearly always mutually advantageous."

Concerned about resistance from inside your organization? Some stakeholders will support your partnering aims and others will not depending on how they may be affected. Unsupportive stakeholders can kill an alliance before it comes together or slowly eat away at it over time. It no longer makes sense to let internal differences slow you down. If you're future is not in play, be warned. Sooner or later, it'll be partner or perish.

Your goodwill can make a big difference in dealing with resistance and the prevention of sabotage. It's not just a paper asset. It is meant to be actionable.

Look for silos in your organization. Appeal to those individuals using your goodwill Directly address their contribution to goodwill. Be determined to navigate such situations toward a positive outcome. Use the power of your goodwill as a change management tool to win over as many of your stakeholders as possible.

Goodwill has profound impact on your equity value

How does your business acquire goodwill? It cultivates it through best practices, such as good governance, customer service, efficiency, branding, pricing fairness, innovation, authenticity, consideration, cooperation, collaboration, thoughtfulness, decency, understanding, trust and community.

The result is reflected in the valuation of your business reputation as measured by the loyalty of your customer base and the reliability, stability and good practices of your management and its employees. The dollar amount of your goodwill represents the excess price over fair market value that you'd expect to get at a takeover of your company.

Alliance minded executives use their goodwill on a daily basis in communicating with stakeholders. Without the consistent expression of goodwill, they know, it is virtually impossible to sustain a partnering synergy that builds goodwill and benefits all stakeholders. The alternative course may in time result in stagnation and eventual decline.

Fostering goodwill among your stakeholders prepares your organization for partnering. Your commitment to goodwill drives change and builds value. Apply goodwill on a daily basis. It may be your most powerful strategy in preparing for, processing and succeeding in the formation of alliances.

Get them ready

Here are three ways goodwill can be used to increase your organization's alliance receptivity:

First, use your business goodwill as a sign of strength.

To achieve a successful transition in a merger, joint venture or other alliance types, quickly identify and address potential stakeholder resistance...and treat it with respect. Approaching others with respect is not a sign of compromise or weakness. It is a sign of strength. No matter how it may be characterized by opponents, your willingness to extend a hand of friendship can never be leveraged to your detriment, nor can it be used to silence your views. Express your goodwill to create an interpersonal zone where the exchange of common interests can be presented for the benefit of all concerned. Finding common ground on the basis of mutual respect allows partnerships to take shape.

Second, use your goodwill to diffuse resistance.

Your goodwill is the most common and effective way to diffuse negative perceptions. Reach out to those who are concerned about who will go or how their job will get done or done well: "I respect your views. We'll face it and get through it together. We have the same goals." Goodwill gives you permission to articulate the needs and goals of your alliance. Keep in mind that your business goodwill may be damaged if this step is not handled well. Avoid this step altogether and it may return to bite you later. Use your current goodwill assets to protect your future goodwill.

Third, use your goodwill to invigorate your partnering strategy.

Your next partnership will build its own goodwill. At the starting gate its goodwill is inherited from its partners. Good or bad, this asset has a limited shelf life. Your collaborative enterprise -- an innovation development strategy, sales and distribution alliance, or marketing partnership initiative -- will soon forge its own goodwill as it builds a bridge to its own identity.

On the other side of the goodwill bridge is profit, innovation, synergy, productivity, mutual understanding and constructive relationships. Walk across it every day. Look for ways to express it.

Aretha Franklin sang R-E-S-P-E-C-T in 1967 — an anthem for respect and recognition between men and women. At the time her call was a plea. Today, it's a requirement. Individually and collectively the path of mutual respect promotes goodwill. Use it to embrace compatible differences and reduce incompatible ones.

Develop a goodwill practice for building alliances, near and far, for today and tomorrow.

Shake here.

