

ROSEN PROFESSIONAL SERVICES

Your Needs Come First

Presented
by
Jason Rosen

The Power of Partnerships

Growing Business Through Strategic Partnerships

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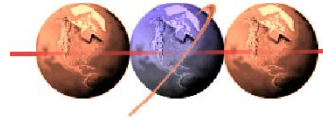
Your Needs Come First

Growing business through Strategic Partnerships

Power of Partnerships

Coming together is a beginning.
Keeping together is progress.
Working together is success.
—Henry Ford (1863–1947)

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Partnership Example

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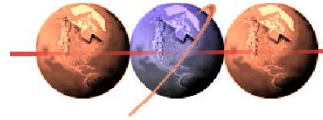
Early on when we started Rosen Professional Services we made a decision that we were going to provide our business and individual clients with consulting and management services. To avoid any possible conflict of interest, we intentionally decided that we did not want to sell our clients mortgages or investment products.

As we began to work with our clients we realized that we could partner up with a quality loan broker to better serve our clients. Eventually we found a loan broker located in Nevada and established a strategic partnership. We now are in the position of being able to assist those clients, where appropriate, with business funding, equipment leasing and real estate financing.

We estimate that this partnership provides us with a potential additional revenue of \$12,000 to \$24,000 per year. At the same time, our partner has access to a client base that they would never be able access without a major investment. Most importantly, our clients have access to capital from a trusted source.

This is a perfect example of a successful strategic partnership.

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Strategic Partnerships – What are they?

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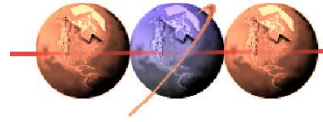
Partnerships are:

- Voluntary
 - Both parties come to the table without obligation. Both parties want to be there.
- Collaborative
 - Partners are willing to share the best parts of their business knowhow with each other.
- Work together
 - All parties are willing to work together as a unit.
- Common goal
 - Everyone involved is focused on specific common goals or accomplishing a specific task.

Partnerships usually include sharing :

- Risks
- Responsibilities
- Resources
- Skills

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The Power of We

Power of Partnerships

In our modern business environment of specialization it is impossible for businesses to be all things to all people.

We must acknowledge that no business exists in a vacuum.

The Power of Partnership provides:

- Partnerships allow us to remove obstacles, exchanging competition for cooperation.
- Expanded channels, connections, contacts.
- Access to resources, talents, strengths of others.
- Reduction of time, energy, money and resources required to accomplish goals.
- Great partnerships can enhance the image and atmosphere of your business.
- Success begets success. A successful partnership is likely to lead to other fruitful partnerships.

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Partnership Styles

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There are two primary types of partnership.

1. Formal Partnerships –

Used to prevent opportunistic behavior.

Theoretically reduce cost to alliance.

- Use contracts
- Regulation of partner behavior
- Specific performance targets
- Monitoring

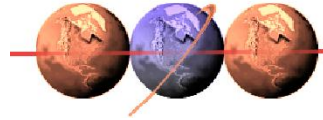
2. Opportunistic Partnerships --

Focus is on creating additional value for both partners by combining resources.

Create new business opportunities for all partners involved.

Be prepared to:

- Take advantage of unexpected opportunities
- Learn from each other
- Explore marketplace possibilities



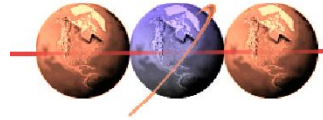
Parts of a Partnership

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Components of a productive partnership.

1. Voluntary nature
2. Common interests
3. Mutual dependency/Compromise - Partnerships will fail if either or both parties are unwilling to give for the greater good of the partnership.
4. Synergy/Creativity
 1. $1+1=3$ The total result of the partnership should be greater than the sum of their parts. If your partnership is not resulting in a greater return than you could realize on your own, the partnership is not working.
5. Explicit Commitment
 1. Others must be able to depend on you.
 2. Changes have to be considered carefully.
6. Working together
 1. Design
 2. Implementation
 1. Flexibility
 3. Defining success the same way.
 4. Evaluation
7. Complementary support
8. Shared Competencies and resources
9. **Good Communication**
10. Respect and Trust

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Compromise An Example

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Within the first few months after we opened for business we had client approach us to manage the holdings of his sizeable estate. In all we were looking at managing \$3,000,000 in assets. This included a sizeable portion in equities.

As we are not in the business of selling investments, we knew that we would need to find a partner who was a licensed and registered investment advisor. We also knew that the key to our success in winning this business was to be found in providing a lower cost of management for the client compared to larger, more established firms.

With this information we turned to an old colleague of mine who had since started a new investment management firm. I knew that this client represented about \$30,000 in annual fees to the successful partnership who would work together for the benefit of this client. This is a sizable amount for any small business, to be certain.

Upon approaching my colleague, I soon realized that he wanted me to take an unreasonable discount for my services while at the same time he was unwilling to discount his services at all. Once I understood that he would rather lose the business than compromise, I realized he was not the type of partner that we could work with. Ironically and unfortunately my colleague has since gone out of business as he was unable to attract even one client.

The moral of the story is that a strategic partnership only works if both parties are willing to give a little to gain a fortune.

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Your Existing Partnership

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It is likely that your business already benefits from certain partnerships. To understand which partnerships will help your business in the future, take a look at your existing partnerships.

- Begin by making a list of outside businesses, associations, or other organizations your business interacts with.
- Next to each one listed, note the contribution they make to your organization.
- How does your organization contribute to *them*?

It is likely that you have discovered that you already depend on partnerships that have a big impact on your success.

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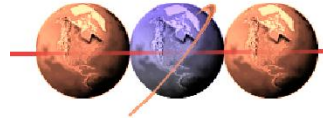
Your Existing Partnership An Example

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We have a client who has created a spa and salon for children. Early in the planning stage, the owner of the children's spa and salon recognized that her business catered to the same type of clients as a local water park.

As part of the marketing strategy, the owner formed a strategic partnership with the water park. The partnership included ideas like promoting each other's attractions in their respective businesses. They also formed package rates that added value to the customers of each business.

Looking at the success of this partnership, it became clear that she could now partner with other children-focused attractions in the community. Similar partnerships could be formed with museums, laser tag and many other children-oriented businesses. The key was to seek out opportunities that created win-win situations for both her business and the partner businesses.



The Dream Package

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Think of a “Dream Package” that would leave your clients without want.
What types of business or professions could you partner with to help make that package a reality?

Think of who is in your natural contact sphere.

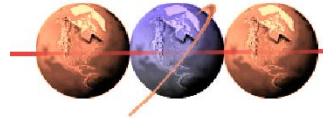
Do they work with a similar client?

Do they provide complementary services?

What are the commonalities?

What are the differences?

Could you work together to create something grand?



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Reference

Power of Partnerships

THE POWER OF WE
SUCCEEDING THROUGH PARTNERSHIPS

By JONATHAN M. TISCH
WITH KARL WEBER