

## Developing Smart Strategic Alliances

By Kathleen A. Welton

According to the Merriam-Webster Collegiate Dictionary, an alliance is “an association to further the common interests of its members.” Like prospecting for authors and generating sales, developing alliances is all about furthering the interests of your business by networking and building relationships—with authors, other publishers, associations, distributors, affinity groups, and other business entities.

Examples of alliances include:

- \* Selling complementary products produced by other business entities or associations to your audience via direct mail and through e-commerce.
- \* Partnering with other organizations to co-publish a book or series of books.
- \* Working with a business entity to offer a value-added product or service to your audience.

In their various forms, alliances can generate additional revenues as well as prestige for your products. For example, when I worked with banking books, in one of my first editorial jobs, our goals included expanding our market. Since our existing market was limited, we looked for organizations that could help us expand. A local banking Association that was interested in testing our books for their members started with an order for 100 copies and then increased their order to 100 per month. Business with that Association eventually brought in more than \$100,000 over two years.

### [subhead] Identifying Promising Prospects

There are numerous ways to explore potential alliances. I recommend using a process much like the ones you use for planning other key publishing initiatives.

#### Step 1: Understand Your Audience

For obvious reasons, you need to begin by knowing your audience and the needs of its members. Key questions include: What groups serve my audience? What products are my customers especially loyal to? What types of products do they value? What leisure activities are important to them? Which hot topics interest them now? What price range are they comfortable with? What value-added products can I offer my audience? What products do my competitors offer that I don't?

#### Step 2: Research Potential Partners

Begin by making a list. To gather ideas and identify opportunities, I start by listing relevant:

- Associations
- Businesses, including competitors
- Conferences
- Family and friends
- Meetings
- Newsletters
- Observations
- Statistics
- Web sites

### Step 3: Organize Your Efforts

The next step is determining your goals. What are your top priorities? How many alliances will you start with? What kinds of alliances will you offer? What is your revenue target? As with most publishing initiatives, starting small makes sense. I recommend beginning with one alliance partner and making that project a success before moving on to others. Think in terms of a phased approach. For instance, if you are adding products to sell to your audience, you might offer one or two of them in Phase 1 and make your Phase 2 goal 10 additional products within 3-6 months.

A worksheet like the one below can help you keep track of ideas and projects in one place.

Alliance Project	Category	Goal	Date Started	Date Approved	Status
Apple Computer	Electronics	Create iTunes library of downloads	1/2006	In process	Contact Apple
Graphic Image	Gifts	Create member benefit with discounts on high-quality leather goods	9/2005	11/2005	Contract in process
Harvard Business School Press	Publishing	Generate revenue by distributing non-competitive	4/2004	9/2004	10 books selling; adding electronic downloads

		print and electronic products			
Merriam-Webster	Publishing	Generate revenue by distributing best-selling reference books	6/2004	9/2004	10 books selling; adding 5 more

#### Step 4: Ensure Ongoing Success

Beginnings are important. Make sure that expectations are clear on both sides. Execute any necessary contract or distribution agreements. Set up inventory checkpoints for reordering. Establish patterns for regular communication. Devise a strategy for expanding the relationship and, if need be, ending it.

#### [subhead] A Quick Case Study

At the American Bar Association, we determined a few years ago that offering high-quality reference books would be a valuable member benefit, and that those books would not compete with our other current business offerings. Through research, we identified about a dozen potential partners and found one -- Merriam-Webster -- that was already successfully selling dictionaries to lawyers. We decided to test two Merriam-Webster products in Phase 1, by selling a dictionary and a thesaurus via our Web site. In Phase 2, we brought the product total up to ten. Eighteen months later, building on success, we expanded the relationship. Today we offer fifteen products via this alliance.

Although developing an alliance can take several months to a few years, the process can clearly be beneficial to your publishing business.

Kathleen A. Welton is Director of Book Publishing for the American Bar Association. Over more than 20 years, she has been involved in all aspects of the publishing industry, including strategic planning, acquisitions, sales, marketing, and e-commerce. Working with organizations such as Adams Media, Morningstar, and Random House, she has developed award-winning books and series as well as alliances.