

## Promoting Partnerships -- Growing Your Tourism

*"Partnerships between people, between companies, with customers and with suppliers create greater value for all concerned."*

– Stanley C. Gault

### **Partnership Defined**

Partnership is a voluntary collaborative agreement between two or more parties in which all participants agree to work together to achieve a common purpose or undertake a specific task and to share risks, responsibilities, resources, competencies and benefits.

### **Why Partner with Others?**

Meaningful partnerships are the foundation for success. Partnerships is what enables many companies and communities to make continuous improvements. By sharing with others, you can direct your resources and capabilities to projects you consider most important.

The 80/20 Principle asserts that 80% of results come from 20% of effort. Thus, to achieve more with less, you must be selective, not exhaustive. In every important sphere, work out where 20% of effort can lead to 80% of returns. Strive for excellence in the few key areas, rather than for good performance in many.

Focus your communities' or company's resources on what you do best and what creates sustainable competitive advantage and tap to the resources of others for the rest. To decide why, when and how to partner with others for complementary resources, weight the small amount of cost savings that doing non-core-competence tasks might bring against the distraction and investment that will be required to stay up to date over time.

### **Synergy**

Synergy is the power behind tourism and business partnerships. In a partnership, two parties leverage their assets (resources, capabilities, expertise, client base etc.) for the mutual benefit of both.

### **Growing Role of Partnerships in the New Economy**

In the new knowledge economy, the principles of business strategy are being transformed. Instead of a focus on physical assets and economies of scale, the drivers of success reside in connectivity and intangibles. Businesses increasingly need to develop and manage complex ecologies or organizations around themselves so as to succeed. The selection of strategic partners with whom to collaborate is now becoming a life or death issue for most firms.

Barriers between companies and or communities, which used to be solid and absolute, are now permeable. Iconoclasm and creativity are now the keys to success". For generations companies built moats between themselves and their competitors. Today the most successful companies and communities build bridges.

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Increasingly corporate and community leaders must adopt, practice, and orchestrate what appears to be conflicting policies, such as joint-venturing with competitors. In today's new world, the competitive pressure has been intensifying, it is becoming harder to achieve leadership and stay on top, and, thus, competitor in one market may establish alliances in another. Acquisitions of and mergers with competitors have also become a common practice. More and more, those who can examine the code, challenge it, and rewrite it for success in their communities, companies, fields, and industries will be the leaders and role models.

### **Strategic Alliances**

In the new economy, strategic alliances enable business to gain competitive advantage through access to a partner's resources, including markets, technologies, capital and people.

Teaming up with other adds complementary resources and capabilities, enabling participants to grow and expand more quickly and efficiently. Especially fast-growing communities and companies rely heavily on alliances to extend their technical and operational resources. In the process, they save time and boost productivity by not having to develop their own, from scratch. They are thus freed to concentrate on innovation and their core business.

### **Key Features of Effective Partnerships**

1. The voluntary nature of partnerships
2. Common interest
3. Synergy
4. The mutual dependency
5. Explicit commitment or agreement
6. Working together
7. Complementary support
8. Shared competencies and resources
9. Effective communication.
10. Respect and trust

### **Two Primary Approaches to Cooperative Strategies**

1. **Formal:** You can develop formal contracts with your partners. These contracts would specify how the cooperative strategy is to be monitored and how partner behavior is to be controlled. This approach is to be used if your interest is to minimize the alliance's cost and to prevent opportunistic behavior by your partner.
2. **Opportunity Maximizing:** If the focus of the alliance is on maximizing value-creation opportunities and opportunity-driven business development, you and your partner must be prepared to take advantage of unexpected opportunities to learn from each other and to explore additional marketplace possibilities. Trust-based relationships and complementary assets must exist between partners for this approach to be used successfully. In this less formal approach, monitoring costs are reduced and opportunities to create value through cooperative relationship are maximized because alliance partners can pursue potential rent-generating opportunities that aren't available to partners in more contractually restricted alliances.

## **Lessons from Successful Partnerships**

### **1. Purpose**

- Clear and common goals based on mutual benefit and understanding of individual goals and motivations

### **2. Process**

- Role of intermediary leadership
- Understanding and consulting stakeholders
- Clarity of roles and responsibilities
- Understanding resource needs, capacities and constraints of all the partners
- Communication – regular, open, transparent, with accountable structures for joint decision making and conflict resolution

### **3. Progress**

- Evaluating and celebrating success
- Continuous learning and adaptation

## **Strategic choice to make:**

Would you like to have a bigger slice of a smaller pie or a smaller slice of a bigger pie?

- Focus your resources on what you do best and partner for the rest
- Enlarge the pie to have enough to go around

- **Tourism Partnerships: Partner Center**

### **Tourism at work for you!**

<http://www.visitgrandforks.com/main.php/membershipcenter>

- **Seeking tourists, states try to recast their image**

### **'Pure Michigan'? Think coastline, not urban decay**

*Designed to boost out-of-state tourism, Pure Michigan has boosted in-state morale. George Zimmermann, Michigan's tourism director, discusses their "Pure Michigan" marketing campaign that has generated "love letters" about the state.*

[http://www.usatoday.com/travel/destinations/2010-08-09-1Astateimage09\\_CV\\_N.htm](http://www.usatoday.com/travel/destinations/2010-08-09-1Astateimage09_CV_N.htm)  
or

<http://tiny.cc/64cyi>

- **The Responsible Tourism Partnership**

The Responsible Tourism Partnership works to help businesses and communities around the world to maximise their potential for responsible tourism through a range of activities and initiatives.

<http://www.responsibletourismpartnership.org/>

- **West Virginia Division of Tourism - Partnerships and Associations**

<http://www.wvcommerce.org/info/aboutcommerce/tourism/partnerships.aspx>