

PARTNERSHIPS

From zero to whoa

How to increase high-value partnerships

Two years ago, the Victorian Healthcare Association (VHA) had no high-value partnerships. Now it boasts more than \$600,000 worth annually.

This impressive turnaround is the result of the not-for-profit's concerted effort to align with partners who share their vision and values. But CEO Tom Symondson admits that he wasn't always convinced that corporate partnerships were appropriate for VHA.

"If I'm honest, it took a little bit of persuading," he says. "Because we are a public sector peak body we have to be very, very clear around probity." But with the right expertise, due diligence and resourcing, Symondson believes the VHA has struck the right balance.

His advice to other associations is: Don't assume that it's impossible to secure successful partnerships.

"That's what I assumed when I first started," he says. "I thought people were teasing me by saying that we could make as much as we do now out of partnerships – the idea that we could double or quadruple our partnerships just seemed insane."

Draw on expertise

"My number one tip would be to have an expert handle partnerships for you," Symondson says. "Going through negotiations on how much money a partner will give us for this or that – it's not my skill set. If I'd had to do it myself I don't think I'd have been able to get the high-value partnerships that we did."

When the VHA started exploring its corporate partnership options, it did so with guidance from Julian Moore at Strategic Membership Solutions (SMS), who also helped them recruit an in-house director of development.

"He does all of the preliminary negotiations, then comes to me with the value proposition," Symondson says. "If I'm happy with where it's going, we then meet with the CEO of the other organisation to finalise details and check that we can actually work together."

Symondson says delegating also reduced conflicts. "I hate asking for money, and I am in a fairly conservative industry where you have to be careful to be totally transparent."

Tap into member needs

For a partnership to be mutually beneficial, Symondson recommends focusing on what your membership wants.

"We ran a survey and spoke to a lot of our members about the business needs they had – they came up with workforce challenges, IT issues, and challenges around understanding digital health," he says.

"We then set about identifying three or more potential partner organisations and working with them to see how they fitted with our mission and way of working."

Symondson says when identifying appropriate partners it helps to consider knowledge gaps within your association.

For example, the VHA's partnership with tax and accounting firm RSM has helped the VHA affordably deliver valuable member services.

"RSM have been able to support members with a whole range of resources to transition to the National Disability Insurance Scheme, which we would have had to pay enormous amounts of money for, or bring in a staff member who's an existing expert," Symondson says.

Partner for the right reasons

Due diligence is crucial for all associations looking to partner with corporates, Symondson said.

"Turn away partners you don't feel 100% comfortable with because whatever they're offering you, your brand is worth more," he said.

And if you're seeking a partnership just to make an easy buck, you will likely be disappointed. "Be realistic around your expectations of how much money you will make because if you are driven by profit targets you will take on partners you're actually not comfortable with and you might have to get rid of them three months later," Symondson warned.

Manage expectations – yours and theirs

Before signing a partnership agreement both parties should agree on key deliverables.

"Partnership income isn't free money - you have to spend up to 25% of it on delivering for the partner," Symondson said. "Make sure that's in your budget or you'll get a nasty shock at the end of the year."

For the VHA, it was important that partners respected their policy of "100% no sales pitches to members".

"That doesn't sit well with our way of doing business. But if you're a cybersecurity organisation we might invite you to lead an event session on why it's important to manage your

cybersecurity risk. If you just happen to have a product, that comes very much at the end," he says.

"That works well for the corporate partner and it works for us because it allows me to get some expertise on a topic that I don't have any in."

Be prepared to say 'no'

The VHA recently had to end a relationship with a group that did not fit with its philosophy, Symondson says.

"It became clear after less than six months that whilst we were clearly ticking off deliverables, they wanted a particular level of business to flow," he says.

"We're very clear with our partners: 'You will not make millions of dollars in the first six months. Our model of partnership is you have to be comfortable with a longer-term approach and building up relationships with members'."

However, Symondson says they started receiving requests from the partner for things they "absolutely don't do". "Our organisations didn't match as well as we thought they did. Money became a bigger issue than they had let on."

You also need to be prepared to hold your ground from time to time." If they're asking for so much that it's starting to

feel like you're there to service them, rather than them being there to benefit the members, then you just say 'no, we're not going to do that'," he adds.

Get your team onboard, cement partnerships

Another big hurdle to overcome is that some of your staff might not be comfortable with the idea of corporate partnerships, particularly if you're a not-for-profit or publicly orientated association.

"You really need to sell the benefits to them: 'This will allow us to deliver a greater level of service to our members; this will make our member's lives better'," he said.

Finally, once the partnership is underway, the partnerships director should not be solely responsible for it. "Every member of my management team now has clear deliverables for each partnership," Symondson says.

He says for a partnership to remain successful it was imperative that all of the senior leadership team was involved in driving it forward.

"It does have to become mainstream quite quickly so that the partner keeps confidence and it doesn't become a slightly awkward process," he said.

KEY TAKEAWAYS

ENLIST HELP

Bringing onboard new talent, whether as a consultant or as an internal hire, can improve your prospects while also ensuring that the rest of the team can maintain transparency.

AIM FOR MUTUAL BENEFIT

Talking to your members about the challenges they face or the knowledge gaps they have will help you to identify partners who can deliver a real benefit.

MAINTAIN STANDARDS

Chasing partnerships with a dollar-return in mind can be unprofitable in the long term if it means you do business with someone who isn't well aligned to your organisation's values or core theme.

BRING YOUR TEAM ALONG

Show the benefits the partnership will bring to members. This will help the broader association become comfortable with the deals that are being made

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