

WHY PARTNERSHIPS FAIL: TIPS FOR ALLY DEVELOPMENT

Gene Slowinski, director of strategic-alliance studies at Rutgers School of Management, explains the 4 biggest reasons for failed partnerships in Inc Online:

1. **A strategy change** – one partner makes a strategy change that doesn't involve the other, or fails to communicate a strategic change in direction (which happens all too often today when decision times are compressed)
2. **Loss of a key person** – “alliances are relationships between individuals, not institutions,” says Slowinski. So he says to try to develop several relationships inside the partner org'n
3. **Mismatched priorities** – alliances fail when people find themselves working with others from the wrong department, or working with others at a lower level
4. **Misuse of intellectual property** – partners will (must) share their information with one another, yet too often fail to address each others' rights (in and outside) to using the proprietary information

Approach a potential strategic partner with something of value: “Unilateral deals fail,” he concludes.

ITEMS OF IMPORTANCE TO PRACTITIONERS

- ¶ **Rare evidence deep-seated differences can be negotiated** comes in an agreement between long-warring factions on how to teach the Bible in public schools. 20 nat'l org'ns across the ideological realm joined to produce “The Bible & Public Schools: A First Amendment Guide.” Ideas are old, like teaching it as literature or as a document that has shaped history, culture, art & literature. Perseverant negotiating – not preaching – finally gained cooperation. If the evangelicals can work with People for the American Way, & Catholics with Protestants, Jews & Orthodox, perhaps emotional & sectarian divides like abortion or Middle East & Northern Irish peace can be bridged.
- ¶ **Even in electricity dereg, relationships are key to future success.** That's the conclusion of a utility CEO whose company serves pr. While many predict so-called “gencos” – companies that run the generating plants – will call the tune, Until's Robert Schoenberger told *Boston Globe*: “There's going to be a real role for a company to help customers negotiate their way thru this maze of services & offers. What customers are telling us is, ‘We don't care if you own the pipes & wires – we want the service.’ I want to be on the side of the industry where the most innovation is going to come from, & I don't think it's the hard-assets side. *We want to own the customer relationship.*”

WHO'S WHO IN PUBLIC RELATIONS

HONORS. Sally Valance (retired dir mktg com'ns, Southern NH Medical Center, Nashua) receives Evans Houghton Award from New England Society for Healthcare Com'ns for “exemplary performance in & significant contribution to healthcare pr.”

ELECTED. Public Affairs Council ofers are: chrnm, S.M. Henry Brown Jr., (vp-gov't aftrs, Entergy Corp, D.C.); chair-elect, Nick Franklin (svp-pa, PacifiCare, Santa Ana, Ca). New vice chairs are: Faye Graul, (Dow Corning); Ann Berkey, (McKesson HBC Corp); Eric Rennie, (The Hartford).

ARE THE WEB & E-COM'NS A 3RD LEVEL OF RELATIONSHIPS?

Traditionally, there have been 2 types or levels of relationships practitioners strive for:

1. **FACE-TO FACE, PREFERABLY 1-ON-1**, where organizational representatives meet stakeholders of any type in person – “up close & personal” as the cliché says
 - This allows study by both parties of the other's body language, eye movement & other non-verbal communication – including the undetectable but all-important olfactory intake of pheromones, the good or bad “chemistry” so often described in relationships
 - Certainly no relationship can be as complete as these – but the question is whether *business* relationships between an org'n & stakeholders need be this holistic (prr 10/18)
 - *A subset is where relationships are built with groups*, rather than individually, but are still face-to-face – as in speaking engagements, for example. Stakeholders see the real person & can make perceptual judgments even if there's no opportunity to speak to the person
 - *A 2nd subset is telephone relationships*, where the voice & all it can convey make this a true person-to-person affair – but lacking the visual & pheromone elements of a holistic relationship
2. **PRODUCT OR SERVICE USE RELATIONSHIPS**, where stakeholders may never meet a *person* affiliated with the producing or delivering org'n – but the product or service becomes a surrogate for this thru repeated or habitual use. (How else explain why AT&T retains the lion's share of long distance when several competitors offer the same service, price etc?)
 - Publicity or advertising may succeed in putting a human face on the org'n – how many Chrysler owners ever met Lee Iacocca? – which deepens the *perception* a relationship exists
 - When put to the test, by a faulty batch of product or disagreement on a public issue, these relationships can more easily fall apart than the face-to-face variety

IS A WEB RELATIONSHIP REAL?

By definition it is “virtual”. But some practitioners detect relationships being built, engendering a degree of loyalty usually not available in impersonal communication. Points they make:

- *Because it is impersonal* (you wouldn't know your web pal if you sat next to her on the bus) people may be far more intimate, more candid & revealing – since they can't be traced. This is the ultimate anonymous conversation
- Evidence this phenomenon is real comes from a grisly source: police reports of the number of rapes, robberies & even murders occurring when web pals decide to meet in person



- **E-commerce may be a particular beneficiary** since more data is often available on potential purchases – either from the selling site, competitors' sites or the manufacturer's site – and arming consumers with this info may increase their trust, the biggest barrier to *any* type of relationship. Consider the number of retailers that must be visited to get this info
- **Public policy issues & gripes or complaints** against org's, products, services or whatever can build relationships among like minds instantaneously – and sharing a value system or issue position provides an initial level of trust that might take a long time even to surface in other types of relationships

Questions remain about how many people will really make computer living their mode, and how soon. Practitioners need to be wary of the industry's predictions & find fully researched behavioral indicators. Still, if there is such a thing as an "impersonal relationship," the e-world may be creating it.

STUDY REVEALS PUBLIC AFFAIRS IS TAKING OFF, BUT...

PR pros often say they feel pa pros are closer to sr mgmt. But Foundation for Public Affairs (FPA) finds many pa officers are bumping up against the ceiling that separates staff from the executive suite – not surprising, since the distinction between pr & pa is purely artificial, manufactured to create a "unique" discipline. Both pr & pa are burgeoning, so study offers interesting insights for both.

FPA defines pa as the "management function responsible for interpreting the corporation's non-commercial environment & managing its responses to that environment" – which surely raises eyebrows among pr practitioners. Questionnaires were sent to 1,087 companies & the return was 223 – a 20.5% response rate, robust by present standards.

1. **PA is Omnipresent.** The number of companies that have pa dep'ts has exploded since the 50s, when "dpa" first became a title. Today, pa people are everywhere, performing gov't relations, political action, community relations, philanthropy, issues management & communications. "PA" remains the most frequently used dep't title (29%), followed by gov't rels (18%) & gov't affairs (18%). Most officers are vp pas (11%) or vps (9%) with the remainder fragmented among a variety of titles, including dpa, svp pa, dir gov't affairs, vp corp affairs
2. **Position in Org'n.** Most pa heads qualify as upper middle or senior management and report to top management. 40% of respondents say staffs are small – 4 or less – up from the '96 survey
3. **Centralized Decisionmaking, Decentralized PA.** Most respondents say their organizations are centralized in terms of decisionmaking, but the pa function is divvied among pa staff to locations outside headquarters – i.e., it's often decentralized
4. **PA on a Shoestring.** Budgets remain modest. Over half report pa budgets of \$2 million or less
5. **Integration and Coordination of PA Activities.** Most respondents say they rely on informal methods, as opposed to structure, to achieve closer cooperation & coordination. Within the portfolios of anticipating companies, federal gov't rels tops the list (87%) followed by business & trade ass'n membership rels (84%), issues mgmt (83%), state gov't rels (83%), and grassroots/grasstops rels (81%). Consumer affairs, investor rels, stockholder rels, enviro rels and advertising were at the bottom of the list, with a host of other functions in between

6. **Outside Contracting on the Rise.** Slightly less than half of the companies have a Washington office. For these, 70% report small staffs – 4 or fewer. Most report staff growth in recent years & use of outside consultants for gov't relations is increasing. The same is true among the 83% with state gov't rels programs, where the use of contract lobbyists is growing. For state gov't rels, most programs are managed out of corporate hq, with lobbyists assigned on a geographic basis. Over half the pa depts service clients who have the option of purchasing pa from outside vendors
7. **Not Euro-Savvy.** Most pa people are withheld from performing international pa tasks. If their firm has such a function, it is usually parsed out to another department. Staffing for international pa work is thin & most companies describe their capability as undeveloped or slightly developed
8. **Senior Execs Handling Issues Management.** Over half the respondents have no full-time pa staff to handle issues management, because staff execs & senior managers carry out that function
9. **Familiar Tools.** Companies report heavy usage of: (a) on-site visits by political candidates & public officials (86%); (b) PAC contributions (83%); (c) participation in coalitions (81%); (d) employee grassroots activities (69%); (e) lobbying (68%)
10. **Least Used Tools** include (a) training employees on how to work in political campaigns (2%) or run for office (1%), (b) making partisan endorsements of candidates (13%)
11. **Process Tools Missing.** Surprisingly, most respondents do not make use of strategic planning. Only 25% say they have well or highly developed programs for staff development and training
12. **New Technologies.** E-mail and the Internet have both emerged as important tools for communicating & monitoring. Tho the value of the **Intranet** is realized, it is seen as a new vehicle & its potential has not been fully explored, let alone utilized

EVALUATION: HOW BEST TO ENHANCE PA'S EFFECTIVENESS?

Many pa execs say they would love better technology, bigger budgets and more staff. Others maintain changed perceptions on the part of management would best enhance their effectiveness – & result in more resources. "Require execs to take government affairs," one suggests. "Make pa an exec level position," says another. Other ideas: better communication, organizational improvements, better understanding of & alignment with business unit needs and upgraded, trained staff – i.e. the same old.

CHANGING PERCEPTIONS

"A billion here, a billion there & pretty soon it starts to add up to real money."

- The late Sen. Everett Dirksen (R-III)

"It's only a couple billion"

- Sen. Pete Domenici (R-NM), frugal chairman of Senate Finance Committee, explaining the GOP's compromise on funding 100,000 new teachers Pres. Clinton wanted