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3 Critical, Often Missed Subtleties for Selecting Joint Venture Partners

A checklist of what to look for when determining who to select as a joint venture partner along with the critical factors you'll want to discuss when you meet with them for the first time.

by **John Hollner**

2533 words | 9 pages

Ask any marketing professional and they'll tell you joint ventures are probably the fastest, lowest cost way to grow any business. Having been around the network marketing industry and general business development arena for over 15 years, I have seen a number of successful joint ventures, and more unsuccessful ones. What I'll be sharing here is from all those years field experience.

My hope with this article is to show 3 often overlooked elements to finding and developing the most effective joint venture partnerships so you can realize more success from your efforts.

In network marketing, just about everyone that joins your team is a joint venture partner. As a result, you may have heard some of these concepts in the past, but this may shed some different light on those topics.

If so, this will serve as a validation for what your leaders have tried to express to you. If you haven't heard these concepts, then you'll be way ahead of the curve.

Before we dive into the 3 overlooked elements, I think it's important to set the stage with the Pareto Principle. In the 1800s, Vilfredo Pareto noticed that 80% of Italian land was owned by about 20% of the population. Hence, he observed what has become more commonly known as the "80/20 Rule".

This "rule" has shown true in numerous facets of business and economics, and in some cases, network marketing and joint venture partnerships are an even more extreme example of this concept, where 90-95% of your results will come from 5-10% of your partnerships.

Bottom line, only a small number of your joint venture partnerships will produce significant returns. Don't get discouraged if your first attempts at joint venturing don't work out.

I have met several leaders that sponsored dozens of people before their first leader emerged. You have to have a long range vision when selecting and working with joint venture partners.

For the rest of this article, I'm going to talk about potential joint venture partners that don't necessarily have to join you team, though that may eventually happen or be part of the structure that you set up for your partners. Sometimes in network marketing, we want people to get the benefits more than they do. Would you really care if someone was on your team or not if they were more than happy to send over highly qualified distributors and weren't worried about getting financially compensated?

If you are working in a cold market, I've long been a fan of going after business owners over other random people that you can target to join your team.

You have to teach them less about running a business, they understand they have to spend money to make money and they typically know enough other people (and other business owners) to quickly get started. They can also be more difficult to bring on board, as they can be very busy people. All of the things that make them great distributors also make them great joint venture partners.

I think there have been many people that could be great referral sources that are passed by because they didn't want to become a distributor.

It may be that their goals don't involve building huge organization, but that doesn't mean they aren't in a perfect position to help you. This is where a command of the 3 overlooked elements can be very helpful to getting some great new partners to help you explode your business.

This brings us to the first overlooked element: knowing what you can bring to the table that matches what your joint venture partner needs. Negotiation 101 teaches us that successful negotiation involves knowing what you are looking to get and knowing what you are willing to give up in return.

If you are thinking about a strategic partner that may not be on your team, while the normal benefits of network marketing may appeal to them, such as multiple stream of income, personal development, making an impact, bringing others along, you may need to add some additional

benefits. If you are dealing with business owners, have you stopped to consider things that would be important to them?

Just like your business, for most small business owners, their business is their baby. You will want to be extra sensitive to that. In many cases, growing their business is probably what drives them. According to *Entrepreneur* magazine, finding good help and keeping it are two of the biggest issues that most small business owners face. Can you help them find good people? Also, they are looking for ways to cut their marketing costs and increase referrals and customers. What can you teach them about referral generation?

As with introducing your opportunity to anyone, you need to start with questions and focus on what they want.

I have heard many a networking pro start off a presentation something like this: “When I get finished, we’d like you to join the team, become a customer and/or introduce us to someone you think can benefit.” This is classic sales presentation technique that shows where the presentation is going to help with the close.

One line that should also be added here to employ another classic sales technique, the take away, might look like *“Joining the team may not be your end goal, but I am still able to partner with several traditional business owners to help us both meet our goals. I’m as interested in learning how I can help you, as I am in sharing my program with you.”* You might then start asking about their business. The more business owners you talk with, the more concerns you’ll be prepared for.

This brings us to element two, which should be one of the first questions that you ask: Are you in a position to grow? While this may sound like a strange question, take it from me, it’s probably one of the most important considerations for working with someone. As a network marketer, it could also give you additional ammunition to get them more fully involved in your business.

Let's first explore the reasons for this question from a tradition joint venture point of view. The most traditional joint venture is one where client bases can be exchanged, literally or figuratively, with the idea of leveraging the existing relationship of the list holder for the inside track on the list's attention to present your offer and vice versa.

Here's where the growth question becomes interesting.

What kind of offer does someone not looking to grow their business make to your list?

While you might think that everyone out there is trying to grow a business, I can assure you this is not the case.

There are several businesses that are constrained by space, equipment and staff that are maxed out and happy with their situation. Their rate of adding customers may be in line with how often their core customers stop sending work and/or they've got long standing orders. These are the people that don't feel much pain or motivation to make changes.

Additionally, this equilibrium tends to breed complacence and may also produce a smaller overall list of new prospects, because that owner is not actively trying to meet new people. Depending on the business, being in the non-growth mode may also produce a very small list of opportunities for you because they only have a couple main clients.

Finding someone in a growth mode will often mean they'll be talking to more new people on a consistent basis. They will welcome introductions to potential customers and want to reciprocate your assistance.

A great follow up question might be, *"How many new customers can you take at this time?"* The more the merrier for you!

Now let's take a look at the situation from a team building point of view. Finding out if a person's business is in a growth mode can tell you a lot about the motivations this person might have for joining your business. If they are in a growth mode, they'll likely be looking for more ways to get in front of new people, just like you are. Once you confirm this, then you can show them how network marketing brings them into contact with numerous potential customers already in the opportunity where they have a chance in a different setting to talk about their background and expertise.

If they are not in a growth mode, your immediate question might be *"Is your business helping you meet all of your personal and financial goals?"* If the answer is yes, then you have to dig deeper to get to their pain points or benefits you can offer. Here you may need to appeal to your product benefits and/or appeal to a higher cause, like being able to take their employees along with them or having more time to support charity work.

If the answer is no, this is where you can start helping them see where your program could be a better alternative. Some additional questions might be include: *"Tell me where it is falling short.", "How much will time and money will it cost you to expand the business?", "If you were going to start today, would you do it any differently?"* or *"Knowing what you know now, would you get into this line of work?"*

Now that you know what you can offer and you know your potential joint venture partner's motivation, the third element is all about the execution, which is split into two parts: "How big is your list and how do you stay in touch with it?" You didn't actually think you were going to be able to talk about getting a new "team member" and not have to get their list of names, did you?

Let's take a look at the two parts. The size part is pretty straight forward. The more people they have, the more you put the numbers in your favor.

A critical factor here though, is more about the quality of the relationship they have with their list. The true size of a list is normally judged by the strength of the relationship the holder has with the list, because that is essential to getting your message through.

Someone can have a large list, but if they can't get a message through, it doesn't mean a thing. Smart marketers are normally trying to prioritize their list into various categories. While you'll probably want to get access to the "A" list as soon as possible, the majority of business owners will not likely hand over their best (or event worst) clients to you without some kind of motivation and a whole lot of trust. Push too hard and you may alienate your partner.

The other concern the list holder might have is what portion of their clients would be open to an offer from you for either the opportunity or your product line. There is a real risk that the list holder may lose credibility and relationship status for sharing your information. This consideration will also affect the size of the list that you can work with. Be sensitive to this often unvoiced concern if you are getting any push back. Be prepared to help them understand how you can improve the relationship they have with clients through working with you personally, your company and product line.

The second part is also critical. Even if they have a big list, if they don't have an easy way to get the word out about your products or services that isn't going to cost them a lot of additional money, then don't be surprised if the relationship doesn't move very quickly.

The best case scenario is to find someone that can quickly slip a teaser message about working with you into something that is expected and well received by the list so that you can get massive exposure in a short time frame.

Some things to look for might be a print or electronic newsletter, a flyer in their establishment that they give out at each transaction or them leaving behind your information with each client they work with, especially if they see several per day. Here, you'll have wanted to ask how many clients they see daily and if they use newsletter or other events to stay in regular touch with their existing customers.

My hope is that we've been able to give you a checklist of what to look for when determining who to select as a joint venture partner and have helped you come up with the critical factors you'll want to discuss when you meet with them for the first time. This should increase your credibility and rapport building with these partners to get you off to a much better start where you are maximizing your time to grow your business.

If you have additional questions about dealing with certain types of businesses, would like some formal scripts to follow for the process or would like an interactive tele-conference with your team on this topic, feel free to contact our offices at 770-912-8774. Best of luck with your JV hunting and may it help you get a steady stream of qualified candidates to help you reach your dreams.

John Hollner owns and operations Hollner Promotions, where he helps business owners and career professionals ask better, smarter questions to maximize their investments of time, energy and money in their work. Around the direct sales industry for over 12 years, as both a team builder and working on staff with several generic MLM trainers, he has some unique insights into the problems in the field and how several successful people have navigated through them. He has recently completed a comprehensive Internet research course for MLM reps to help them grow their business without draining their bank account. For more details, visit www.HollnerPromos.com or call 770-912-8774 for a free consultation and access to a free group strategy session. Ask about his referral program to earn free coaching or products.

If you'll send us your list, we'll gladly send ours back to you. If you have something that we can add to our list, we'll even set you up with an extra bonus. Send your list today to John@HollnerPromos.com. Please put "TNMM List" in the subject line. If you have other questions about social media or developing qualifying questions and benefit statements to use when talking with different business owners, you can send those as well, or contact the office directly at 770-912-8774. Check back for future training programs on this material. If it inspired you, please forward it to your team. Follow us on Twitter.com/AtlBizConsult or visit www.HollnerPromos.com and check out the services page for other programs.