

Forming Strategic Alliances

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Revised November 2006

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SUMMARY

Careful planning is required to develop strong professional alliances that will benefit allied professional service firms and provide top-tier service to clients.

GROWING BY TEAMING WITH OTHERS

Professional service firms can expand their market and scope of services by teaming with other disciplines or professionals. Creating strategic alliances, or teaming, is one way to provide specialized design services, such as security-related design, to a client quickly. Alliances also allow smaller firms to reach beyond their normal geographic or practice limitations.

PLANNING

Firms should not rush into teaming arrangements without careful consideration. Ralph Steinglass, FAIA, a nationally recognized advisor on strategic alliances, warns that firms may run into trouble if they join others in marketing or delivery efforts without performing due diligence in the selection of alliance partners. It is important that the needs and capabilities of the alliance partners match, that roles and responsibilities are clear, and that the parties have realistic expectations of one another.

Only a diverse team of specialists can complete some projects that require highly specialized design skills. An alliance may be among the best ways of providing specialized skills for unusual projects. Bear in mind that an effective alliance depends on more than technical expertise; proven skills in managing a business, firm personnel, firm technology, and finances are also important. The alliance partners must carefully assess their skills in these areas at the beginning of the relationship and clearly designate which partner will be responsible for performing or providing these management functions.

Differences in the business culture of two or more firms often cannot be reconciled in a strategic alliance. Address these cultural differences as forthrightly as technical and managerial skill.

SERVING THE CLIENT

For clients, an alliance of design firms with the skill to handle complex projects may reduce the need to evaluate, hire, and coordinate all of the necessary design consultants separately. Many clients want an integrated approach to complex projects or technical challenges such as building security. Alliance partners have an opportunity to meet a client need, increase client satisfaction, and increase profitability.

AN ALLIANCE CHECKLIST

The following checklist, while not intended to be comprehensive, may be helpful to firms who are developing a teaming agreement:

- State the purpose of the alliance clearly
- Define the scope and time frame of the alliance
- Define financial arrangements
- Establish an organizational structure
- Establish protocols for decision making
- Define and assign responsibilities in all phases
- Resolve human resource issues
- Include provisions for terminating the alliance

ABOUT OUR CONTRIBUTOR

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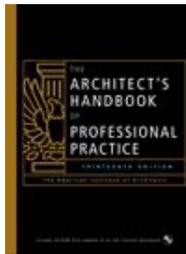
More Best Practices

The following AIA Best Practices provide additional information related to this topic:

- 04.02.01 Multi-state Practice: Certificates of Authority
- 04.06.02 Strategic Alliances: Insurance Considerations
- 04.06.03 Inter-organizational Alliances: The Power of Long-Term Collaboration

For More Information on This Topic

See also “Strategic Alliances,” by Ralph Steinglass, FAIA, *The Architect’s Handbook of Professional Practice*, 13th edition, Chapter 6, page 93.



See also the 14th edition of the *Handbook*, which can be ordered from the AIA Bookstore by calling 800-242-3837 (option 4) or by email at bookstore@aia.org.



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Keywords

- Practice
- Project administration
- Project team
- Joint venture partners



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