3 Tips for Creating Powerful Partnerships

Whether they’re mentorships or joint ventures, the right arrangements can provide strength.

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Every entrepreneur dreams of building a successful business that will provide them with fame (or at least a positive and trusted reputation), fortune and the ability to make a difference. One of the fastest routes to all of these goals is through powerful partnerships. These partnerships can range from a direct business partner, such as a co-founder, to advisors and mentors or strategic business partnerships, where each person or company benefits from the formal or informal alliance. So how do you find the right partnerships and develop them into productive and profitable relationships?

This week I had the chance to visit with Jason Humble, CEO of Humble Capital Group in New York. He’s a former collegiate athlete and also a board member for the Precious Dreams Foundation in support of foster and homeless children, a cause that is close to his heart, having endured a challenging childhood of his own. He is also an avid networker and credits many partnerships for helping him advance to his current role assisting companies in pre-IPO fundraising.

As a serial entrepreneur, I have been a member of three formal business partnerships, in addition to countless mentorships and collaborative arrangements. Most have been highly profitable, and all have provided valuable learning

experiences. As you consider your own partnership opportunities, these three tips will increase your odds of success.

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1. Always be networking.

With the meteoric rise of social media, it’s easier to connect with people than ever before. Social media is great, but it’s tremendously challenging to build long-lasting relationships, especially with a person who has an extensive network of contacts. How do you differentiate yourself so you can develop a deeper connection with ideal contacts?

Humble, who specializes in vetting and investing in tech startups, recommends entrepreneurs make it a point to attend live events to network with the right people in person. This was how he connected with David Kovacs, the co-founder of First Contact Entertainment and former managing director of The Hinduja Group, with more than $50 billion under management.

Humble met Kovacs at a United Nations event in New York. “Had I not met him in person, I doubt we’d be partnering on projects today,” he affirms. “I’m very fortunate to have him as a mentor.”

When asked how he developed a working relationship with Kovacs, Humble revealed his formula to establish a rapport with anyone quickly. “I use a process called FORM,” he says, which stands for Family, Occupation, Recreation and Motivation. “I try to learn about these four things within the first 10 to 15 minutes of meeting with someone by asking thoughtful questions. I focused on getting to know David beyond his success in business.”

Humble recommends listening intently to everyone’s responses,

as you never know how you may benefit from each other in the future.

2. Nurture your relationships without expectation.

Unfortunately, most people focus primarily on what they can get from a new contact, often abruptly asking for what they want. “As soon as people find out you’re an investor and have helped other startups to scale to millions of dollars, it’s typical for people to ask for all kinds of help,” Humble says. “It’s refreshing when people take the time to learn a little bit about you before hitting you up for free advice or investment.”

Humble advises entrepreneurs seek out the ways they can provide additional value to potential partners or investors by simply being naturally curious. A great question to ask might be something like: Who would be an ideal referral for your business, and how would you like me to introduce you?

The key is to provide as much value as you can without expectation. In the end, it’s usually worth it, as reciprocity is one of the critical components in creating influence, according to Robert Cialdini in his bestselling book, *Influence: The Psychology of Persuasion*. During his research, Cialdini found that if you do something for someone first, they are more likely to reciprocate. He also learned the favors don’t have to be equivalent in value, so sometimes a small favor can beget a bigger one in return. If you continue to provide value within your relationships without the expectation of a quid pro quo, it establishes trust and creates a natural bond.

Humble believes it was this philosophy that led Kovacs to invite him to help consult in the capital-raising process for First Contact Entertainment, which launched one of the first

multiplayer VR games in history, *Firewalls: Zero Hour*. “My focus was building the relationship and trying to understand how I could help,” Humble recalls. “I believe he chose to ask me to work with him because I simply wanted to build a foundation of trust and loyalty.”

The reciprocity from Kovacs led Humble to become the COO of Kovac’s family office and eventually partner with him on investment opportunities like Snowball Money, XGen.tech and Formulus Black, which has since established a partnership with Intel and Packet.

3. Ask, but not in the way you think.

If you’ve appropriately nurtured a relationship, you can naturally align interests that can provide synergy to the deal. So when you believe the time is right, you can make your request. However, the context of how you ask is just as critical as what you ask. Rather than directly asking about partnering on a project, it’s better to ask in a way that lets the other party initiate the move to a deal.

For example, schedule a time to talk with your potential business partner and position your ask as follows: “Can I get your advice on something? I’m looking to partner on a business project with someone and wanted to see if there’s anyone in your network you can recommend.”

This strategy gives your potential partner the option to express interest and learn more if they are curious. If not, you are giving them an easy way to defer. Either way, you can take a step in the right direction without harming your relationship, and you gain the opportunity to share your vision.

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Bonus tip: Don’t judge a book by its cover.

Unfortunately, many entrepreneurs evaluate each new relationship based on what they think they can extract from a person based on their appearance, their credentials and even their net worth. “It’s amazing how entrepreneurs can suddenly treat you differently once they realize who you are or what they think you can do for them,” Humble, adding that “there is an opportunity with every person you meet, regardless of what you think of their face value. Every person is valuable to someone.”

In my own case, all three of my prior agency relationships produced profitable and sustainable organizations. In two cases, the working partnerships came to difficult junctures that made it clear it was time to move on. In one case, an agency that provided both PR and creative services has produced lifelong friendships, in spite of the fact this company required a complete restructuring in the aftermath of the dot-com boom. Each of these formal partnerships, coupled with numerous mentorships and joint relationships, provided learning experiences that continue to benefit the company I’m leading today.

At any stage of business, the ability to build and sustain strong partnerships is one of the most valuable skills any entrepreneur can possess.

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