5 Characteristics to Look for in a Great Strategic Partner



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All of us do work to understand our core competencies — the capabilities, knowledge, skills and resources that make up our defining strengths. Companies, too, have core competencies, but all too often end up focusing on areas outside of their strengths in an effort to expand, increase revenue and maintain a competitive edge. Unfortunately, in most cases, focusing outside of one's core competencies only distracts from developing a true competitive moat. "Jack of all trades, master of none," as the saying goes.

Focusing on non-core competencies also drains financial and human resources, creates friction among teams and can even hurt customer satisfaction. To ensure that does not happen at your brand, you need to go really deep in defining your core competencies and work to develop a blueprint for strategic partnerships.

The benefits of hiring outside expertise to manage non-core competencies

While outsourcing certain activities might feel like giving up control, brands across all categories can realize tremendous advantages when they do. Not only can the right partner step in to do the dirty work that falls outside your primary areas of expertise, they can also help you drive growth, maintain competitive advantage and keep operational costs low. A June 2019 Forrester survey of over 450 companies found that partners contributed 23% of overall company revenue on

average.

When it comes to getting physical products into the hands of your customers – currently a massive pain point for many brands given transportation delays, materials shortages and soaring prices – the right partner can offer the leverage of industry experts whose core competency is ecommerce fulfillment and who have built end-to-end offerings with the specific needs of digital-first brands in mind. These firms can also offer their bleeding-edge technology, scale and flexibility as logistics networks to adapt as both your business needs and economic and market factors change.

Some of the below traits could apply to partners in any area of specialty servicing businesses in any vertical. When focusing on fulfillment and distribution partners in particular, you want them to tick all of these boxes.

1. Reduces friction

The acceleration of ecommerce and consumers' desire for same-day and next-day shipping means that order management, inventory planning and product fulfillment must all work cohesively and in real-time. Outsourcing these areas of your business to a technology-first partner with flexible physical network, technical integrations and dynamic order routing capabilities can streamline, scale and speed up your operations. The end result is the ability for your brand to drive more growth, reduce operational spend and future-proof your order fulfillment as your company grows.

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2. Leverages advanced technologies

To meet today's connected digital consumer, you need the best connected digital tools. Customers want you to anticipate

their needs and be at the ready with a product, solution or service that satisfies them across any channel.

Partners using the latest artificial intelligence and machine learning technologies can provide access to predictive insights that keep you ahead of market demands, along with real-time inventory and data visibility that enable you to optimize shipping distance and time in transit. You can also slash costs – a 2019 McKinsey report showed that most companies saved on supply chain planning after implementing AI.

3. Commits to continuous improvement and modernization

Brands can't afford to rest on their laurels when it comes to having the latest capabilities to service consumers. Unexpected disruptions – be it a global pandemic, a weather-related shutdown or something entirely new – are certain to occur, and how well your brand is prepared will depend, to some degree, on how prepared your strategic partners are.

To future-proof your business and its competitive position, you need a partner that is always improving its own technology and services, and they shouldn't be doing it in a vacuum. The right partner will maintain a continuous feedback loop with clients to inform its product roadmap with their biggest needs in mind.

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4. Powers robust analytics

Tapping into rich customer insights is how you master the post-purchase process and optimize your entire supply chain. Using data to improve the customer experience not only helps

with customer acquisition, it can also maintain customer retention.

Look for partners that offer valuable data on product trends, customer churn rate and lifetime value to give you a holistic picture of the customer journey and which marketing and business decisions to make based on customer behavior. Data-driven insights can also help you increase customer engagement by cross-selling at optimal times. It’s an absolute must that your partner allows you to maintain your customer data so you can continually extract your own insights for better customer understanding.

5. Offers one platform and one point of integration

As the B2B sector has shown, there is a general movement away from disparate tech point solutions and towards single platforms. Fifty-nine percent of martech leaders are abandoning a “best-of-breed” approach for single vendors with interconnected capabilities, according to Gartner research. For ecommerce brands looking to optimize their supply chain tech stack, the many benefits of a single-platform approach include:

- Cutting technical complexity and the chances of systems and processes breaking
- Centralizing management of all supply chain-related operations and relationships
- Breaking down data silos to surface customer insights in one place

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By shifting non-core, supply chain-related competencies to a trusted partner, your brand can focus its time and energy on its strengths: innovating on products, growing the customer base and building brand loyalty.

Don’t be afraid to ask for help. It’s what’s required for your brand to improve, evolve and, ultimately, succeed.

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