How to Maintain a Professional Relationship After a Business Partnership Falls Through

It can feel like the end of the world, but there's a way to manage things gracefully.

October 13, 2019 5 min read

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It was a dream come true: My healthy beverage company, hint, had secured a partnership with the giant coffeehouse chain, Starbucks. Our product would be stocked in thousands of stores across the country. For a small food or beverage brand, a big distribution deal like this one can bring prime visibility, access to new markets and a reliable source of revenue. Plus, it helped legitimize the brand. A behemoth like Starbucks approved of what we were doing!

A year later, Starbucks ended our partnership, along with deals they had with other bottled drink companies, as part of a change in retail strategy. At first, I was devastated. But I'm certainly not the first founder to experience a setback. Richard Branson, founder of the Virgin Group, has seen many of his business ventures – like Virgin Cola, Virgin Cosmetics and Virgin Cars – fail. On the Virgin blog, he wrote, "I've been failing for as long as I can remember. In fact, I've been failing even longer than that. I fell over many times as a baby before learning how to walk. The pattern has continued into adulthood and my life as an entrepreneur, and I have

learned and loved every step of the way.”

Research shows that up to 70 percent of business partnerships fail. No matter what happens, you’ll have work relationships that fail, too. I know it hurts, but it’s important to act professionally and strategically. Right now, a door has been closed, but that doesn’t mean that other opportunities won’t emerge in the future.

Here’s how to exit gracefully and leave the relationship intact.

1. Remember, this isn’t personal.

Just because a business partnership didn’t work out doesn’t mean that there’s something wrong with your company or how you run it. In Starbucks’s case, then-CEO Howard Schultz wanted to make more room on shelves for higher-margin products. Starbucks is a publicly traded business and they’re beholden to their shareholders. I totally get it. Ending the partnership wasn’t a slight to me or to hint, and I had to accept it. When this happens to you, try and put yourself on the other side of the table. You’ll probably realize that you would’ve made the same decision.

2. Keep up the dialogue.

When some people lose a business partnership, they become furious, stay bitter and never want to talk to the other party again. This is a great way to burn a bridge. Once I’d blown off some steam, I made it a point to stay in touch with my Starbucks contacts. I caught up with them when I was in town, sent them progress updates about hint and made sure to keep the relationship warm and friendly. You never know. Another way to work together might open up, or perhaps that contact moves to another company and you’ll have the chance to collaborate on something completely different.

3. Be open to new opportunities.

Staying in touch paid off. They eventually came back with a new proposal: Stocking hint in the Starbucks locations inside Target stores. We said yes, and that deal is still going strong. Sometimes, when you're offered a new partnership after an earlier one has failed, it can feel like a consolation prize if it's not as big or lucrative. But revenue is revenue, and we've found that being stocked in the Starbucks outlets in Target stores has been great exposure for hint.

4. Learn from the experience.

One of the biggest takeaways from losing the Starbucks partnership was that you can't rely on a big partner for long-term sustainability. All companies need a backup plan, and not just in retail. Consider how many app developers, media companies and other digital businesses had to lay off staff or close down entirely when Facebook made a change to its algorithm. These companies had grown completely reliant on one partner for distribution. "Facebook will do what's in Facebook's interest," media exec Brian Morrissey said in an interview. "The idea of being dependent on Facebook or being dependent on any other platform is crazy."

After the Starbucks experience, we moved to increase direct sales and built out the e-commerce functionality on our website. This pivot reaped bigger benefits than we ever anticipated. There's a reason direct-to-consumer, or DTC, is all the rage in retail: Selling straight to our customers without a distributor meant that we could have a closer relationship with our clients and learn more about how we can serve them better. In turn, our e-commerce growth showed off the business acumen that has impressed our current, past and future partners. In the end, what I thought was a massive loss turned into a situation where everyone was able to win.

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