How to Play Nice With Your Competitor(s) So Everyone Wins

Business doesn’t have to be a zero-sum game. Instead, work with your competition so everyone comes out on top.

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We all know how it goes with competition: You’re polite in public but do everything you can to undercut each other in private. That’s just how it works.

But does it have to?

I was excited when I heard that Spotify and Tencent were buying minor shares in each other’s companies last December. Spotify, of course, is the largest music-streaming service in the world, but Tencent has its own music division. The two are definitely competitors, yet both companies saw benefits in cross-investing.

The basic idea: Competitors that do well work make you look better, too. A rising tide lifts all boats.

Growing with our friends in L.A.

We practice what we preach at Hawke Media. The digital marketing space can be full of charlatans and smoke and mirrors. It makes the entire industry hard to navigate.

So, when we found Steve Weiss and his company, MuteSix, we

were excited to find someone else who does business the way we do business. In other words, Weiss does the right things and says the right things — the way business should be done.

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Today, our companies have each other's backs. We keep each other up to date on what's going on and on relevant gossip. We help each other and refer clients when necessary.

Sometimes, we lose business to MuteSix. But what we've discovered is that it's always a question of culture fit. Our companies have different cultures, so if MuteSix has a client who doesn't work well with its team, that client will likely be happy with us. And vice versa.

Weiss himself said it perfectly: "Both Erik and I understand that there is more opportunity out there than there [are] quality agencies and teams to fulfill it on the performance-marketing side. Even though we are direct competitors, we have developed both a friendship and mutual respect for each other around a common desire to both continuously bring both value and transparency to our advertising partners."

Hawke and MuteSix have both seen tremendous growth in comparison to other agencies in L.A., and I'm confident that that's because of our determination to be friends. We make it harder for subpar shops to compete, which creates a win-win for both of our companies.

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How to play nice with your

competition

As with anything, ground rules can help when it comes to establishing friendships with competing companies. You want to make sure the arrangement is truly beneficial for all involved:

1. Talk about trends and tricks of the trade for consistent growth. Because you're both in the same industry, you should be able to share knowledge and best practices. That's probably the biggest benefit of working with your direct competition: You can contribute to the other's growth.

We talk all the time with MuteSix about what we're seeing in terms of ad performance and the market's declines, increases and techniques. We also discuss how the market is performing and swap ideas for how to work within the framework of our clients' values. There's no down side here: What we do ultimately helps the whole market perform better.

2. Have each other's backs. People will call and complain about your competition. They'll want to go into all the negatives about the other company and try to pit you against it.

And that makes sense because, look, this *is* still a competition. If a particular client will be happier with you, his or her experience with a competitor will be worth a conversation.

But you *know* your friend does good work. So, feel free to say so to the client, and see whether the work is really the problem. Sometimes, people just aren't happy, no matter what, and you have to know when a gripe is legitimate and when it's not. Still, it's worth touting your competitors – supporting and collaborating with them – especially if that action benefits both parties.

Sports drink company Amara, for example, sought to make its product even better (with the addition of new drink flavors and even nutritional ingredients), but to do that, Amara had to collaborate with other players in the industry. So the company saddled up with its competitor, CrossFit.

Accordingly, Amara now supplies the sports company with healthy drinks, which keeps CrossFit members from heading to the nearest convenience store and purchasing an unhealthy alternative. I'd call that a win-win.

The message? Boost each other up when you can; there are plenty of other competitors trying to tear you down.

3. Share and share alike. Here's a secret many in business want to ignore: There's plenty to go around. We actually don't compete with MuteSix very often. Instead, we talk it out. We can usually discern which company would be a better fit for a client, and that ultimately saves both of us time and money.

Related: 10 Ways Competition Can Improve Your Business

Airlines have done this for years. Back in the '90s, KLM Royal Dutch Airlines and Northwest Airlines started sharing routes and operating flights jointly. This allowed them to have fewer empty seats, more profits and happier customers — literally the definition of win-win.

Of course, you're in this game to win. And sometimes that means direct competition. But often, it's easier to win when you make friends and collaborate with another company, even if its business is technically "competing" against yours.

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