



HIGHIMPACTPROGRAM

NURTURING THE PROSPERITY OF GREATER LOUISVILLE'S GROWTH BUSINESSES

High Impact Report Series #3

A look at growth leadership

PARTNERING FOR GROWTH





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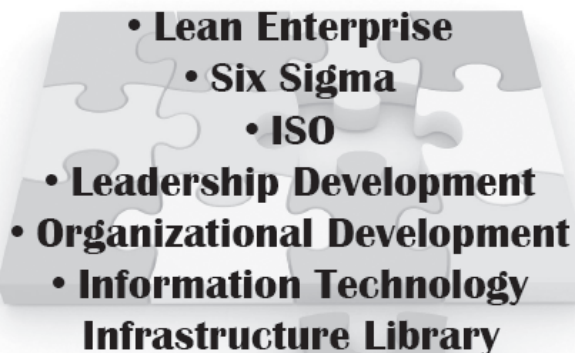
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INTRODUCTION AND OVERVIEW

The High Impact Program is a public/private partnership, initiated by Mayor Jerry Abramson, funded by Louisville Metro Government and administered by Greater Louisville Inc. - The Metro Chamber of Commerce (GLI) that identifies and serves fast growth companies, companies with the potential for fast growth and those companies that enable growth in others. This program focuses on companies of these types headquartered in Louisville that have a disproportionately higher impact on the metro area economy. Through economic development solutions, our objective is to establish a firm relationship with these companies that results in further job and wealth creation.

HIGH IMPACT PROGRAM REPORT SERIES

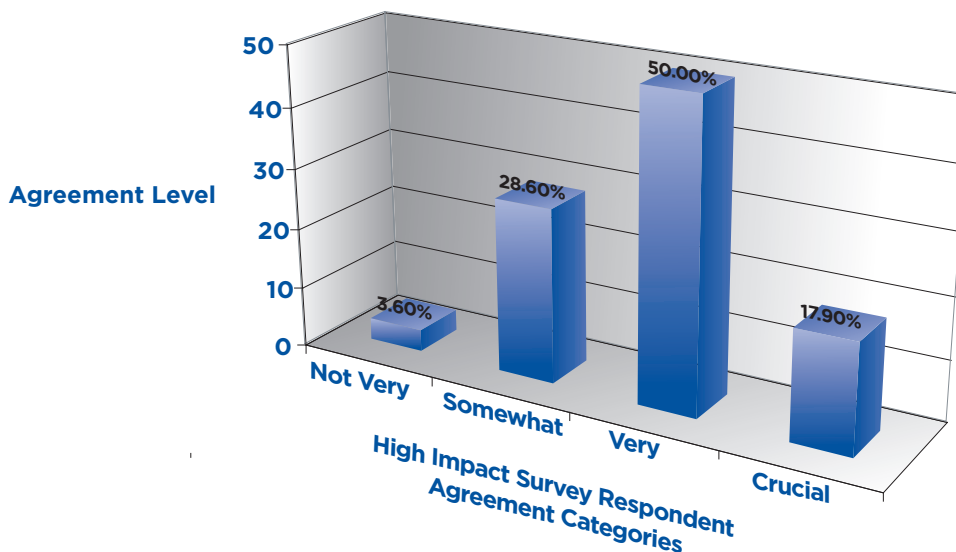
The High Impact Program continues its mission to nurture the prosperity of Greater Louisville's growth businesses. We are pleased to introduce the third in our High Impact Report Series, "Partnering for Growth" – enabling us to provide you with research, survey data and business information on a topic of particular interest relative to the life cycle of your growth business. This report combines research conducted among national business leaders, authors and theorists with data about the actual activities and experiences of your local peers – other High Impact leaders – offering valuable perspectives to consider in your business leadership.

The most powerful strategy for putting an entrepreneurial company on the path toward economic well-being is the use of joint ventures and strategic partnerships. Done well, they provide both participating businesses with a chance to learn and benefit from each other, and to achieve results neither could alone. Partnering enables businesses to grow physically, financially and can be a less expensive and easier way of growing a company than the traditional organic growth model. It allows a company to focus on core competencies and take advantage of others' skills in various fields, allowing all parties to benefit.

DECIDING TO PARTNER

Despite the many positive aspects of partnering, it is not an action to be taken lightly or on a whim. While a partnership can offer great rewards, it can also force a profitable business to collapse and even fall into the depths of bankruptcy if the partnership fails. Therefore, a great deal of care and consideration should be put into the decision of whether or not to enter a business partnership.

Importance of Partnering on Business



While the rewards are often worth the risk, the potential for failure is real. However, failure can be avoided with proper precautions and planning. Through economies of scale, joining with another company makes both companies larger and able to make an even greater profit without having to invest very much.

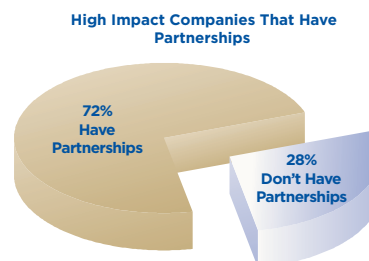
Of the 30 High Impact executives surveyed, 67 percent felt the importance of partnering for their business growth was either very or crucially important with 28.6 percent indicating it was at least somewhat important. Partnerships enable many companies to make continuous improvements; by sharing with others, attention can be directed to resources and capabilities considered most important. Successful CEOs focus their firm's resources on what they do best and rely on outside resources or partnerships for all other needs.

In the current economy, the principles of business strategy are being transformed. Instead of a focus on physical assets and the traditional vendor-customer relationship, the drivers of success reside in connectivity and intangibles. Businesses increasingly need to develop and manage complex organizations and relationships among themselves in order to succeed. The selection of strategic partners with whom to collaborate is now becoming a life or death issue for most firms.¹

Barriers between companies, which used to be solid and absolute, are now permeable. "For generations companies built moats between themselves and their competitors. Today the most successful companies build bridges. And that's only the beginning".² Corporate leaders must increasingly adopt, practice and orchestrate what appear to be conflicting policies, such as joint venturing with competitors. Competitive pressure has intensified, and it is becoming more difficult to achieve leadership and stay on top. As a result – and to service - a competitor in one market may establish alliances in another. Acquisitions of and mergers with competitors have also become a common practice. Those who can examine the way business is done, challenge it, and rewrite it for success in their companies, fields and industries will be the future leaders and role models.³

Reasons cited by High Impact companies for why they decided to partner:

- **Increased business awareness and ultimately sales.**
- **Ability to acquire qualified leads to our business.**
- **Ability to leverage limited resources.**
- **Importance of the idea that "givers" gain, if we can work together or help other companies, our investment will come back to us in the long run.**
- **Enhanced ability to meet changing customer needs while sticking to our core business.**
- **Need to grow the company and sales.**
- **Need to grow with limited capital.**
- **Ability to meet customers' broad range of needs without trying to be everything to everyone.**



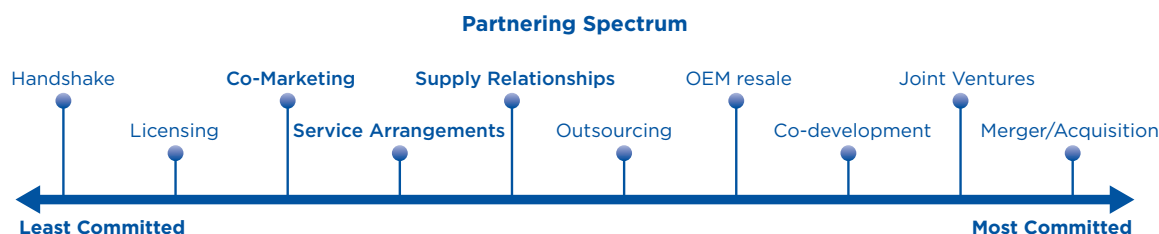
¹ Kotelnikov, V., (n.d.). Building Partnerships. Retrieved June 6, 2007, from 1000ventures.com

² Kotelnikov, V., (n.d.). Building Partnerships.

³ Kotelnikov, V., (n.d.). Building Partnerships.

TYPES OF PARTNERSHIPS

Partnering can be defined in any number of ways, with the manner and extent to which a company chooses to ally itself with another company being a unique decision. On the low end of the commitment spectrum are informal agreements that are simple oral arrangements, usually with a wide range of flexibility and often sealed simply with a handshake. The opposite end of the spectrum is a merger or acquisition, which is an incredibly complex procedure that involves many legal issues as well as intricate aspects of launching the endeavor.



**Supply relationships, service arrangements, and outsourcing are the most common form of partnership comprising a combined total of over 60 percent of all partnering according to High Impact companies.

SELECTING A PARTNER

What kind of compatibility exists between the two companies?

Choosing the right partner is the most important step when beginning the process of setting up a partnership. The partner selected is going to have the ability to increase the financial and physical growth of a company dramatically, yet they will also have the ability to impact negatively the company. Customers and suppliers with whom a company has an already established relationship are a natural place to start the search. It is often easier to strengthen an existing relationship with a known supplier or distributor rather than to start anew. Remember to be realistic with the expectations of others and choose partner(s) carefully. Although virtually impossible to come up with a comprehensive list of characteristics that a potential partner should have, there are certain criteria that should be taken into consideration when searching for a partner.⁴

These include but are not limited to the following selection factors: impact, common values, sufficient contact, transaction volume, the right mentality, consistency with goals and a background check. Each of these factors are detailed in the following section, with observations and comments from several High Impact company leaders.


Impact

“We really need to know who we are most able to impact. Much of this impact comes from dependency as well. It is important that the customer have strong needs that we solve. If they don’t, we are just taking orders or fulfilling a proposal rather than being a true strategic partner that makes an impact.”

-Chuck Patton, President and CEO of Traffic Builders

The ability for a company to positively impact the growth of business should be considered

⁴ Rigsbee, E. *PartnerShift—How To Profit from the Partnering Trend*. (2000) Retrieved June 14, 2007, from an adaptation of *PartnerShift—How To Profit from the Partnering Trend*



in determining if the formation of a partnership is the right business decision. By creating a partnership the day-to-day as well as the overall scheme of business needs to change because of the partnership. Changes can be anything from eliminating unnecessary waste to creating new products. Adding titles and using catchy phrases such as “preferred partner” mean nothing if the way in which the relationship exists does not change. A big question that needs to be asked in regard to the potential impact of a partnership is “Is there something that we as a company are going to be able to do if we partner that we are not going to be able to do by ourselves?”

Common Values

“Partners should have excellent business ethics and goals for growth. They should love what they do. They should be open-minded and innovative in their thinking.”

-Teresa Bridgewaters, President of The Mardrian Group

Like any successful relationship, business partnerships are best created between companies that share a common sense of values. Selecting a partner with similar values ensures that working together is going to be easier for all parties involved.

For example, if your business believes in excellent customer service, there may be problems working with a partner with an emphasis on cost cutting. Misalignment of values could make it difficult for your company to maintain high levels of customer relationship management.⁵

Sufficient Contact

A certain level of contact and interaction should exist between individuals in the partnering organizations. The connection and relationships created through frequent contact and inter-personnel interaction help to develop a sense of trust and camaraderie that cannot be simulated. Personal interaction forms relationships which facilitate smoother operations between partnering companies.

Transaction Volume

“We sign Preferred Pricing Agreements with clients who need at least 15 minutes of demos over a 12-month period. This rewards our bigger clients with a price break for bringing more work.”

-JC Stites, CEO of Autodemo

To make logical sense, there must be an adequate and quantifiable volume of business to justify the creation of a partnership. A partnership is a relatively long-term commitment, and is not an easy or cheap undertaking in time and money, and should not be used in every situation. Without a significant level of business such as in the case of a single job being performed, there is little incentive to partner. Customers are likely to retain a transactional mentality (and rightly so) because of the inability of the supplier to show that they are adding value. While the supplier may be able to add value, the limited frequency of business makes it difficult to demonstrate.

⁵ *Joint Ventures and Partnering. (n.d.). Retrieved June 18, 2007, from Business Gateway*

Right Mentality

“In selecting whom to partner with, we first look for what is a good match. This can involve a number of criteria. First and foremost we look for a partner that we feel we can trust. Usually we start a partnership with a small step and grow from there.”

-Tom Davisson, SVP of Sullivan University System

For partnerships to work well, companies should be sure they are in alignment with the right mindset and attitude toward partnering. With a win-win mentality instead of the traditional mindset of trying to get as much as possible, partners can work together to expand market penetration.

In addition to quantifying performance, there must be an assessment of a potential partner's attitude toward collaboration and overall trust worthiness. Failing to do this could damage a valuable relationship.⁶

Consistency with Goals

“We try to work with companies who have synergistic, complimentary business strategies to ours in the markets we serve.”

-Gary Huntoon, President of Advanced Payroll Systems

Consider the answer to this question, “Is a partnering relationship with this customer consistent with our own product and market strategy, and with our overall direction as a company?”⁷ A company that is looking for a steady, middle-of-the-road partner is not going to be a good partner for a company that is on the cutting edge and constantly trying to push the envelope.

Another good question to consider is “What do we, as a company, want out of this partnership?” There needs to be a clear understanding between the two companies as to the direction that the partnership is expected to take them in their respective markets and industries. If the directions are in alignment, then the partnership is more likely to be a worthwhile and profitable investment for both companies.

Background Check

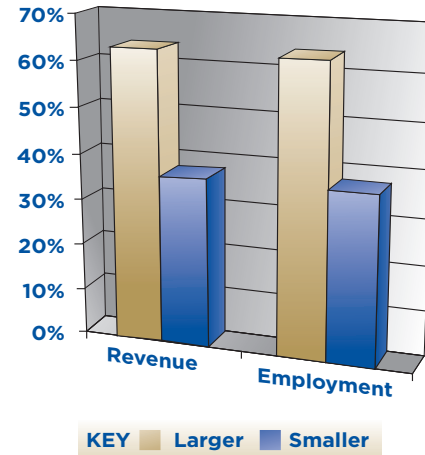
It is vital to do homework on a prospective partner. Look into the potential partner's management structure; ask what kind of management team do they have, and can your company work with them. Consider also whether their reputation and attitude suit your company. Find out about their production, marketing, personnel and financial practices. In addition to checking into their financial and credit information, find out whether they already have partnerships with other businesses. The presence of other companies in the picture can drastically affect the partnership. They also could have some sort of arrangement with a competitor potentially setting up a situation of conflicting interests.

⁶ *Joint Ventures and Partnering*. (n.d.). Retrieved June 18, 2007, from Business Gateway

⁷ Rackham, N., Friedman, L., Ruff B. (1996). *Getting partnering right: How market leaders are creating long-term competitive advantage*. Boston: McGraw-Hill Pg 153

Try to get referrals from their customers and suppliers in order to find out about their trustworthiness and reputation. The way a partner behaves, and their reputation, could affect the business. Remember that a good partner should have a first-class workforce and facilities, and be financially secure.⁸

Size of Partner Compared to High Impact Companies



**High Impact Survey Respondents*

ADVANTAGES OF PARTNERING

Increased Leverage

Strategic alliances allow a company to gain greater results from its core strengths.

One of the major advantages of partnering is that a business is able to focus energies on what it does best. The basic foundation of partnering is to collaborate with those who are better in their respective area and, by combining forces, enable each partner to focus on their strengths and grow their companies. By playing to its strengths a business can be even more productive. The time previously spent struggling through challenging activities can instead be used to increase productivity and grow the business.

Risk Sharing

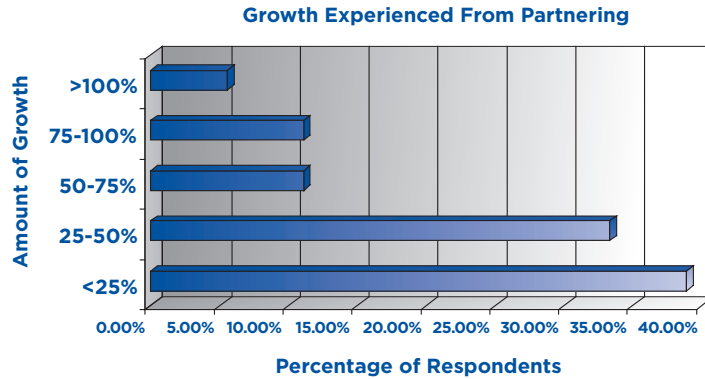
A partnership with another company will help to offset market exposure and allows the exploitation of new opportunities jointly.

A necessary part of growing a High Impact business is taking calculated risks, and through partnering the risk can be shared between companies. Partnerships allow both companies to risk less capital, time and energy in high risk/high reward ventures. Sharing the risk makes it easier to gamble on becoming the next big industry leader, while not losing sleep at night over the potential that the new venture is going to crash and burn.

⁸ *Joint Ventures and Partnering. (n.d.). Retrieved June 18, 2007, from Business Gateway*

Opportunities for Growth

Strategic alliances can create an innovative way for small companies to grow. By “marrying” a company’s product to another company’s distribution, or one company’s R&D to a partner’s production skills, each business is able to expand more quickly and more cheaply than by traditional means.



Of the High Impact executives surveyed, more than half achieved company growth of 25 percent or more through their partnership arrangement.

Greater Responsiveness

By allowing a business to focus on developing its core strengths, strategic alliances provide the ability to respond more quickly to change and opportunity.

Today’s lightning-paced business environment no longer allows the luxury of merely reacting to the market or changing consumer demands. Evolution within modern companies has to happen within months instead of the years and decades that previous generations enjoyed. Business leaders must now embrace a “what’s next?” mentality and recognize partnering as a valuable tool for increased adaptability.

Other advantages of partnering:

- **Overcoming trade barriers and reducing tariffs through local content by partnering internationally, allowing you to be closer to your market**
- **Reducing costs of transport as well as utilizing more favorable production conditions to lower production costs**
- **Getting product quickly established in the market**
- **Better market credibility**
- **Reaching more markets, and achieving better market penetration in those markets**
- **Gaining access to raw materials, new technology, software or manufacturing technology**
- **Ability to modify a product to the specific requirements of the market**
- **Economies of scale and/or a more competitive price can be achieved**
- **Taking advantage of a favorable investment environment, such as government incentives, low labor costs, preferential access to other markets**

Benefits according to High Impact companies:

- **Increased revenue/more business**
- **Loyalty and dependability**
- **Lower cost of marketing and sales**
- **Better conversion rate**
- **Ability to provide the full spectrum of services without trying to be everything to everyone**
- **Allows company to focus on what they do best, not other technologies**
- **Leveraged marketing that has resulted in increased revenue/growth long term relationships that act as extension of business**
- **Lower overhead and increased services**
- **Cost effective means of growing business**
- **Revenue growth with reduced costs**
- **Builds credibility in prospects' eyes**
- **Shorter sales cycle**
- **Ability to reach many more clients with one relationship and the impact can literally be 50 times larger than the results from one sales representative**

POTENTIAL PROBLEMS WITH PARTNERING

A bad partnership can take a successful and profitable company down and into bankruptcy. The loss of the time, capital and effort involved in trying to make the partnership work can be more than many companies can bear.

Selecting a Bad Partner

Partnering is a serious commitment and the problem many companies run into is not selecting the right partners to help them grow and be successful. Unfortunately, bad partnership decisions often stem from personal ties as well as unrealistic promises.

Risking Reputation, Money and Business

In addition to finances, personnel and resources, a business' reputation is also tied into a partnership. The name and image are the most important parts of marketing a business. A good name and reputation are worth their weight in gold and partnering with a company with a less than reputable image can be devastating. Association with less than optimal business partners can lead to questions about a company's organization and values, and ultimately results in a bad influence on its business.

Risk – especially in terms of capital – is the result of any decision to venture into a new business arena. For companies who rely on partners in their plans to gain return on capital investments, the decision to partner should be even more carefully considered.

Stolen Ideas or Becoming a Competitor

What happens if current partners become future competitors? Corporate leadership should consider that possibility when sharing sensitive information or proprietary details that are pivotal to market success. A partner can become a competitor just as easily as they became a partner, so careful, forward thinking and due diligence are incredibly important.

Additional problems with partnering identified by High Impact businesses:

- **Making sure the partner truly understands our unique offering**
- **Making sure that both parties are working on making the partnership successful and profitable**
- **Not being in total control of the partners makes managing issues more complicated**
- **Applying our culture and value proposition to the relationship. Generally the expectations are set by the partner and we have to live with that**
- **Resources are not always available**
- **Difficulty in understanding business perspective of partners, i.e.: different objectives**
- **Setting and managing realistic service and communication expectations both ways. Building trust and productive relationships at all levels in both organizations. Creating efficiencies in the communication process of referrals**
- **Maintaining the relationships, resolving issues and dividing opportunities**
- **Timeliness of getting things done, since we are one of many customers**
- **Managing shared customer relationships and having everyone on the same page**

HOW TO MAKE IT WORK: FACILITATOR

The facilitator should be able to provide guidance, resolution of conflict and direction to the partnership.

“Of course, there will be bumps along the way. The key is good communication among the parties. Having one contact for each party is key to keeping the communication lines open and flowing. Most often problems are just misunderstandings rather than obstacles.”

-Tom Davisson, SVP of Sullivan University System

Assigning or hiring a facilitator to act as a liaison between partnering companies is an important step toward success. The facilitator fosters a successful partnership by keeping it moving in the right direction during the inevitable rough times. A distinct advantage of employing a facilitator is their ability to focus solely on the growth and maintenance of the partnership while the other members of the individual organizations concentrate on maximizing their individual strengths.

In many situations, the person best suited for the job of facilitator can be found within one of the partnering organizations. The advantage of this is that the internal person is inherently very knowledgeable about the situation as well as familiar with the technical aspects of the product or service. Taking a member from one of the organizations also provides a benefit of a personal

connection to the partnership. The facilitator would not be coming in and dealing with people they have never met before, but dealing with individuals they have known for a long time.

Some situations, however, would be better served by bringing in a third party as a facilitator between the two organizations. These situations include, but are not limited to:

- **History of conflict between the companies**
- **Traditional attitudes**
- **Little experience partnering**
- **High stakes**
- **Multi-party partnering**

The facilitator is eventually going to have to take the job of mediator as inevitable roadblocks come up between the two organizations. A good facilitator is crucial to helping the organizations work through the problems and keep them on track toward their goals. A successful facilitator/mediator approaches partnership problems with the mentality of resolving conflict between parts of a larger organization, rather than between two different companies. Maintaining a win-win perspective is mandatory for a facilitator to help the organizations work through their problems.

An effective facilitator should have these characteristics:

- **Strong task focus. They are more focused on the goal of the partnership, not the process.**
- **Business and industry smarts. The facilitator has general business savvy as well as specific knowledge about the product or service being provided.**
- **Operate in both a big picture and a detailed manner. They are able to transition easily between the lofty goals of the partnership and the nitty gritty details to get it done.**
- **Encourage a “one company” approach. They treat issues as intra-organizational problems, not ones between competitors.**

When asked if they employ a facilitator, High Impact companies responded with:

“No. That is primarily my job.”

-Gary Huntoon, President of Advanced Payroll Systems

”Several Principals at Blue Equity are charged with acting within this area.”

-Jonathan Blue, Chairman & Managing Director of Blue Equity

“I am the person that typically facilitates partnerships. I use a number of others within our organization to assist me with the various aspects of the work, such as legal and special projects, but I am the primary person in such matters.”

-Tom Davison, SVP of Sullivan University System

“Yes, we are looking to entrench ourselves further within the clients’ challenges to help solve them. This ensures more of a long-term marriage than a short-term solution for the partnership.”

-Chuck Patton, President & CEO of Traffic Builders

“We have four employees that are responsible for facilitating relationships; however, for different areas of the business. All of our employees help nurture the relationships.”

-Teresa Bridgewater, President of The Mardrian Group



FIVE PRIMARY CAUSES OF PARTNERSHIP FAILURE

Ambiguous Goals

All parties involved need to agree on a clear picture of the direction and goals of a partnership. Without definitive goals and a shared vision, the partnership is apt to wander off course and inevitably fail.

Overly Ambitious Goals

“...All expectations must be discussed and reviewed PRIOR to an acquisition and/or funding. It should be considered part of the due diligence process and not part of the transition process.”

-Jonathan Blue, Chairman & Managing Director of Blue Equity

This idea of “when two people work together they can accomplish anything!” is nice, but is not a solid business strategy. There need to be realistic goals when a partnership is created, and a way in which to measure success to stay on target.

Unclear Direction

“Everyone needs to be on the same page before the partnership is created.”

-Jonathan Blue, Chairman & Managing Director of Blue Equity

Similar to having an overarching goal, partnerships also require shorter-term directives and continual guidance. Proper emphasis on clear and concise milestones makes the ultimate goal of mutual success far more attainable.

Uncoordinated Activities

“Trust is the key to any successful partnership. If either party gets the sense the other may not be living up to either the letter or the spirit of the agreement that usually is the beginning of the end.”

-Tom Davisson, SVP of Sullivan University System

Effective communication is the cornerstone of every successful relationship – personal and professional. When both sides of the partnership are working together and communicating, they increase the probability of achieving their goals. Uncoordinated activities and any perception that the partnership is unbalanced can derail the strategic plan and undermine mutual success.

Lack of Results

“Not enough customer impact and having a relationship that involves you as an order taker more so than a consultant will fail. The reason someone hires out a company to do something rather than bring it in house should not be because they don’t have enough staff. It should be because you bring a level of expertise that they cannot and do not want to obtain. If you don’t have that,

you don't have a strategic partnership.”

-Chuck Patton, President & CEO of Traffic Builders

“Value -- if you don't provide value over an extended period of time, then the partnership will fail.”

-JC Stites, CEO of Autodemo

When companies invest time, people and money into a cause, especially a business partnership, they expect to see results. The lack of positive outcomes within a given timeframe can lead to frustration and cause dissent among the members of the partnership. The likely and unfortunate result is dissolution of the partnership due to a lack of tangible reasons to stay partnered.

FORMAL AGREEMENT/CONTRACT

In the fairytale of partnerships, the partners work as hard and as diligently as your company. They watch your back as you build armies of skilled employees, take strategic market positions and share the triumphs of vanquished competition and exceeded milestones.⁹ Sadly this is not always the case. It is unwise to risk time, money and energy without having a contingency ready if the new venture does not perform as expected. The best protection against “losing it all” is to develop a formal agreement detailing the partnership.

Even if a business has been around for years, it makes sense to memorialize the relationship with the partner or partners through a partnership agreement. It can spell out everything from who can sign documents to how to deal with a partner's major illness to how to break up the firm.¹⁰

“With all the companies we own and manage, conflict is inevitable. Most of the time, an operating agreement or separation agreement has led the groups through the process.”

-Jonathan Blue, Chairman & Managing Director of Blue Equity

Think of a formal partnership agreement as something similar to a prenuptial agreement. At the beginning of the relationship the proposal of such a measure may seem awkward. Yet, it may ultimately prove to be a document of tremendous value to both parties considering that many business partnerships, like marriages, fail. Priorities change over time and a company does not want to be in a difficult situation should the partnership be taken into a new direction.

Another formal agreement measure should be the inclusion of a buy-sell measure that dictates how the partnership should conclude. This will make the process run more smoothly, especially if the partnership endures periods of high emotion.

A formalized agreement is also valuable in case of an unexpected catastrophic event such as a severe injury or death. A formal agreement protects the people involved as well as the partnership and also provides a means to resolve conflicts. In ambiguous situations, a formalized agreement helps guide the partnership toward solutions that are fair and equitable for all parties.

⁹ Rhodes, R., *Partnership Problems and Loss*. Retrieved July, 5 2007, from Eventuring.org

¹⁰ *Strategic Alliances and Joint Ventures: A How to Guide*. (2002). Retrieved June 27, 2007, from New Zealand Trade and Enterprise

There also exists a personal interest in drafting a formal agreement so that the IRS can hold you and any co-owners personally liable for payroll taxes, even if your business operated as a corporation or LLC.¹¹

INVOLVING A LAWYER

Taking a person's word on a business deal demonstrates respect and trust, yet it is generally not the smartest business move. It is wise to include a lawyer when setting up or ending a partnership to be sure both parties are legally protected to an adequate degree. Even if the breakup plan promoted by the business associate seems perfect, it makes sense to run it by an attorney with expertise in ending business partnerships.¹²

Make sure to obtain signed copies of any confidentiality and non-competitive agreements, as well as operating contracts before entering into a partnership. It is imperative that legal documents are drawn up to protect intellectual property such as trade secrets and patents. Proprietary rights should also be evaluated and documented. If the potential partner has existing intellectual property rights agreements with employees and/or other consultants, conflicts can arise if others have access to use that process or information.

¹¹ Laurence, B. & Mische, S., (n.d.). *Closing Your Business: What You Need to Do*. Retrieved July 5, 2007, from Yahoo! Small Business.

¹² *Strategic Alliances and Joint Ventures: A How to Guide*. (2002). Retrieved June 27, 2007, from New Zealand Trade and Enterprise

HAVING AN END IN SIGHT

At the beginning of any partnership there should be a focus on the end as well. A partnership needs to have a focus and a purpose and part of that purpose is to one day end, whether it be growing both companies physically, financially or merely working together on a single account. An ending date gives the partnership a timeline by which progress can be measured. Having an end date set for a partnership will allow both companies to be able to determine if they were able to accomplish the goals that had been established for the partnership.

At the conclusion of the partnership, the powers that be can sit down and comprehensively analyze both the positive and negative aspects. A specified end date also allows the success of the partnership to be judged objectively without implying that one of the partners is unfit. It provides both companies with a pre-determined opportunity to exit the partnership in an honorable way. However, neither company is required to take advantage of that opportunity. If the partnership is meeting or exceeding the expectations of both parties, the “end date” can become a renewal date with its own benefits. Extending the term of a partnership is a chance for leadership on both sides to renegotiate, modernize and improve the relationship and move forward on even more confident footing.

“We review the partnerships periodically, but many are not formally tied to results. Larger, more complex partnerships require accountability to reaffirm their effectiveness.”

-Gary Huntoon, President of Advanced Payroll Systems

“There usually is not an ending per se, but rather points of evaluation and assessment along the way.”

-Tom Davisson, SVP of Sullivan University System

“Each of our agreements includes an operating agreement between partners that outlines an exit or wind-up for the company.”

-Jonathan Blue, Chairman & Managing Director of Blue Equity

“Most of the customers have a yearly evaluation not only to evaluate us but also to evaluate the program itself. We go so far as to survey their clients for them to assess our performance. On others it is more project to project. We are working on changing that.”

-Chuck Patton, President & CEO of Traffic Builders

High Impact online survey results:

- **The average High Impact company has over 3 partnerships**
- **Almost 2/3 of High Impact companies are partnered with companies larger in terms of employment and revenue**
- **72.4 percent of High Impact companies have some sort of business partnership**
- **44.4 percent of High Impact companies would definitely partner in the future**

“It is better to have a smaller piece of a bigger pie, than a bigger piece of a smaller one.”

-Popular Proverb

SOURCES, SUGGESTED READING AND RESOURCES

Advanced Payroll Systems, an independently owned and operated full-service payroll processing firm for small to medium companies, www.advancedpayroll.com

Autodemo, writes, produces and develops high-quality, cost-effective automated demonstration software to assist firms in marketing their software applications, www.autodemo.com

Blue Equity, a private equity firm investing growth capital and business expertise in media & publishing, sports & entertainment, financial services and real estate ventures, www.blueequity.com

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Sullivan University System, the largest, private university system in Kentucky including Sullivan University, Spencerian College and Louisville Technical Institute, www.sullivan.edu

TMG –The Mardrian Group, a general construction company specializing in construction of commercial, industrial, residential developments, religious and non-profit facilities, www.tmgky.com

Traffic Builders, a behaviorally-based, direct marketing firm primarily for the automotive and RV industries, www.trafficbuildersusa.com

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Director, High Impact Portfolio

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