

Top 10 Business Partnership Examples: The Perfect Business



Who is a business partner?

A business partner is a commercial actor that has some kind of alliance with another commercial actor. This relationship can be regulated by a contract and with an exclusive bond that establishes that both parties do not have to ally with third parties.

Optionally, it can be an agreement studied at the table to impress competitors and customers of the networks that both business partners belong to.

Business partners can be:

A customer

A complementary vendor

A supplier

An intermediary (such as a reseller or an agent)

Why are business partners essential?

History has been a good advisor. Since ever, traders and merchants have partnered to do business. And so today. People have to partner if they want to do business. Partnerships can be made in different ways such as finance partnerships, marketing partnerships and owner partnerships. Whatever it is, it is crucial to look for the agreement that fit the best for both parties.

Knowledge has power. It controls access to opportunity and advancement. – Peter Drucker

Firms need the knowledge to advance. It comes hand in hand with strategic partnerships that allow you to learn and grow from another point of view.

There is no competitive advantage in being just like everyone else. – Daniel Burrus

If you produce a chocolate bar, you will be like any other chocolate bar's producer. Instead, if you partner with a packaging company you will differentiate from your competitors. Imagine buying a chocolate bar box in the shape of a car.

Credibility takes years to build, but a few hours to destroy. – Eivind Reiten

Business partners help you to improve your business credibility and brand image. When shared interests, vision and goals come into play, the strength and the influence of the company grow exponentially.

Stronger businesses put more quality into their products/services and operations which boost brand equity.

All of your customers are partners in your mission. – Shep Hyken

We all know that without customers, companies cannot survive. Thanks to a strategic partnership agreement, you will be able to increase your customer base. There are lots of ways in doing it, for example, you can partner with complementary companies. Customers love great products and services.

How to find the adequate business partners?

When you think to look for business partners, you first have to decide who and what you want. Business partners do not only mean more funds for the company. Business partners have to have skills that are complementary to yours. If you are more creative, maybe you need someone numbers-oriented, if you excel in administration but hate finance, you should definitely look for a “finance person”, and so forth.

One characteristic that the business partners must have is compatibility. It seems tempting to choose someone who shares your same hobbies and interests. Although there is nothing wrong with this choice, it could be smart to select business partners that have nothing to do with you. You may be able to reach a lot more goals by choosing someone who has skills in which you lack.

Business partners should be open-minded. You have to collaborate with someone who is open to new ideas or have a different point of view. In the worst case, it will not make you reach your full potential. Resilience. It goes without saying that during our life we experience failures, and so in businesses. Along the way, entrepreneurs can make mistakes and they can fail many times, before reaching the top and being able to go anywhere. That is why it is crucial to find resilient business partners that can motivate and support you when you feel disheartened.

The partner you choose has to be passionate about your company as you are. There is no point in choosing a person who is not willing to work hard or to do whatever it needs to reach the goals set. The most successful businesspeople are innovators. Do not forget that Jeff Bezos foresaw and anticipated the digital opportunity in his garage. The right business partners are the ones who come with fresh and original ideas. If you want to differentiate from the competition, a person who helps you to build a brand with a clear image is needed.

It is always the best choice to pick someone you can depend on, rather than the applicant that is excited to most to become your right-hand. It is important to detect any red flags that can suggest that the candidate is unreliable.

Business partners have to be able to solve conflicts. Conflicts are unavoidable when you work (at least) five days a week with someone. But someone resentful and vengeful when they do not get their way are more a liability than a resource.

In addition, regardless of the type of partnership you are going to plan, it is fundamental to pick someone who has not had financial problems in the past and knows how to manage money.

In choosing business partners, you have to go for the ones with a high tolerance for risks. It could happen that you will have to make an investment or go out on a limb without understanding how things turn out. If your partner prefers to stay safe, you might miss certain opportunities or be hesitant in a face of a challenge. On the other hand, you do not want to hire someone too impulsive. The perfect partner is in between.

Last but not least, your business partners have to be able to build strong relationships. Another quality that can be great to look for in business partners is the ability to build strong relationships. If you want your business to grow and your professional or social circle is small, you should think to find business partners who are “popular”.

Summing up, if you have in mind to look for a partner, it is a good idea to find someone that has complementary skills and knows how to react to adversity.

Pros and cons of business partners

Of course, in any partnership that is defined as such, there are pros and cons to which we must pay attention.

Pros

Have an extra set of hands: if you have someone who helps you to manage your tasks, they will be solved faster.

Additional knowledge: as we all know, two (or more) brains are better than one. Business partners can bring skills and knowledge that you might not have.

Less financial burden: you can split the expenses with your business partners. As a consequence, the business might be able to afford more things at the same time.

Less paperwork: there is not too much paperwork that you and your partner have to sign. The only document you and your business partners have to sign is the partnership agreement.

No extra taxes: a partnership agreement does not require additional taxes to pay.

Cons

Cannot make decisions on your own: you have to remember that you are not working alone, so in the decisions process you have to consult them.

Disagreements: in every situation there are disagreements and the workplace is not exempt either.

Split profits: depending on how many business partners you have, you have to split the profits based on them.

No separation between you and your business: all the business partners are financially and legally responsible for the business.

Taxed individually: even though it is a pro, usually business taxes have lower rates compared to individual taxes.

Top 10 examples of successful business partners

In this paragraph, we will explain the most famous business partners. They can not only be ownership partners but also marketing partnerships. In fact, the aim of marketing partnerships is to increase both companies brand awareness and net income. In some cases, the partnerships were co-branding, that is, a marketing strategy that has two or more brand names on a good or service as part of the strategy.



Red Bull & GoPro (2016)

Red Bull is just an Austrian energy drink company founded in 1987. The CEO and the co-founder of the company are Dietrich Mateschitz. He has a marketing degree, and before Red Bull, he worked for Unilever, Belndax and P&G. During his travels for Blandax, he discovered Krating Daeng, the drink that a few years later became Red Bull.

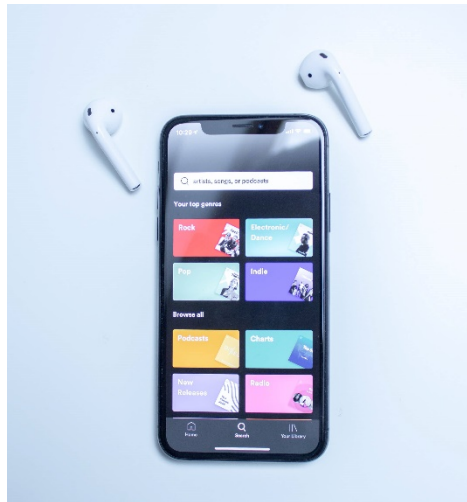
Go Pro is a portable camera company that also develops mobile apps and video-editing software. Nick Woodman is the founder and CEO of GoPro who got the idea to invent the GoPro on a surf trip in Australia and Indonesia. They are both (adventurous, fearless and extreme) “lifestyle” brands. These shared interests made them the perfect business partners.



Louis Vuitton & BMW

Luis Vuitton is a French fashion house and luxury goods company founded in 1854 by Luis Vuitton in Paris. Michael Burke has been the CEO and the chairman of the company since 2012 as well as Chairman of Tiffany Board of Directors since 2021. He has a background in luxury since he worked for Dior and Bvlgari. Michael Burke is also a part of the LVMH Executive Committee.

BMW (Bayerische Motoren Werke AG) is a German multinational producer of luxury vehicles and motorcycles sold under the brands BMW, Mini and Rolls-Royce. Olivier Zipse has been the CEO of the company since 2019. He is a mechanical engineer who studied at the Technische Universität Darmstadt and obtained an MBA (the Kellogg-WHU Executive MBA Program) at two joint universities, WHU – Otto Beisheim School of Management in Germany and the Kellogg School of Management in the USA. What does a car company have in common with a clothing store? Nothing. But if the companies are Louis Vuitton and BMW they probably should have something in common to have such a successful partnership. Both companies are in the luxury fashion, business or travel (cars and luggage) and they are famous and well-known for their high-quality craftsmanship. That is why they partnered. BMW “offered” sports car model and Luis Vuitton designed a set of suitcases and bags that fit into the car’s parcel shelf.



Starbucks & Spotify

Starbucks is an American multinational chain of coffeehouses and roastery reserves founded in 1971 and in the early 1980s was converted from the coffee bean store into a coffee shop selling espresso-based drinks by Howard Schultz. Today, the CEO is Kevin Johnson, a software engineer who worked for IBM, Microsoft and Juniper Networks.

Spotify is a Swedish audio streaming and media services provider founded in 2006 by Daniel Ek and Martin Lorentzon. Daniel Ek, the CEO, was born and an engineer but later he has focused on IT. Starbucks created a coffee shop experience with the help of music to create an ambience. They wanted to create a “music ecosystem” allowing artists to easily have access to Starbucks consumers, and vice versa, allowing Starbucks to have access to Spotify’s discography.



Apple & MasterCard

Apple is an American multinational technology company founded by Steve Jobs, Steve Wozniak and Ronald Wayne in 1976. Tim Cook has been the CEO of the company since 2011. Since then, he was able to double Apple's revenue and profits.

MasterCard is an American multinational financial services corporation. Michael Miebach is the CEO of the company and he is leading the company towards the digital.

When Apple launched the Apple Pay app, it completely revolutionised how people do transactions. In fact, Mastercard was the first company that allowed its customers to store their credit cards on Apple Pay.



Alexander Wang & H&M

Alexander Wang is an American fashion designer. The designer is a well-known person in the fashion industry since he was the creative director at Balenciaga.

H&M is a Swedish (fast-fashion) multinational company. Helena Helmersson has been the CEO of H&M since 2020 and she has started working there in 1997 and since 2010 she has become also head of sustainability.

These two companies do not have the same audience. That is why H&M traditionally partners with high-end fashion brands to launch branded items for a limited period. In exchange, these high-level brands can present themselves to a new potential group of consumers.



Amazon & American Express

Amazon is an American eCommerce company founded by Jeff Bezos in 1997. Since 2021, Andy Jassy is the CEO of Amazon. He joined the multinational company at the very early stages of the company, in 1997, as marketing manager.

American Express is a multinational company specialized in payment card services founded in 1850. Stephen Squeri has been the CEO since 2018 and he has been the chairman of American Express since 2015.

Amazon wanted to improve the way small and medium businesses sell on Amazon. Hence, it decided to partner with American Express on a co-branded credit card.



Nike & Apple

Nike is an American multinational corporation that is involved in the design, manufacturing, development, and sales of footwear, apparel, equipment, accessories, and services. Since 2020, John Donahoe is the CEO of Nike. He is also on the board of directors at The Bridgespan Group as well as the chairman of Paypal.

Apple is an American multinational technology company founded by Steve Jobs, Steve Wozniak and Ronald Wayne in 1976. Tim Cook has been the CEO of the company since 2011 and he was able to double Apple's revenue and profits.

Nike, and Apple, decided to partner because they wanted to bring music (from Apple) to Nike customers' workouts. This partnership has allowed Nike, thanks to Apple iPhone apps, to keep track and record workout data.



Burger King & McDonald's

Burger King is an American multinational chain of hamburger fast-food restaurants which CEO is Daniel S. Schwartz. He was hired by 3G in 2005, a Brazilian company that bought Burger King in 2010 and he was appointed as CFO. Four years later, he was elected CEO when Restaurant Brands International Inc. (RBI) was formed after the purchase of the Tim Hortons brand.

McDonald's is an American fast-food company. Today McDonald's is led by Chris Kempczinski who has been the CEO since 2019. He started his career in P&G, then he moved to Boston Consulting Group and PepsiCo among others, and finally joined the McDonald's global strategy team in 2015.

Yes. Two of the most famous fast-food competitors have partnered for an amazing cause. In 2019, McDonald's was supporting charities for childhood cancer: for every Big Mac purchased, the company donated \$2. Burger King, to support this cause, decided to launch "A Day Without a Whopper" to encourage people to buy the Big Mac.



Taco Bell & Doritos

Taco Bell is an American fast-food chain company. Since 2019, Mark King has been the CEO, after leaving Adidas as Executive Emeritus in 2018. In his last four years of leadership at Adidas, the company became the fastest-growing sports brand in North America, it doubled its market share and regained the No. 2 position in the U.S.

Doritos is an American brand of flavoured tortilla chips, an owned subsidiary of PepsiCo. PepsiCo, Inc is an American multinational food, snack, and beverage business that was formed in 1965 with the merger of the Pepsi-Cola Company and Frito-Lay, Inc.

These two complementary companies decided to sell a Taco Bell inside of a crunchy Doritos shell.



Kanye & Adidas

Adidas is a German multinational corporation that is involved in the design and manufacturing of shoes, clothing and accessories. Since 2016, Kasper Rørsted has been appointed as CEO. During the early stages of his career, he worked with Oracle, Digital Equipment Corporation, and Compaq. From 2008 to 2016, he was the CEO of Henkel, a German chemical and consumer goods firm.

Kanye West is an American rapper, record producer, and fashion designer and fashion designer. He has always shown his interest in fashion, and in 2006 he began his career in the fashion world by launching his Pastelle Clothing line.

Kanye West, the famous rapper partnered with Adidas to develop high-end footwear named Yeezy. This partnership was fabulous, both Kanye's personal brand and Adidas gained in terms of popularity (and also in revenues).