

## **Maximizing the Strategic Alliance** **by Jonathan Paisner**

*Ideas must work through the brains and the arms of good and brave men, or  
they are no better than dreams.*  
*Ralph Waldo Emerson*

Great ideas for new partnerships or strategic alliances are a dime a dozen. Bringing these ideas to life in a fashion that delivers meaningful results for all stakeholders is the true challenge demanding “the brains and arms of good and brave” marketers.

A few years ago, Subaru and L.L. Bean entered into cross-licensing alliance to create a special edition car and a co-branded apparel program. On the surface, great idea. Both companies have an outdoorsy appeal. Subaru, through their Outback brand, lends some ruggedness and performance to the equation. L.L. Bean offers back classic American styles and values to the Japanese import. But the implementation of this partnership is not without its significant flaws.

In the spirit of the Eddie Bauer Ford Explorer, which seemingly began this special edition vehicle trend, the car itself is a luxury version of the standard Outback and continues to be enthusiastically received by the automotive community. The less spectacular output of this partnership is a Subaru branded L.L. Bean catalog available online and through Subaru dealers. Unfortunately, the “exclusive” Subaru products are little more than logo-trimmed premiums (at a price higher than Bean’s logo-free versions), offering scant value to consumers. Where the car has added some luxury features and high-end trim to create a unique offering that captures the spirit of this partnership, the apparel does little to offer any enhanced or specialized value – and, in fact, asks Subaru’s most ardent consumers to pay a premium for wearing the Subaru mark, rather than reward their enthusiasm as Outback champions.

Strategic alliances can be extremely effective in developing a new class of offering to potential shared customers. They can also be a tool to help brands strive to expand their positioning. And they can be the a source of new revenue streams and distribution channels. But implementation can be hampered by efforts often born on the negotiating table to make a partnership bigger and more far-reaching than it should be. And herein lies the cautionary tale of the Subaru-L.L. Bean case study. Each new offering will affect multiple business units of an organization. Unless each perspective is considered in detail, the risk exists for some components of an alliance to dim the glow of its overall impact.

As you look to partners to help grow, expand and evolve your brand, the key to success is to understand the magic of the details. Great ideas are merely the foundation for memorable partnerships; the rest takes research, vision, communication, and some old-fashioned common sense.

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