

How to Create Successful B2B Relationships

B2B marketers have many business partnerships—with intermediaries, customers, and others. And, as a B2B marketer, you'll often be looking to establish close relationships with your partners. After all, close and long-term B2B relationships would likely be more profitable.

But how do you know you have a close relationship?

- Partners care about each other.
- The partnership is long-term.
- A web of numerous linkages exists between the two partners.
- There is lots of formal and informal communication.
- Problem-solving is proactive and oriented toward prevention.
- Trust prevails.



If you look at that list, you'll notice that close relationships with business partners look very similar to close relationships with personal partners. The fact is, they are similar—both to understand and to create.

And as much as you may want a close business-to-business relationship, much as in personal relationships there are two questions to consider:

- Does every potential partner want a close relationship?
- Does every potential partner want a close relationship with you?

It turns out, it depends: First, what type of partner are they? And second, are you perceived as good at long-term relationships?

When there is a mismatch between what two partners are looking for (e.g., one wants a close relationship, the other doesn't or isn't good at close relationships), disagreements will arise and problems won't be resolved easily. In short, it just won't feel like an easy relationship.

Now, you can have two business partners who don't want a close relationship—and that can work very well. But in that scenario you'd better have the lowest price and the best deal on the market. That's because your partner is looking at you purely as a transaction and can easily go elsewhere for it. But that should work for you, too, since you also don't want a close relationship.

B2B Relationships: Not Everyone Wants or Needs a Close Partnership

In business, the key to knowing whether a partner needs a close relationship is their dependence on you. For example, if what you provide to the relationship is so germane that if it doesn't work your partner will suffer a great

deal, then that partner will want a close relationship with you. However, if what you sell is readily compatible with what other vendors can provide, it's likely your partner doesn't need a close relationship.

Here are a couple of simple examples of both types of relationship:

- Let's say you sell highly customized computer-based systems to a customer who has a massive commitment to databases and highly specific software programs to make their business work. If the databases go down or those specific programs fail, your customer's business is at risk since there are no other vendors that could help them in that instance.
- But let's say you sell phone services to that same customer. That's a much smaller long-run commitment to customers since phone services are much more compatible across vendors. Here, customers are not as much at risk.
- So, you can see that some partners (customers, in the examples above) need a close relationship, but others don't.

Subterfuge alert: partners who don't need a close relationship often do have an incentive to convince you they do. That way, they can get all sort of commitments from you even though they don't plan to stay a partner for long. So, you need to be good at understanding the dependencies in these B2B relationships.

But if you find a partner that really does need a close relationship, then the question is, Are you good at relationships?

The most straightforward way to be good at relationships is to make sure your partner can trust you. For example:

- Are you willing and able to make adjustments to the relationship to cope with changing circumstances?
- Are you able to inform the other in a timely manner about events or changes at your company that may affect them?
- Are you perceived as committed to improvements that may benefit the relationship as a whole, and not just your own business?

B2B Relationships: Credible Commitments

The best way to signal your commitment to a close relationship is to use credible commitments.

When is a commitment credible? In short, when it has little value in other relationships.

A simple example of a credible commitment is giving someone fresh flowers. What makes fresh flowers credible is that they wilt and die and it isn't possible to give the same fresh flowers to someone else. (However, dried flowers are easy to give to multiple people over time—so they are not credible.)

Now think about doing customized training for your partner. The customization makes it credible because the specialization won't work on another partner. Give that same partner generalized training, though, and it's not a credible commitment anymore.

The same goes for customized equipment (dedicated to that partner—like equipment that is specific to that partner) or specialized procedures.

Again, because those are specific to the partner, they indicate you are committed to that relationship.

Now, if this seems hard to do—it is! But you can always send signals that you are committed to the relationship. Just make sure the signal you are sending is not the same signal you send to others (if you do, it's not credible anymore), so make sure they don't know you're sending the same signal to everybody; if you do, it looks cheap (because it is).

For example, grocery stores and consumer products have these programs called "Just for U." Do you, as a consumer, feel it's just for you? No. In fact, you know it's for everybody.

Not all customers want close relationships (but they have an incentive to say they do). If you decide to target partners who want close relationships, you'll need to cultivate and nurture close and long-term partnering skills!

Author: Allen Weiss is the CEO of MarketingProfs. For the past 25 years he has helped companies position their products defensively in the market.