

## Cooperating With Competitors

There once was a time when the very idea of cooperating with a competitor was seen as absurd. After all, the role most companies set out for themselves was to beat the competitor in a contest for the consumer's dollar. Cooperating would mean giving up on that competition, and somehow redefining the way businesses see themselves.

The idea is not as far-fetched as it may have once seemed. In today's hyper competitive market, where buyers have choices, the idea of matching up with a competitor to strengthen the overall offer may mean more business. In fact, in some sectors customers are demanding it.

The reasons for avoiding cooperating with competitors are evident. Not only do we not want to assist them in making money and expanding their reputation in the market, we also do not want them to be exposed to our operational methods and strategic thinking. These core aspects of our business are what often give us our strategic advantage and the last thing we want to come from a cooperative arrangement is the transfer of vital know-how that the competitor can later use to our detriment.

These are vital concerns, but the reality of the market requires that we find a way to overcome them and learn to work together when necessary. Tudog recognizes both the challenges and the need for cooperating with competitors, and we offer the follow 6 tips to make it more effective and less risky.

### 1. Set the Rules and Set the Boundaries

Just because you are cooperating with a competitor on a specific project does not mean that the competition won't resume when the project is completed. You need to make sure that both sides are aware of the rules under which the collaboration will take place and where the boundaries of acceptable behavior lie. For example, if one set of offices is going to be used as project HQ, then the access to certain areas of the office (such as archives and certain computers) may be limited to employees from the other company. This is not to hinder their ability to fulfill their tasks under the current project, but rather to make sure there are no misunderstandings as the joint effort goes forward.

### 2. Set an Example

The employees of both companies may be a bit confused (and even reluctant) at the sudden respect and support they are expected to show to people with whom they were bitter competitors only a short time ago. It is essential that management on both sides set the tone of collaboration and demonstrate their commitment to making the project a success. The perfect example of cooperation, as well as the requirement of complete compliance, will help reduce resistance and defiance.

### 3. Give Everyone Room to Succeed

Chances are the collaboration you are engaged in was the result of each party having a capacity the other lacked. Make sure that each side has the freedom and space to do what they are best at, while having the mechanisms in place to ensure that each side knows what the other is doing. By giving everyone the room they need, you will prevent

one party from trying to dominate the process or inject itself where its expertise is lacking, Even in circumstances where it is evident that one party is the lead partner, the space should still be given to the junior partner.

#### 4. Make Sure Everyone Knows Their Job

Keep in mind that during a collaborative effort you are, by definition, bringing together two complete organizations to share the work. Each company has its own capacities, most likely, to do each task, although the collaboration is proof of varying competency levels. You need to make sure that each side, and every member of each side, knows exactly what their job is – and by extension what their job is not. This will eliminate both a likely source of tension and wasteful repetition of tasks.

#### 5. Keep the Communications Constant

One of the most common causes of misunderstandings is poor communication. When competitors are cooperating with one another the potential for misunderstandings is high. The way to counter it is to make certain that the two sides have open, rapid and constant communication channels. Those responsible for execution should be certain to speak daily, and there should be channels set up to address conflicts swiftly. By making certain the communication channels are well defined and engaged regularly, you will avoid the minor misunderstandings from erupting into full fledged battles. With communications you may not be able to prevent disagreements, but you will be able to control how they are resolved.

#### 6. Manage the Collaboration

Regardless of the skills and authority of the people placed in charge of implementation, it is management's job to manage the collaboration and make certain that each side is not only bringing to the table what was agreed upon, but also that the foundations for future mutually advantageous collaborations is being laid. Relying on others to manage the collaboration removes management from evaluating the consequences and benefits of the venture. By being engaged, you are also there to determine how to best benefit from such arrangements.

Cooperating with competitors is a new business reality. It is a sign of strength that companies that compete for the same customer are also able to team up when the needs of that customer so require. The use of collaboration can bring additional value to your company, as the joint appeal of your company and a competitor may be all it takes to land an attractive assignment. While it is always wise to keep aware of the risks, it is seldom wise to let the prospect of risks deprive you of the potential benefits. Cooperating with competitors can be a good thing....give a try sometime.