

OUR GUIDE TO
Strategic Partnerships (SP)



LONDON STONE
SECURITIES

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Has your business missed a trick?

We all know that the single most important thing about running a successful business is the ability to reach out to your target audience so that you can sell your product or service – in other words it's all about growing your customer base. After all you can have the best product in the world but if nobody knows about it then your business is never going to succeed.

The problem is that effective marketing that actually works isn't cheap – whether it's driving traffic to your website, using social media platforms to increase your online presence, or the more traditional methods of direct mail and newspaper advertising, the fact is that it can be very expensive and quite often the returns from these types of marketing campaigns rarely justify the costs.

Furthermore and in addition to the marketing and advertising costs, you also need to pay salaries to your sales team to convert those leads into real clients which makes this strategy even more untenable.

This causes a dilemma. On the one hand as business owners we know that our primary objective must be to sign up new clients and yet at the same time we also know that to do so can be incredibly expensive, time-consuming and with no guaranteed results.



So what's the solution?

Ladies and gentleman, welcome to the world of Strategic Partnerships. Strategic Partnerships, or SPs as they are known, are widely regarded today as one of the most effective ways of increasing your sales without it costing you a penny.

What is a Strategic Partnership?

A Strategic Partnership is where two non-competing firms come together to promote products and services of BOTH firms. In other words your Strategic Partner is another business with whom you enter into an agreement that aims to help BOTH of you achieve more success than either of you would achieve working alone.

It's the idea of two firms working together and sharing resources – that includes sharing clients, useful contacts and suppliers, or simply sharing expertise and business advice.

Why are SPs so effective?

It works because the smartest companies know that connecting with good partners is the quickest, cheapest and safest way to develop their own client base. It bears none of the ugly hallmarks of desperate sales calls and promotions and is all about harnessing existing relationships based on trust and delivering excellent customer value.

In other words a strategic partnership is where two firms come together to combine services and offerings in a way that changes the game for both. In a word, it's beautiful.





Focus on Customers

All successful companies are built around the experience of their customers and strategic partnerships work because they add something positive to that experience. In other words the clients must ultimately benefit either because they have access to a new product or service, or to an existing product or service at a better price.

Whatever the case, the first and only question should be "How will this benefit our customers?" If there's an obvious synergy where both firms and their respective clients win, then it's a deal that shouldn't be ignored.



Real Life examples of SPs in practice

Nobody knows the exact number but research suggests that there could be as many as a million SPs around the world today and many more being created every day. From high street hairdressers teaming up with their local coffee shops to giants like Apple and IBM coming together, you can find synergy just about everywhere you look.

There are far too many examples to list here but some of the more famous SPs include:

1

SPOTIFY and UBER

This genius partnership now allows clients to not only use Uber taxis but at the same time they get to listen to their favourite Spotify playlist whilst being driven to their destination.

2

APPLE and IBM

Both firms are of course global leaders in their fields but both have different areas of experience and so are not directly in competition with each other. Through their Strategic Partnership, Apple uses its mobile devices to complement IBM's data capabilities. A truly beautiful relationship and especially for their clients who now get an even better service than before.

3

STARBUCKS and UNITED AIRLINES

Starbucks has forged not one but several successful partnerships with many different companies over the years. It began by providing in-house coffee shops to book retailers Barnes and Nobles as far back as 1993, before moving on to partner up with Pepsico to bottle, distribute and sell the popular coffee-based drink Frappacino. More recently a Starbucks-United Airlines Strategic Partnership has struck gold resulting in their coffee being offered on flights with the Starbucks logo on the cups.



So what are the benefits of a Strategic Partnership?

1. It's Free

Driving new customers to your business takes a great deal of time and costs money. You need to spend money on marketing budgets, sales staff, administration costs and much more. And even after all of that there's no guarantee to win the client's business in the end and so it's a big risk for a relatively small reward. With an SP, there is no financial cost because it is a direct referral – that means no costly marketing or advertising campaigns.

2. Time-Consuming

Depending on your business it can take anything from a few weeks to several months to get a new client through the doors. This means that from the first point of contact to the sale it can be a very long, drawn out process. This means that your staff can spend more time focussing on the things that really matter and add most value to your company.

3. Lack of Trust

One of the most difficult objections to overcome when reaching out to new potential clients is to convince them that you are trustworthy. Even if your product is much better or cheaper than a competitor, people generally don't like change and will conduct endless amounts of due diligence and still they may not be satisfied.

With an SP, you are effectively receiving a referral which means that your client immediately has a level of respect and trust for the new firm. That's good for you and for the client because who wants to go through all of that due diligence when somebody else has done it for them.

4. Your client is happy

There's nothing better than having a happy client. After all a happy client will probably mean more business for you and a greater likelihood that they will refer other people to your business. And what better way of making your client happy than to introduce them to one of your strategic partners for a product or service that they were already looking for? You will have saved your client the time and headache in carrying out their own due diligence and in the process you've probably also managed to secure them a great deal through your partner. All in all it means that you are definitely going to be in their good books!

5. You have full control

Nobody goes into a partnership to lose control over their clients. That's of course not how it works. You are the only person who decides which clients you do or don't refer to your strategic partner. Similarly your partner will do the same. As long as you both refer similar numbers of clients and are fair and transparent in your approach then it works every time. In fact you will rarely see an example of a genuine partnership not working.

It also makes sense to only refer those clients that are genuinely in search of the products or services that your partner is offering. That way you can be selective and make sure that your clients feel special in the process because it's not a service that you are offering to everybody.



6. No competition means working together

The great thing is that two firms that enter into a partnership do so in the knowledge that they are in completely different fields of business. In other words the two businesses can work in the interests of their mutual clients without any suspicion or fear.

7. It's a Win-Win-Win

We have all heard of the 'win-win' scenario but it's not too often you hear of anybody talking about a 'win-win-win'. Well with SPs that's exactly what you get. The firms in a joint SP both win because they instantly have access to a new potential client at no cost and the client wins because they get access to another product or service that they were already looking for.

8. Financial Rewards

Depending on your business it's common to earn an Introducer Broker (IB) fee for any commission that is earned from a client that you refer. Many businesses operate in this way. This fee could be a one off referral fee or it could be a profit share from any revenue that your partner generates through your client.

The client also wins because your partner can choose to charge an even lower rate than normal because it doesn't have to absorb the marketing costs whilst at the same time pay you a referral fee to say 'thank you'.

9. Business Mentoring

Mentoring in business is one of the fastest ways for a business to grow. Most small to medium sized businesses don't have the luxury of having a business mentor because those business owners who have already 'made it', probably don't want to share their secrets with you. However the best SPs not only share clients but also their business ideas which means that you can save money and time by avoiding some of the common pitfalls and mistakes that many SMEs make.

10. Intelligent Networking

The smartest business people learn not only from their own mistakes but also from others. Why spend time and money trying to find good suppliers and contractors for your business when you can ask somebody who has already done all the ground work for you?

Think back to when you first started. Before you developed your book of useful contacts (accountants, web developers, printers, recruitment consultants etc.) you probably had to navigate through a costly trial and error process and came across a bunch of people who you wish you had never used.

Well, your partner would have done just the same and so wouldn't it be great if you now both engaged in Intelligent Networking. You see, not only do Strategic Partners share ideas but the most successful ones also share their knowledge of processes so that they can break existing paradigms.

Building a network of competent, honest and hard-working associates to support your business takes time and money – until now.



Which Strategic Partners best fit the London Stone philosophy?

The London Stone Group is more than a business. Our vision is to break the old status quo and to revolutionise the world of finance and that means staying true to and delivering our core 8 values which include:

- | | | | |
|---|--------------|---|-----------------------------|
| 1 | Honesty | 5 | Best-In-Class Service |
| 2 | Integrity | 6 | Educational Revolutionaries |
| 3 | Transparency | 7 | Market Visionaries |
| 4 | Fairness | 8 | Strategic Accuracy |

In other words it's important to recognise that in order for an SP to be really effective it's not enough for the two partners to complement each other from just a business perspective.

At London Stone we only wish to work with partners who share similar values and principles to ours.

That's why at London Stone we currently work in partnership with specific types of companies where not only our services are in high demand by our partner's clients but where there is common ground in our fundamental principles.

In all cases our partner's clients were seeking the services of a regulated wealth management company which is why the partnership was so effective. Hopefully we can offer you and your clients the same.

As an independent firm we are able to offer a bespoke and personalised service in all investment areas from stock ISAs and pensions to traditional investments including funds, shares and fixed income products such as bonds and gilts.

Our online execution-only dealing rate is just £10 per trade with no set-up costs or annual fees. We also offer leading market research and analysis which allows our clients to create an investment portfolio that most closely matches their investment objectives and appetite for risk.



Some of the more obvious Strategic Partnerships



Family Law Solicitors

Solicitors that practice in family law often find themselves in situations where their clients have gone through painful divorces or bereavements to only then have thrust upon them a share portfolio or sum of cash that they need to manage with an FCA regulated firm that they can trust. In many cases the clients have had no formal experience in investments before and so desperately need help and assistance from professional advisors.

By making a referral to a Strategic Partner not only does the client have one less thing to worry about but also the solicitor gets to offer a significant value added service at no extra cost.



Financial Advisors

There's often a misconception that financial advisors perform the same job as investment managers and stock brokers. They don't. Financial advisors are responsible for providing advice on mortgages, pensions, tax issues and general financial affairs. In other words they will usually advise their clients on how much money they should put perhaps into equities, or bonds or in property but would not usually give specific advice as to what those investments should be.

On the other hand, investment managers are responsible not for the overall asset allocation but rather the specific investments within those asset classes. So actually financial advisors and investment managers complement each other perfectly with the same goal of giving their mutual client the best possible service.

For example a financial advisor may tell his client to invest £100,000 in equities but he or she probably isn't suitably qualified to advise on which specific shares to buy, when to buy, when to sell and what strategy to implement. That's where the investment manager comes in.

And even if a financial advisor wishes to manage the investment portfolio by themselves, they will still need to use a brokerage firm and so it makes sense to use the one that offers his client the best possible deal, even if it's just on an execution-only basis.





Accountants

Most accountants deal with a wide range of businesses and individuals with varying financial needs. In the main nearly all of them will have some form of investment in the stock market whether it be direct through a stock ISA or indirectly through a pension. And whilst some of these investors may be very happy with their current stock broker arrangements, there will always be some people who are unhappy with the service that they are receiving. This may be due to the poor performance of their investments, expensive fees, bad service or a combination of all three.

That's why partnerships with accountants are generally very successful for all parties because we can help service those clients who are looking for something different.



Other Business Synergies

These are just some of the types of businesses that London Stone is currently dealing with but equally there are many markets, sectors and businesses that would benefit from a Strategic Partnership with London Stone.

In fact it doesn't matter which business you are in – as long as we share similar values and principles, you wish to offer the best service for your client, and there is a genuine need for our services, then we can all benefit from entering into a Strategic Partnership.





The future of Strategic Partnerships begins here

If you haven't already, now is the time to consider how a Strategic Partnership could benefit you and your clients. It's no wonder then that so many famous leaders in the world believe that one of the key drivers of business success rests on the ability of firms to foster collaboration with their partners.

For more information about how you and your clients can benefit by working with London Stone Securities come and talk to us by calling 020 3697 1700 or email us at sp@londonstonesecurities.co.uk.

We really are much stronger working together than alone.





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