

The Partnership Evaluation Framework: How to evaluate a potential partner's business model and identify areas for collaboration

Model Framework	Relevance	Key Metrics	Questions for Consideration
<p>Governance: How a firm makes decisions in the market</p>	<p>Understanding the governance structure associated with a given business model can help uncover what objectives actors will prioritize, how they will respond to both market trends and policy, and who they recognize as relevant stakeholders.</p>	<ul style="list-style-type: none"> ✓ What objectives actors will prioritize ✓ How they will respond to both market trends and policy ✓ Who they recognize as relevant stakeholders 	<ul style="list-style-type: none"> ▶ Who are all of the stakeholders involved in investment decisions in your organization? In partner organizations? ▶ Once an investment is made, who has responsibility for its oversight? ▶ Are there external regulations that may influence the decision-making process?
<p>Financial Model: How a firm raises capital for start up or expansion and sets performance targets</p>	<p>Establishing and tracking a key set of financial metrics and benchmarks across each industry segment can reveal the sources of a business' profitability, as well as key decision-points and motivations for a business to seek change</p>	<ul style="list-style-type: none"> ✓ Revenues ✓ Costs of Goods (or Services) Sold ✓ Required margins ✓ Sources of funding and cost of funding 	<ul style="list-style-type: none"> ▶ What are the costs and revenues for the business? ▶ What are the major/key factors that influence changes in revenues or costs? ▶ How does the business finance investments?
<p>Assets & Infrastructure: How a firm invests and brands itself in order to operate</p>	<p>Assessing the benefits and costs associated with an asset or infrastructure enables management to identify opportunities for creating value and reducing costs</p>	<ul style="list-style-type: none"> ✓ Fixed assets (e.g. buildings) ✓ Inventory ✓ Equipment ✓ Brand value ✓ Trainings/Certifications 	<ul style="list-style-type: none"> ▶ What type of investment (i.e., buildings, machinery, and equipment) is needed? How costly is it, and are economies of scale a factor? ▶ How important are non-physical assets (e.g., brand, certifications) on the success of the business?
<p>Service Offering: What goods and services a firm markets and sells</p>	<p>Examining existing service offerings and uncovering untapped opportunities to expand core business offerings or enter into partnerships may reveal ways of increasing customer traffic, consumption, and revenue over time</p>	<ul style="list-style-type: none"> ✓ Range of service offerings an organization provides and how well they align to its strengths ✓ Required margins on an average service offering ✓ Level of demand in market for each service offered 	<ul style="list-style-type: none"> ▶ What are my organization's key strengths and service offerings? ▶ Are there alternatives/competitors to these services in the market? ▶ Can a strategic partnership help my organization expand its service offerings or control its costs?
<p>Customer: who a firm's target market is, and how it reaches them</p>	<p>Identifying customer segments associated with each business model can help to measure probability of success for partnerships and service offerings</p>	<ul style="list-style-type: none"> ✓ Marketing and lead generation efforts ✓ Cost per lead ✓ Customer demographics ✓ Key partnerships 	<ul style="list-style-type: none"> ▶ Who are the target customers to be served? ▶ What is the estimated overall demand for each service being provided? ▶ Can a strategic partnership help me capture a larger share of the market?