

Building Sustainable Partnerships for Innovation

General Mills' concept of applied open innovation has proven to be a successful strategy, with more than 40 products now incorporating a significant amount of open innovation. In fact, around a quarter of new product growth at General Mills is now external partner-enabled, up from only 10% prior to the launch of General Mills Worldwide Innovation Network (G-WIN) five years ago.

We recognized early on that there are significant opportunities in applying principles of open innovation with some of our core suppliers. In fact, many of our recent product introductions can be traced back to collaborations with these key partners. To support these relationship-based partnerships, General Mills put in place an external partner development team to help build meaningful and sustainable relationships that not only benefit our company and brands, but also our external partners.

Creating and leveraging strategic partnerships can be an innovation multiplier for many companies. Many partnerships fail or never form because of a lack of vision or alignment. In order to maximize partner relationships in an open innovation program, there are five basic principles that can help companies form the right strategic partnerships and make them sustainable over time, maximizing benefits for both parties.

1. Put Strategy First.

Partnerships must have a strategic importance. Before you form any partnership, think about your strategy. Be clear on how this will align to your business objectives and what you want to accomplish by forming this partnership. You will not be able to realize the vast potential of your partnership benefits without a clear, actionable objective. Remember, relationships are hard work. Your goal is to create a partnership where both sides will benefit from the alignment.

2. Align Partner Interests. A true partnership must be mutu-

ally beneficial in order to develop. Clearly communicating the core competencies that your organization will bring to the relationship is critical, as is clearly articulating the capabilities that you are looking for in a partner. Take time to understand your prospective partner to make sure your interests are synergistic. Trust and transparency are everything.

Open a dialogue that will help you work through issues that could be deal breakers. Understand your partners' needs and interests and be able to anticipate their concerns. The relationship you form is critical to the success of the partnership. This also means you must

recognize when it's time to part ways. Not every project comes to fruition, but if you're willing to part on the right terms at the right time, you can still consider the partnership a success as it may form the basis for future collaboration.

3. Create a Partnership

Vision. Once you have outlined your partnership objectives and aligned your partner interests, you can create your vision. The structure of the partnership has to allow for growth. Risk and reward have to be symmetrical. Think of your "dream scenario." What does your relationship look

leading brand, while at the same time allowing *Progresso* to market an existing product with the backing of the world's most trusted weight-management brand.

5. Live Win/Win. You want your relationships to last over the long term. Therefore, you need to operate with a win/win mindset that goes beyond the contract. Win/win in words and deeds; win/lose scenarios just don't work. If the relationship is lopsided, one partner will eventually bow out. You have to offer each other something of value. Come to the table with the same level

We recognized early on that there are significant opportunities in applying principles of open innovation with some of our core suppliers.

like one year from now? Five years from now? How will this partnership change or grow your businesses?

4. Take Stake in Each Other's

Success. True partnerships allow each party to be its best, utilizing the right resources to keep each party motivated and let them swing for the fences. Sustainable partnerships can unlock opportunities that weren't there in the beginning. This is true of our partnership with Weight Watchers, in which the company endorsed our *Progresso* Light Soup through its ubiquitous point system. This joint venture allowed Weight Watchers to offer its customers a new, healthy meal option under a

of intent and integrity and find solutions that will work for both parties. There must be value.

At the end of the day, it's not just about the individual relationships you make; it's about strategically meeting the interests and needs of your business.

If you have an innovation you think is a good fit for General Mills' business, our G-WIN team would like to hear from you. Prospective partners may submit a proposal to the G-WIN team through our Web portal at www.generalmills.com/WIN. **FT**

Dave Wagner is Vice President of External Partner Development, General Mills, Inc., Minneapolis, MN 55427 (david.wagner@genmills.com).