Building Strategic Partnerships

Structuring relationships that compound, not just contracts that close.

STRATEGIC PARTNERSHIPS

The right strategic partner can do more for a company's trajectory than the next round of capital. The wrong one can cost a company its independence. The difference is almost always in how the relationship was structured at the outset.

01 What Makes a Partnership Strategic, Not Transactional

A vendor relationship and a strategic partnership can look identical on a term sheet. The distinction is whether the relationship compounds — whether year two is materially more valuable than year one because of shared incentives, not just shared contracts.

> **Three tests we apply**
> Does the partner have a reason to invest in our success beyond the contract itself?
> Is there a path for the relationship to deepen — equity, co-development, exclusivity — if the initial phase performs?
> Would losing this partner meaningfully change our trajectory, in either direction?

02 Sequencing a Partnership

Phase	Objective	Common mistake
Exploration	Establish mutual fit and a shared view of the opportunity	Moving to exclusivity before fit is actually tested
Pilot / limited scope	Prove the relationship works operationally, at small scale	Skipping the pilot to move faster, then discovering execution gaps at full scale
Scale	Expand scope, deepen commercial or equity ties	Scaling before governance and decision rights are clarified

03 Protecting the Company in the Structure

- [ ] **Exclusivity is earned through performance, not granted at signing**
  An exclusive agreement signed before a partner has proven capability removes optionality with nothing yet demonstrated in return.
- [ ] **IP and data ownership defined explicitly, including what happens if the partnership ends**

- [ ] **Termination and wind-down provisions negotiated with the same care as the upside case**
- [ ] **Governance rights sized to capital or value contributed — not to the partner's overall size or leverage**

04 Where Strategic Partnerships Go Wrong

- **Asymmetric dependency.** The smaller party becomes structurally dependent on the larger one before the relationship has proven durable.
- **Undefined success criteria.** Without agreed milestones, "how is the partnership going" becomes a matter of opinion rather than evidence.
- **No sunset clause.** Agreements built to last indefinitely, with no defined review point, tend to persist past the point where they still serve both parties.

> **OUR ROLE**
>
> We originate and structure both financial and strategic relationships — investors alongside manufacturing, distribution, and commercial partners — because the strongest capital raises are often built on a foundation that includes both.

A partnership is only strategic if it changes the trajectory of both parties. Everything else is a well-drafted vendor contract.