MODULE 3 · SESSION 2

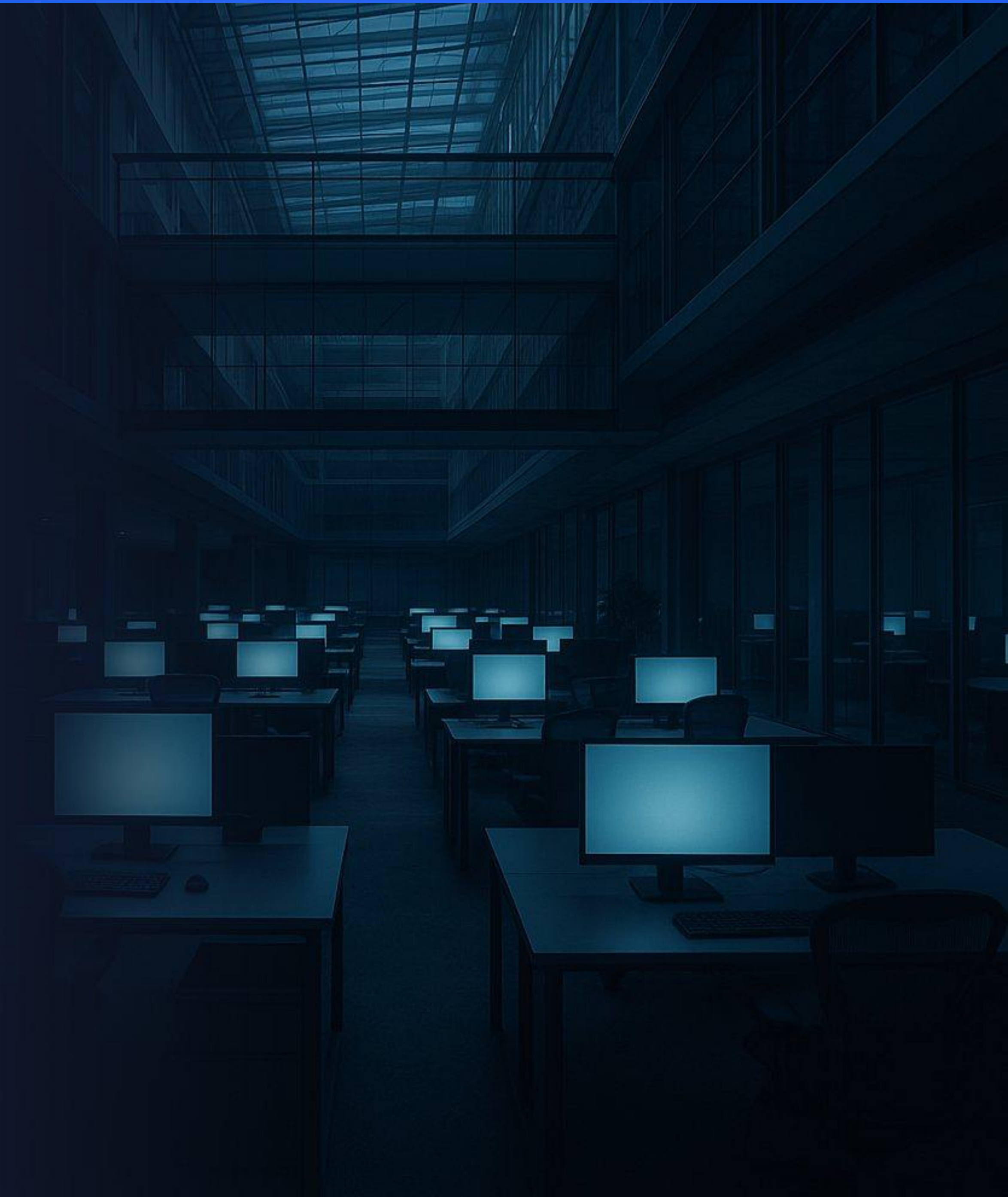
Expanding Markets Through Partners

How to evaluate expansion markets and design partner roles, incentives and governance that produce credible local distribution.

Theory session

Intermediate

Running case: Northstar Habitat



ORIENTATION

Where this session sits

3.1 chose what to test; 3.2 decides who carries expansion into a new market

MODULE 1
Growth Architecture and Market Entry

MODULE 2
Commercial Engines and Expansion

MODULE 3
Strategic Scaling Choices

SESSIONS IN THIS MODULE

3.1 Building an Experiment Portfolio
Allocating tests across uncertainty, evidence and deadlines

3.2 **Expanding Markets Through Partners**
Partner roles, incentives, governance and local credibility
YOU ARE HERE

3.3 Designing the Scaling Operating Model
Decision rights, phases and resource allocation

SESSION OUTCOMES

What this session explains

Using someone else's relationships without losing control of the outcome

01 **Market selection precedes partner selection**

Choosing a partner before choosing a market is how companies end up serving the partner's priorities.

02 **Partner types differ in control and margin**

Referral, reseller, technology and co-sell are different commitments.

03 **Complementarity is the test**

A partnership works where each side supplies something the other genuinely lacks.

04 **Incentives and governance decide the outcome**

Most partnerships fail on economics and decision rights, not on goodwill.

DEFINITION

What a partnership has to supply

Three things, or it is an announcement rather than a channel

WORKING DEFINITION

A market expansion partnership is an arrangement in which another organisation supplies access, capability or credibility you do not have — under terms that make their effort worth more to them than the alternatives competing for it.

1

Access

Relationships, installed base, or a route to buyers you cannot reach economically yourself.

2

Capability

Something you would otherwise have to build. Arcadis supplies resilience engineering; Everbridge supplies the platform.

3

Credibility

In a new market, a known local name transfers trust faster than any amount of marketing.

Which market to enter, before deciding who carries you

Six tests, and failing any one usually disqualifies the market

PROBLEM SIMILARITY	Do buyers there have the same problem, or a variant you would have to re-solve?
REACHABILITY	Is there an affordable route to them — or does one have to be built?
WILLINGNESS TO PAY	Does the value translate into a price at local budget levels?
REGULATORY FIT	What must change in the product to be sold there lawfully?
DELIVERY COST	Can you serve it without a disproportionate operational burden?
COMPETITIVE POSITION	Is the local alternative weaker, or entrenched and adequate?

SEQUENCE

Market first, partner second

A partner chosen first will steer you toward the market that suits them, which may not be yours.

THE USUAL FAILURE

Willingness to pay

The same problem at a third of the budget is a different business, not a smaller one.

Five arrangements, five levels of control

The further down this list, the more margin and control you give up

1

Referral

They introduce; you sell and deliver. Lightest commitment, smallest fee, and you keep the relationship.

2

Co-sell

Both sell together into their account. Strong where the buyer already trusts them and the deal is complex.

3

Technology or solution

Capabilities combine into one offering. The Everbridge–Arcadis shape: neither product is complete alone.

4

Reseller or distributor

They sell, invoice and support. Fastest reach, largest margin given away, and you lose sight of the customer.

5

Joint venture

A shared entity. Highest commitment, slowest to form, appropriate where regulation requires local presence.

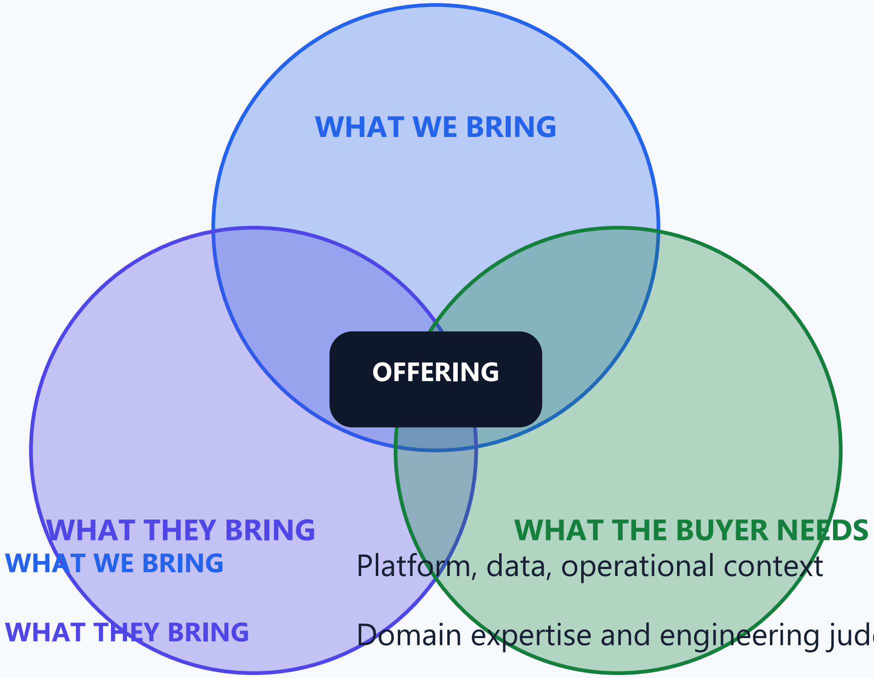
CHOOSING

Start light

Begin with referral or co-sell and deepen once the motion is proven. Reversing a reseller agreement is expensive.

Where a partnership actually creates value

The overlap has to be a genuine gap on both sides



- **WHAT WE BRING** Platform, data, operational context
- **WHAT THEY BRING** Domain expertise and engineering judgement
- **WHAT THE BUYER NEEDS** A decision they can act on

THE TEST

Could either do it alone?

If yes, the partnership is a distribution deal, not a capability one — price it accordingly.

THE CASE

Analysis plus operations

Climate exposure data alone does not tell a facilities manager what to do on Monday. That gap is the offering.

THE RISK

Overlap becomes conflict

Where capabilities overlap, both sides will eventually want the same part of the value.

Designing terms a partner will actually work

You are competing for their attention against everything else they sell

Question	Why it decides the outcome
What does their rep earn on this?	Compared with what else is on their price list. If it pays less, it will not be sold.
How long is their sales cycle for it?	A longer cycle than their core product means it slips to the bottom of the pipeline.
How hard is it to explain?	If it needs your specialist on every call, it is not a channel — it is lead generation.
Who owns the customer relationship?	Ambiguity here surfaces at renewal, when it is most damaging.
What happens at the boundary?	If both sides can reach the same account, agree the rule before the first collision.

THE COMPARISON THAT MATTERS

Partner economics are judged against their alternatives, not against your margin. A fair-looking split that pays their rep less than the incumbent product will simply not be sold.

What has to be agreed before launch

Each of these becomes a dispute if it is settled later

THE AGREEMENT

- Scope: which markets, which segments
- Roles: who sells, delivers, and supports
- Economics: split, invoicing, and renewals
- Decision rights: pricing, escalation, termination
- Review: shared metrics on a fixed cadence

THE STEP THAT KEEPS IT ALIVE

A quarterly review with shared metrics is what distinguishes a live partnership from a signed one. Most partnerships do not fail — they quietly stop.

Trust transfers, but only under conditions

A local partner's reputation is an asset you are borrowing

WHEN IT TRANSFERS

Credibility carries

THE PARTNER IS TRUSTED FOR THIS

Their reputation is in the same domain as the problem you solve.

THEY VISIBLY COMMIT

Named people, joint materials, shared risk — not a logo on a page.

THE OFFERING IS DEFINED

A named product with a workflow, like the Climate Risk Assessment.

WHEN IT DOES NOT

Credibility stays put

ADJACENT REPUTATION

Trusted for something else. Buyers do not transfer trust across domains automatically.

NO VISIBLE COMMITMENT

An announcement with no staffing behind it signals the opposite of confidence.

AN UNDEFINED BUNDLE

"We work together" gives the buyer nothing to evaluate or purchase.

WHAT MADE THIS ONE LEGIBLE

The Everbridge–Arcadis partnership led with a named offering and a defined analytical workflow. That is what a buyer can actually assess.

Three partnerships that produce nothing

All three are signed, announced, and commercially inert

The logo swap

Looks like A press release and a partner page.

Why it fails No named offering, no economics, no staffing — nothing to sell.

Fix Define one joint offering with a price before announcing anything.

Uncompetitive partner economics

Looks like A reasonable margin split nobody uses.

Why it fails Their reps earn more selling something else.

Fix Benchmark against their price list, not against your own margin.

Unresolved channel conflict

Looks like Both sides calling the same account.

Why it fails The customer sees disorganisation and uses it to negotiate.

Fix Agree account boundaries and the tie-break rule up front.

CASE STUDY

Everbridge and Arcadis

Two firms combining complementary capabilities into a single offering neither could deliver alone.

Capabilities combined into one offering

A defined product and workflow, not a logo exchange

WHAT EACH BROUGHT

Complementary, not overlapping

ARCADIS

Adaptation planning and resilience engineering — the specialist analysis.

EVERBRIDGE

Crisis management and risk intelligence — the operational platform.

WHY IT WORKS

Neither capability alone turns climate exposure data into an operational decision.

WHAT THEY BUILT

One defined offering

THE PRODUCT

A Climate Risk Assessment integrating multi-hazard climate data with asset and operational context.

THE SCOPE

Three vulnerability domains: facilities, supply chains and operations.

THE WORKFLOW

Identify risk hotspots, quantify impacts, evaluate scenarios and prioritise adaptation actions.

READING THE CASE

A partnership expands a service when it connects expertise, data and operational decisions. It starts from a defined customer problem and a clear analytical workflow — not from a logo exchange.

Partnership announced 1 September 2026; drawn from the session case pack.

APPLICATION

Bringing the theory to Northstar Habitat

One market, one partner, terms written down

Step	What you decide	Northstar example
Select the market	Six tests, one market.	Coastal municipalities in one region — same problem, different budget cycle.
Name the gap	What you genuinely lack there.	No local engineering credibility and no procurement relationships.
Choose the type	Lightest that closes the gap.	Co-sell with a regional engineering firm; reseller deferred.
Define one offering	A named product with a workflow and a price.	A two-stage coastal resilience assessment, fixed fee.
Set the economics	Benchmarked against their alternatives.	30% of fee plus delivery hours at their standard rate.
Agree governance	Boundaries, escalation, review cadence.	Named accounts each; monthly pipeline review; twelve-month term.

WHAT COMES NEXT

Session 3.3 assembles everything in this course into one operating model.

SUMMARY

What to carry out of this session

1. **Choose the market before the partner.**
   A partner chosen first will steer you toward the market that suits them.
2. **Start with the lightest arrangement that works.**
   Referral and co-sell are reversible; reseller and joint venture are not.
3. **Test complementarity honestly.**
   If either side could deliver alone, it is a distribution deal, not a capability one.
4. **Benchmark partner economics against their price list.**
   They are comparing your product with everything else they could sell that hour.
5. **Lead with a defined offering.**
   “We work together” gives a buyer nothing to evaluate.

FURTHER READING

Sources for this session

Primary references behind each concept

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