

# Balance Sheet

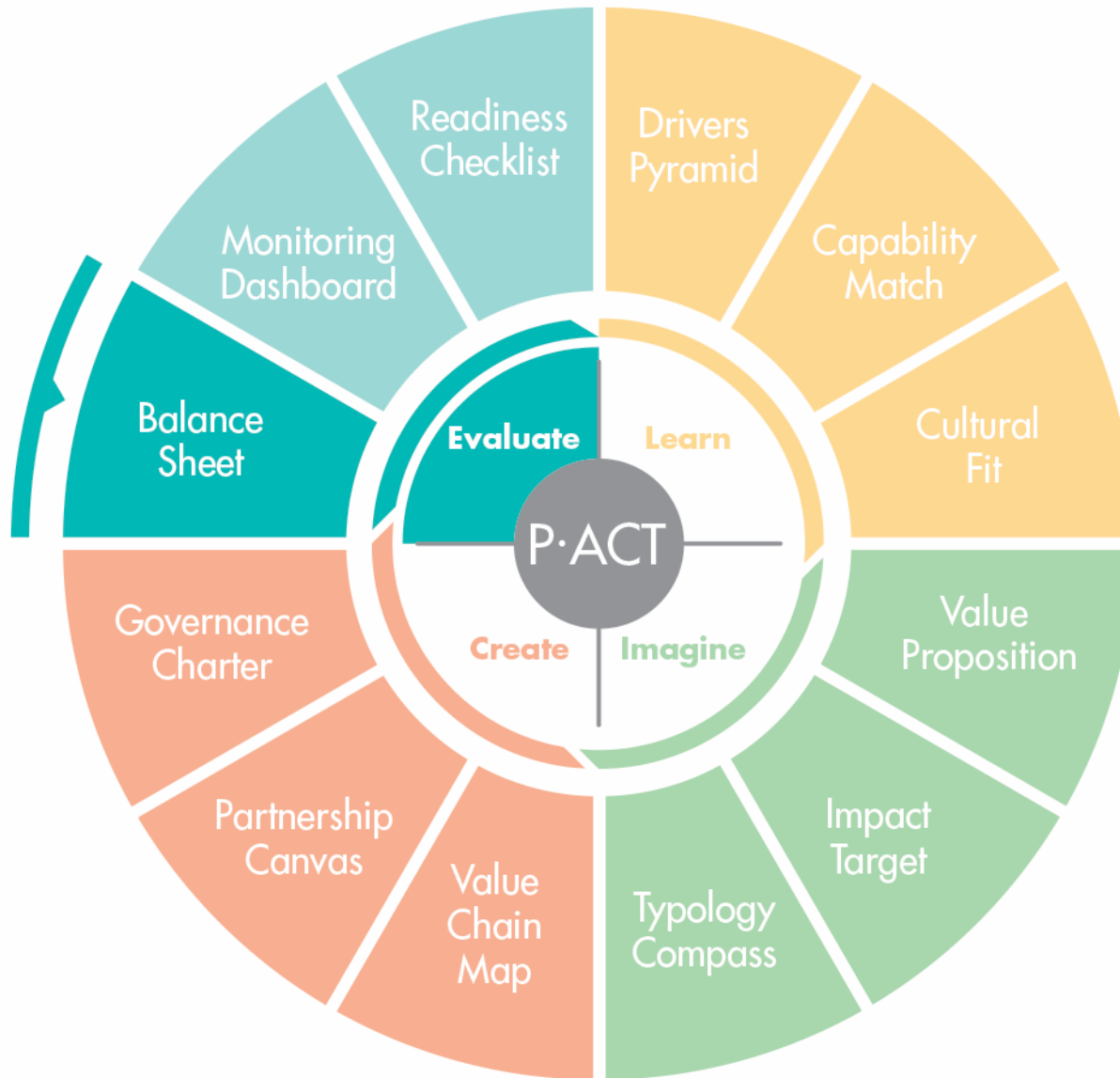
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***How much value and cost will we capture/incur?***

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**How much value and cost will we capture / incur?**



**Pre-requisite tools:**  
- Value Chain Map  
- Partnership Canvas

**Next tools:**  
- Partnership Dashboard

# Balance Sheet

## How much value and cost will we capture / incur?

Partnerships generate value but they also engender additional costs. A key to partnership success is for all partners to be satisfied with their return on investment, and feel that the distribution of value and costs is relatively balanced amongst all. This tool enables partners to assess the value they capture from the partnership versus the costs they incur, and to discuss openly the distribution of value and costs amongst them.

Balance Sheet [Mural template](#)



## Why should we use it?

To evaluate and compare the return from the partnership to each partner.



## What will we accomplish?

Gain clarity on the value and costs of the partnership to each partner

Identify areas for negotiation or improvement

Build our confidence in the return on investment from the partnership

## Step-By-Step

### Step 1

Define value and cost elements



### Step 2

Compare value versus cost



### Step 3

Discuss value & costs distribution

## Step 1:

# Evaluate value and cost elements

**1.1** The tool suggests a framework to evaluate value and costs in six areas. For each area, work individually to identify the VALUE and COST elements that are most relevant to your organization.

- **Customer:** What will be the value and cost to our customers?
- **Market:** What market access or advantage will we gain or lose?
- **Financial:** What financial gains or expenditures will we make?
- **Capacity:** What gains or losses will we see in our organizational capacity?
- **Relational:** What gains or risks will it bring to our existing or future relationships?
- **Social Impact:** What changes will we observe in our social impact?

**1.2** For each element, fill in individually the spreadsheet with:

**WHAT?** Describe concretely the value / cost expected from the partnership in this area

**HOW MUCH?** Input whenever possible, the amount of value / cost expected to gain from this partnership.

**HOW CRITICAL?** Assess how critical this value or cost is to your organization?

**HOW LIKELY?** Assess how likely it is for this value or cost to materialize?

## Value

Customer 

Market 

Capacity 

Social Impact 

## Cost

Relational 

Financial 










## Step 2:

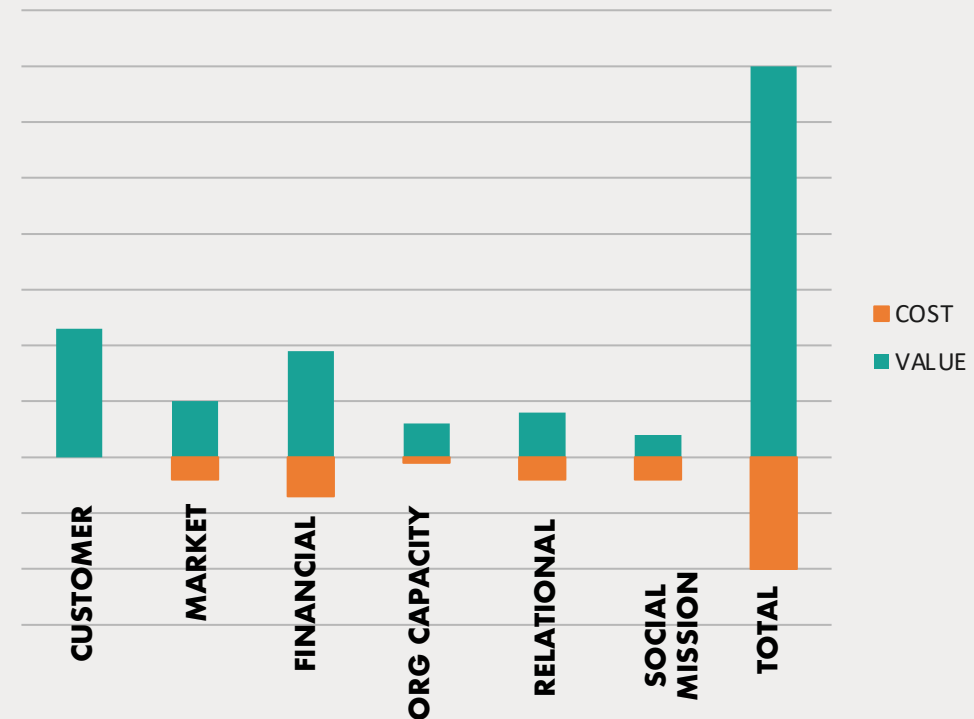
# Compare value versus cost

**2.1** Examine individually your **Value versus Cost chart** and reflect on the following questions:

-  Where does most of the value come from? Where does most of the cost come from?
-  Are certain elements of value of cost of different temporal nature (short, medium, long term)?
-  Does the value outweigh the cost for your organization?
-  What value element could your organization eventually achieve alone?
-  Does the incremental value still justify the cost?

Record your answers and observations.

Example: This is a partnership between tech start-up [ClinicPesa](#) that provides an mobile based saving and credit platform for medical expenses, with two partners: a national Telecom provider in Uganda (**PARTNER 1**) and a national commercial bank (**PARTNER 2**)



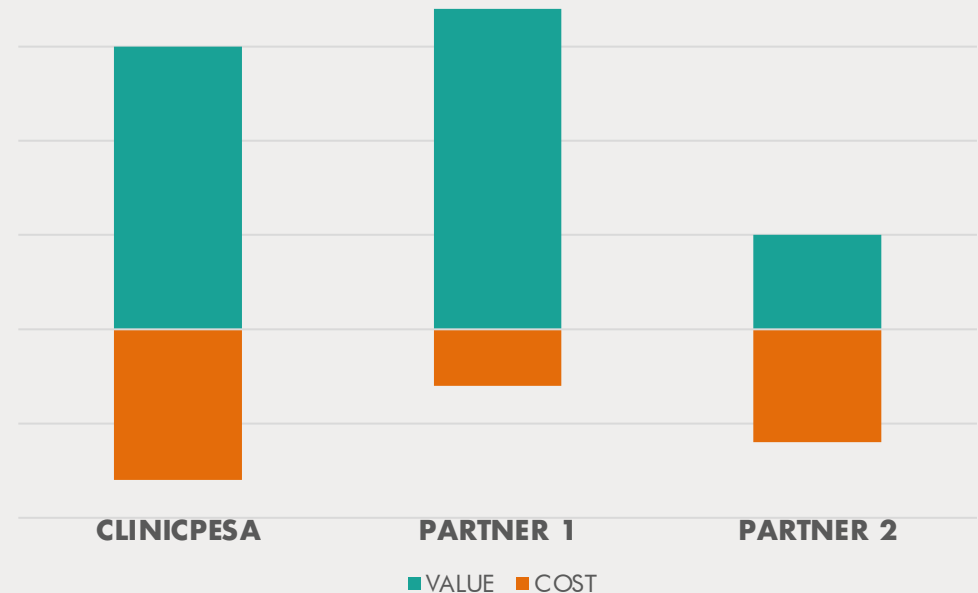
## Step 3:

## Discuss value and costs distribution

- 3.1** Share your chart with your partners and explain your observations.
- 3.2** Together, review the comparison chart and reflect on the following questions
- ❓ What are the key elements of Value and Cost for each partner?
  - ❓ Does the Value outweigh the Cost for each partner?
  - ❓ How evenly balanced is the distribution of Value and Costs across the partners? Are there opportunities to improve on that?
  - ❓ Are there opportunities to work together on increasing value or reducing costs for any of the partners?

Record your answers and observations.

Example: This is a partnership between tech start-up [ClinicPesa](#) that provides an mobile based saving and credit platform for medical expenses, with two partners: a national Telecom provider in Uganda (**PARTNER 1**) and a national commercial bank (**PARTNER 2**)



# Facilitation Notes

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## Step 1 *Individual brainstorming*

- If you can, explain and share the spreadsheet with the partners to fill in the information individually in advance of the workshop.
- At the beginning of the workshop take a few minutes to review the definition of each component of the framework and ensure that all partners have the same understanding.

## Step 2 *Individual self- assessment*

- Remind partners that the tool uses a qualitative measurement of VALUE and COST. It is most useful for comparative purposes and not to be used for absolute measurement of value and costs.

## Step 3 *Collective reflection*

- If the partners filled in the same spreadsheet, the tool can automatically compute and chart a comparative chart for the partners. Alternatively you can place their charts side by side and compare them.
- Before closing, make sure that any agreed upon decisions or actions are recorded and shared amongst all partners.