Balance Sheet

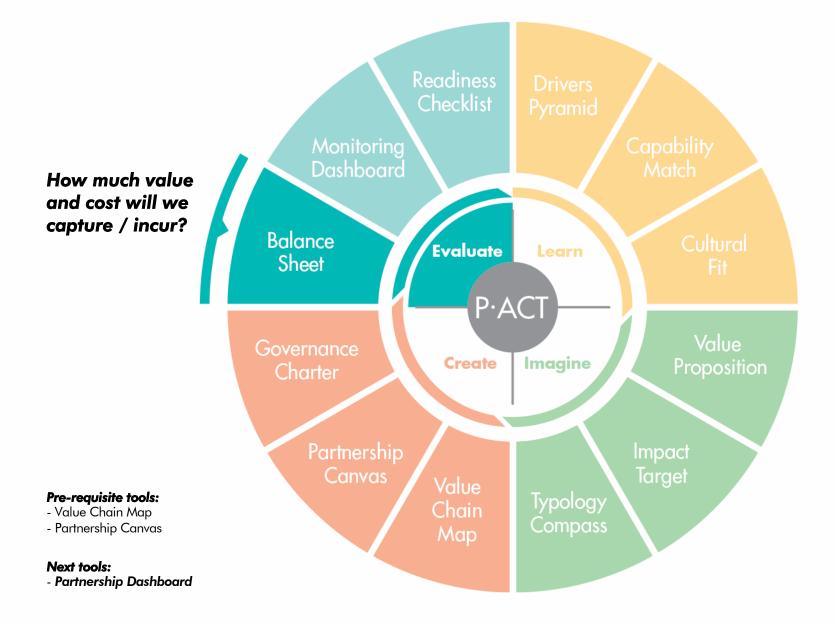
How much value and cost will we capture/incur?











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.

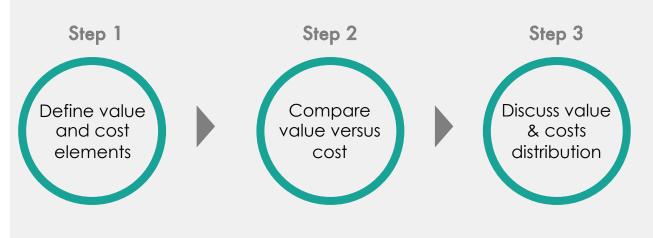
What will we accomplish?

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:

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?

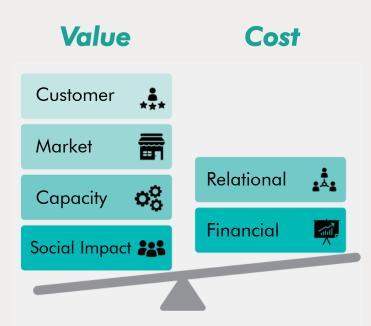
1.2 For each element, fill in individually the spreadsheet with:

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?



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Worksheet 1:



Click on the link to access the <u>spreadsheet</u>:

VALUE					COST						
Elements	42	What Value? How Much?	How Critical?	How Likely?		-25	What Cost ?	How Much?	How Critical?	How Likely?	
		CUSTOMER VALUE					CUSTON	IER COST			
Quality	0				Price	0					
Service					Service						
Affordability	0				Accessibility						
Other:	0				Other:						
Other: income		better price for p20%	2	3	Other:						
Other:	0				Other:	0					
MARKET VALUE							MARK	ET COST			
Access to market	- 4	access to export 2-3 contracts	2	2	Exclusivity						
Market reliability		access to longer supply of produce	3	3	Geographic constraints						
Market compliance		eligibility for export sales	2	3	Regulatory constraints						
Other:	0				Other:						
Other:					Other:						
Other:	0				Other:	0					
		FINANCIAL VALUE						IAL COST			
Increased revenues	6	increase in rever 30% in commissi	2	3	Staff time	-3	Peter time to init			з	
Cost saving						-6	training manager		2	3	
Access to finance	0				Physical assets		Use of part of the	1000 sq feet	1	3	
Other:	Q				Monetary expenses						
Other:	0				Other:						
Other:	0				Other:	0					
	ORG. CAPACITY VALUE					ORG CAPACITY COST					
Gain of focus	0				Loss of focus						
Access to knowledge	0				Process disruption		amendment to la	ind lease	1	3	
Access to human resources	0				IP exposure	0					
Access to infrastructure	0				Interdependence	-6	depend on cold s	torage performa	ı 3	2	
Other:	0				Other:						
Other:	Ö				Other:						
Other:	0				Other:	0					
		RELATIONAL VALUE						NAL COST			
Access to strategic connections	2	access to export traders network	2	1	Damage to relationships		relationship to fa		2	1	
Enhanced organisational image							relationship to la	ndlord	2	1	
Credibility	0				Damage to reputation						
Other:	Ò				Other:						
Other:	0				Other:						
Other:	Ö				Other:	0					
		SOCIAL MISSION VALUE			Part and the second		SOCIAL MI	SSION COST			
Enhanced impact	6	increase revenu∈30%	2	3	Reduced Impact						
Complementary impact	3	generate employ 1 staff full time	1	3	Mission drift						
Other:	Q				Other:						
Other:	0				Other:						
Other: Other:	Ö				Other:						
	0				Other:						

Compare value versus cost

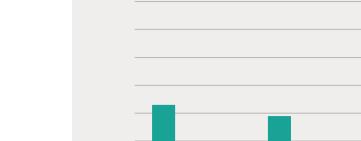
Example: This is a partnership between tech start-up ClinicPesa that provides an mobile based saving and credit platform for medical expenses, with two partners: a national Telecom provider in Uganda (PARTNER 1) and a national commercial bank (PARTNER 2)

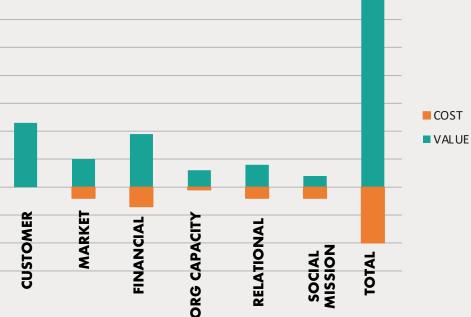
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- 2.1 Examine individually your Value versus Cost chart and reflect on the following questions:
 - Where does most of the value come from? ? Where does most of the cost come from?
 - Are certain elements of value of cost of ? different temporal nature (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.





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 <u>ClinicPesa</u> 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

Step 1 Individual brainstorming

Step 2 Individual selfassessment

Step 3 Collective reflection

- 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.
- 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.
- 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.