

Chapter Eleven – Excerpt

Chapter 11 – The Brazil Nut Effect

Leverage Through Strategic Relationships

“Alone we can do so little; together we can do so much.” Helen Keller

"If you do not seek out allies and helpers, then you will be isolated and weak."

Sun Tzu, "The Art of War"

"...companies should expand beyond their existing resources through licensing arrangements, strategic alliances, and supplier relationships."

Business Week

"Alliances have become an integral part of contemporary strategic thinking."

Fortune Magazine

Back on Barro Colorado Island in the Panama Canal, Dr. Fortunato pointed out a particularly attractive but subtly colored bird flying through the forest. She explained that certain bird species fly through the forest in search of a parade. They are looking for army ants marching through the forest. The reason they look for the ants is not so they can eat them. They leave that up to other

predators. They follow them to their destination because many times the ants are attacking a nest of termites or other insect that takes flight to escape the army ants. Millions of army ants on the move create some movement in the forest as everything wants to get out of the way. During the ensuing chaos, the fleeing insects become prey to a variety of birds loosely categorized as “army-ant-following birds.”

Opportunistic Relationships

As Dr. Fortunato pointed out, they epitomize what is known as an Opportunistic Relationship. The birds don't create the opportunity but they do take advantage of it. By definition, one party benefits without it being an expense to the other. So the bird benefits and the army ant isn't harmed. (No mention of the fleeing insect, but I'm not a big fan of insects anyway.) As it turns out, there are three main categories of these army-ant-following birds. The first is quite casual only following army ants that happen to be foraging in their territory. The second group is serious, more advanced and knows a good thing when they see it, so they follow the army ant swarms outside their territory. If it turns out that the ants aren't foraging when the bird is hungry, they will find their own food through another means. Then lastly, there are a group of birds, professional army-ant followers as they are known, that are completely reliant on the army ants for food.

In my view, opportunistic relationships are the lowest value relationship in the rainforest that are still considered positive ones. It's one species relying on another for good fortune. Opportunistic relationships happen more by chance than by planning, though you can position yourself to capture opportunity when it comes, (cash, liquidity, personnel, etc). With opportunistic relationships you are dependent upon circumstances beyond your control, so it's harder to build your business on them, but not impossible. Keep your eyes open for them but don't depend on them.