

EDGE SUMMARY OF THEMES

Strategic partnerships as a lever for growth

September 2026



Strategic partnerships are an important source of speed, market access, risk sharing, and capital efficiency for high-growth companies that cannot build every capability themselves. Boards must balance the opportunities these relationships create against the dependencies and risks they can introduce.

On 9 September 2026, members of European Directors of Growth Enterprises (EDGE) met virtually to discuss how boards are approaching strategic partnerships.¹

For a list of meeting participants, see Appendix 1 (page 7).

This *Summary of Themes*² highlights key themes that emerged in the discussion:

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Defining partnership: why the distinction matters

Participants pushed back on the terminology. *"It's a blurred line between a commercial relationship and a partnership,"* one director observed, warning of *"inflation of use of the term partnership for a lot of relationships that are not. They are simple commercial relationships."* The distinction is more than semantic: how a relationship impacts the strategy determines how closely the board should watch it, what protections it requires, and how easily it can be modified or replaced.

Participants identified several markers that separate genuine partnerships from ordinary commercial arrangements:

- **Shared interests beyond price define a true partnership.** The strongest alliances create value in multiple dimensions—supply certainty, risk sharing, sustainability. One director described working with an equipment supplier not only on cost and delivery but on refurbishing and extending the life of machines, so both sides benefit. *"It's not only about contracts and what you pay; it's also about whether you entertain good relationships,"* a participant said.
- **Industry context shapes the model.** In capital-intensive biotech, partnerships enable billion-dollar facility investments; in media, decade-long content and distribution contracts function as partnerships; in regulated financial services, outsourcing arrangements become critical partnerships precisely because accountability cannot be transferred. And for some, the question is existential: *"If you are in B2B distribution and IT services, partnership is actually your core business,"* a director noted.
- **Asymmetry undermines the premise.** When one side is a global technology giant, the relationship is rarely a partnership on equal footing. A director observed that regulators in financial services make it *"super clear that you remain accountable"* for a supplier's delivery—yet governing a dominant provider is, in practice, impossible.
- **Buying technology is usually not partnering.** On AI tools in particular, one director was blunt: *"It's not a strategic partnership, period. From my perspective, it is you buying services and you try to protect your own data, period."*

Build, buy, or partner is a strategic choice

The clearest pattern across the discussions was that disciplined partnering starts with strategy, not opportunity. When a company has defined its direction and identified its capability gaps upstream, a participant explained, proposals arrive at the board with *"a limited amount of surprises"* because the choice of acquisition, partnership, or internal build has already been framed by the strategy. Done well, partnering lets smaller companies extend their capabilities: *"If you are small and have good partners, you can act big,"* one director said. Several drivers and disciplines recur in the build-buy-partner decision:

- **Capital is the dominant driver.** Where a single manufacturing facility can cost \$1 billion for a product that may never reach market, sharing capital and risk with a partner is often the only rational path. In pre-profit sectors, the calculus is explicit: *"Is it better to get non-dilutive capital through a partnership, or is it better to have somebody else take on the risk in return for giving up some upside?"* a director

asked.

- **Staged entry de-risks new markets.** Rather than entering unfamiliar geographies alone, several companies work through local partners and minority stakes. *"In some cases, a minority stake transforms into taking control when trust is established with relevant stakeholders. In other cases, it stays like this. And in other cases, actually, we retreat after a while,"* a director explained. This approach allows companies to test opportunities while limiting the capital at risk.
- **Own the core; partner the rest.** Companies that build successful partnerships are clear about which capabilities must remain in-house, including their business model, core data, and intellectual property. *"We own every decision we make,"* one director said of working with advisers. Another emphasized, *"You always protect your core IP, and you show only what you want that partner to see."*
- **The boundaries between partnering and ownership can shift.** Relationships that begin as partnerships may evolve as a capability becomes increasingly central to a company's strategy. One director described acquiring a long-time partner after concluding the capability had become too important to remain outside the organization: *"It started off with a nice strategic partnership. And at a certain moment, we said, this is so vital for the model. We need to buy the whole thing."* Ownership boundaries should be revisited periodically, as capabilities that are outsourced at one stage of growth may warrant greater internal control as strategic priorities evolve, technologies mature, and economics change.

Durable partnerships rest on win-win economics, clear ownership, and trust

Partnerships endure when both parties continue to benefit from the relationship. Their success depends on clear ownership within management, trust built over time, and a sustained alignment of interests. As one director put it, *"The importance is that there should be a win-win on both sides."* Participants highlighted several conditions for durability, and the ways each can fail:

- **Win-win is the fundamental test.** Participants cautioned against viewing favorable commercial terms as a sign of a successful partnership. One director recalled negotiating an attractive agreement with a much larger supplier, only to see service levels deteriorate after implementation: *"The bigger company realized there was nothing in it for them, and they just basically degraded the service to the extent where we were faced with having to offer to pay them more to get an appropriate level of service."*
- **Every key partnership needs clear ownership.** Participants stressed that important partnerships require a senior leader who is accountable for the relationship's success. As one director observed, *"It has to be something that somebody owns in the company."* Several companies have formal alliance-management functions, with responsibility assigned at a level that reflects the strategic importance of the partner. Without clear ownership, even valuable partnerships can lose focus and momentum.
- **Personal relationships create both strength and vulnerability.** Strong chemistry between

executives builds trust, but it concentrates risk. *"If you see a switch of executive at the top of your strategic partner, that could derail tremendously how you work together,"* one director warned.

Another participant noted that these risks are often difficult for boards to detect: *"If something wrong happened in a bilateral relationship between two individuals, it's hard for the board to identify that."*

The challenge is to ensure that partnerships are embedded in the organization rather than dependent on individual relationships. Boards should regularly consider how the partnership would fare if a key leader on either side were to depart.

- **Contracts provide a framework, not a guarantee.** One participant likened partnership agreements to *"a bit of a wedding and you're asking your partner for a prenup. It's a bit awkward but as a board, it's your duty to care for this company."* Agreements should define a beginning, an end, success criteria, and exit rights. Contracts often matter most when a relationship comes under strain. As one participant noted, *"You never use these contracts until the day you have a problem with the company."* Even then, directors expect long-term deals to evolve: *"Contracts are there to provide a frame, but they're also there to be renegotiated if things are not going in the proper direction."*

Every partnership is a potential dependency

The same relationships that fuel growth can become strategic vulnerabilities. Geopolitical fragmentation and challenges to supply chains have changed the stakes: *"Scarcity of material, scarcity of labor, and concentration of knowledge or concentration of manufacturing is a fact, but also is currently a weapon."*

Therefore we need to think very carefully about vertical and horizontal dependencies," one director said.

Mapping and stress-testing dependencies have therefore become central to partnership oversight.

Participants pointed to several sources of dependency risk and the responses they expect from management:

- **Scarcity and geopolitics are accelerants.** Participants noted that limited diversity across the supplier base can quickly become a source of vulnerability during periods of geopolitical disruption. One director cited the loss of a major aluminum supplier during the war in Ukraine as an example of how quickly dependencies can become business risks. Companies with diversified supplier relationships were better positioned to adapt.
- **Limited choice among dominant providers leaves little recourse.** For critical software and cloud services, realistic alternatives are limited and regulatory assurances hard to obtain. Directors were candid that some exposures simply cannot be engineered away: *"There are risks you cannot avoid, and risks you have to take."* Another added, *"without risk you don't make any money."*
- **Partners can change in ways that alter the relationship.** A partner being acquired, changing strategy, or weakening financially can strip away a critical capability rapidly. *"It grows very fast and then it gets bought by somebody else. And then the relationship is gone,"* one director said of a niche software provider, arguing that partners' financial health and ownership must be continuously monitored.
- **Contingency planning is now core oversight.** Directors described challenging management to

consider how the business would respond if a key supplier's home market is cut off, or a border closes. *"Do we have a plan B? You need a plan B and even maybe a plan C in certain cases,"* one said, framing dependency management as an expanded form of business continuity planning built on multiple sourcing.

- **Knowledge transfer can create future competitors.** Participants discussed the risks that arise when companies share expertise with partners in pursuit of growth opportunities. One director warned that some counterparties may enter partnerships primarily to gain access to knowledge that can later be replicated internally: *"doing partnership from their side just to get your technology, your knowledge, and then get rid of you at the later stage."*

The board's role: probing dependencies without owning relationships

Partnerships belong to the organization but the responsibility of monitoring and managing partnerships belongs to the management. The directors were clear that the board's leverage comes from asking disciplined questions rather than crossing the line. Effective oversight begins with a clear understanding of how the business creates value and where it depends on external parties. As one director noted, boards must *"understand the business model, the key trigger events underneath it and the dependencies."* That understanding enables directors to evaluate whether a partnership is strengthening the business, creating hidden vulnerabilities, or altering the balance of risk and reward. The discussion highlighted several ways boards translate that perspective into effective oversight:

- **Interrogate value creation and the end game.** Boards should press management on what success looks like and what the counterpart wants: *"We try to understand what success would look like, what are the intents of the other party, what are they trying to achieve with us,"* a director explained. The sharper test is whether the company adds anything: *"Are we creating value, or are we just another sort of owner, and it will just be on our balance sheet but will not make any difference?"*
- **Check reputation as well as economics.** A strategically perfect partner can still be the wrong one. Boards should therefore look beyond economics and consider whether a partner's track record, practices, or conduct could affect the company's standing with shareholders, customers, regulators, or other stakeholders.
- **Build the portfolio into the board's rhythm.** One director noted that their board regularly reviews the portfolio of partnerships: *"It's a sitting agenda point every board meeting."* Audit committees, in particular, should seek assurance around reciprocal transactions between partners that *"might look to some like an easy way to boost some revenues"* through arrangements that can be difficult to evaluate. Some companies also establish formal review points within partnerships themselves, creating opportunities to reassess whether the relationship continues to support the company's objectives.
- **Challenge assumptions.** Some participants stressed that the board's role is to test management's judgments, not to second-guess operational decisions. *"You're not micromanaging every decision"*

management is making," as one put it. Depersonalized ‘what-if’ questions—what happens to this alliance if the partner’s CEO leaves—let boards surface vulnerabilities while respecting that the relationships, ultimately, are management’s to run.

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Appendix 1: Participants

The following members participated in all or part of the meeting:

Pierre-Ignace Bernard, Canal Plus
Nadja Borisova, BlaBlaCar and Pomegranate Investment
Eric Drapé, Lonza
Tracy Dunley-Owen, Allica Bank
Carin Gorter, Basic-Fit
Christoph Hütten, Brockhaus Technologies
Sandip Kapadia, Molecular Partners and Passage Bio
Sandra Stegmann, Bechtle

EY was represented by the following in all or part of the meeting:

Ombretta Cabrio, Director, Global Assurance
Hildur Eir Jónsdóttir, Deputy Assurance Managing Partner, Europe West
François Langlois, Partner, Global Markets Leader, Assurance Advisory & Forensics and Integrity Services

Tapestry Networks was represented by the following in all or part of the meeting:

Jonathan Day, Chief Executive
Laura Koski, Project and Event Manager
Tiffany Luehrs, Senior Associate
Jo Rhoden, Executive Director
Todd Schwartz, Executive Director

Endnotes

¹ **Use of Artificial Intelligence:** Portions of this document may have been prepared with the assistance of artificial intelligence tools. All content has been reviewed and approved by Tapestry Networks.

² *Summary of Themes* reflects the network's use of a modified version of the Chatham House Rule whereby names of members and their company affiliations are a matter of public record, but comments are not attributed to individuals or corporations. Quotations in italics are drawn directly from members and guests in connection with the meeting but may be edited for clarity.