

Tools for SMALL Businesses

Level 1 Question 10: How autonomous do we want our affiliates to be and what are the key elements of the affiliate??

Title	Affiliate checklist
Why	Establishing new affiliates is a big step for a growing business. Now the company is becoming truly international. The challenges around the affiliate are many though. What level of autonomy do they need, where is the best location. Can we hire local management or should we send some of our own senior people etc. These decision needs to be taken before you engage in the new venture as it can dramatically reduce issues later on.
What	The affiliate checklist essentially does two things. It determines the roles between the mother-company (or corporate) and the affiliate. Who has the authority to make which decisions etc.
How	<p>First list all core process in your current organization (you can use material from earlier work)</p> <p>List of roles and responsibilities:</p> <ol style="list-style-type: none">1. List all current processes2. Make a column for Corporate and one for affiliate3. Describe for each process, who has the responsibility and what activities are done centrally and which ones are done in the affiliate. <p>Next you should build an affiliate business plan</p> <ul style="list-style-type: none">• Use the checklist in the template section below, to answer key questions within both strategy and operating model for the new affiliate.
Examples	
Template	See Templates on next pages:

Affiliate key questions

	Key Questions	Outcome
1	What is the purpose and what defines the business and scope of work?	
2	What is the vision?	
3	What are the sources of growth?	
4	What customer needs do we want to address?	
5	What are the critical capabilities?	
6	What are the key decisions?	
7	What are the cost and profitability targets?	
8	What are the strengths, weaknesses, opportunities and threats?	
9	Where are strategic decisions taken? Who can make decisions?	
10	How do people work together across functions?	
11	What are the key functions and split between Corporate and affiliate	
12	What are the key processes?	
13	What is the ownership of P/L?	
14	Does the location have the right logistical fit?	
15	What are the key metrics?	
16	What is the roadmap?	
17	What are the key deliverables?	
18	What resources are required?	
19	What is the budget?	
20	What are the risks and how are they mitigated?	