

Seven Habits of Highly Effective Alliance Professionals

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Netcast Webinar

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The Rhythm of Business 

OBJECTIVES

- Call out the paradox facing alliance professionals as we try to emerge from the pandemic amidst great uncertainty
- Present seven habits that address the paradox
- Take a deep dive on four that are universal regardless of industry



We're Eager for Normalcy



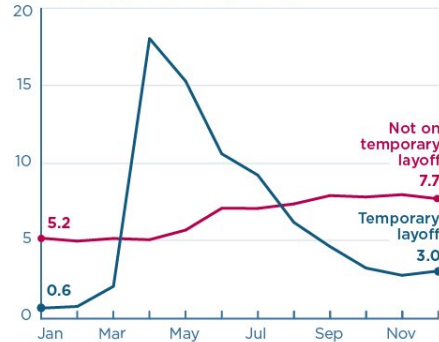
Amidst Great Uncertainty About the Path Forward

2020 was a painful year for the US labor market

a. Alternative measures of 2020 unemployment rate



b. Number of unemployed in 2020 by temporary layoff status, millions



c. Number of unemployed in 2020 by duration of unemployment, millions



#PIIECharts

Learn more at piie.com/research/piie-charts



Note: Realistic unemployment rate refers to the adjusted unemployment rate for the unusual circumstances of a pandemic labor market. Full recall unemployment rate is the unemployment rate if all workers on temporary layoff (above February 2020 level) were immediately recalled to work and labor force participation increased in an amount consistent with the reduction in unemployment.

Sources: Bureau of Labor Statistics; Macrobond; calculations by Jason Furman and Wilson Powell III.

“What began as a health crisis is creating your classic balance sheet problems...the longer this goes on, the more strain on balance sheets of individuals, households, of firms, of countries.”

--Carmen Reinhart, chief economist, World Bank

“The cumulative loss in output relative to the pre-pandemic projected path is projected to grow from \$11 trillion over 2020–21 to \$28 trillion over 2020–25.”

--World Economic Outlook, IMF, October 2020

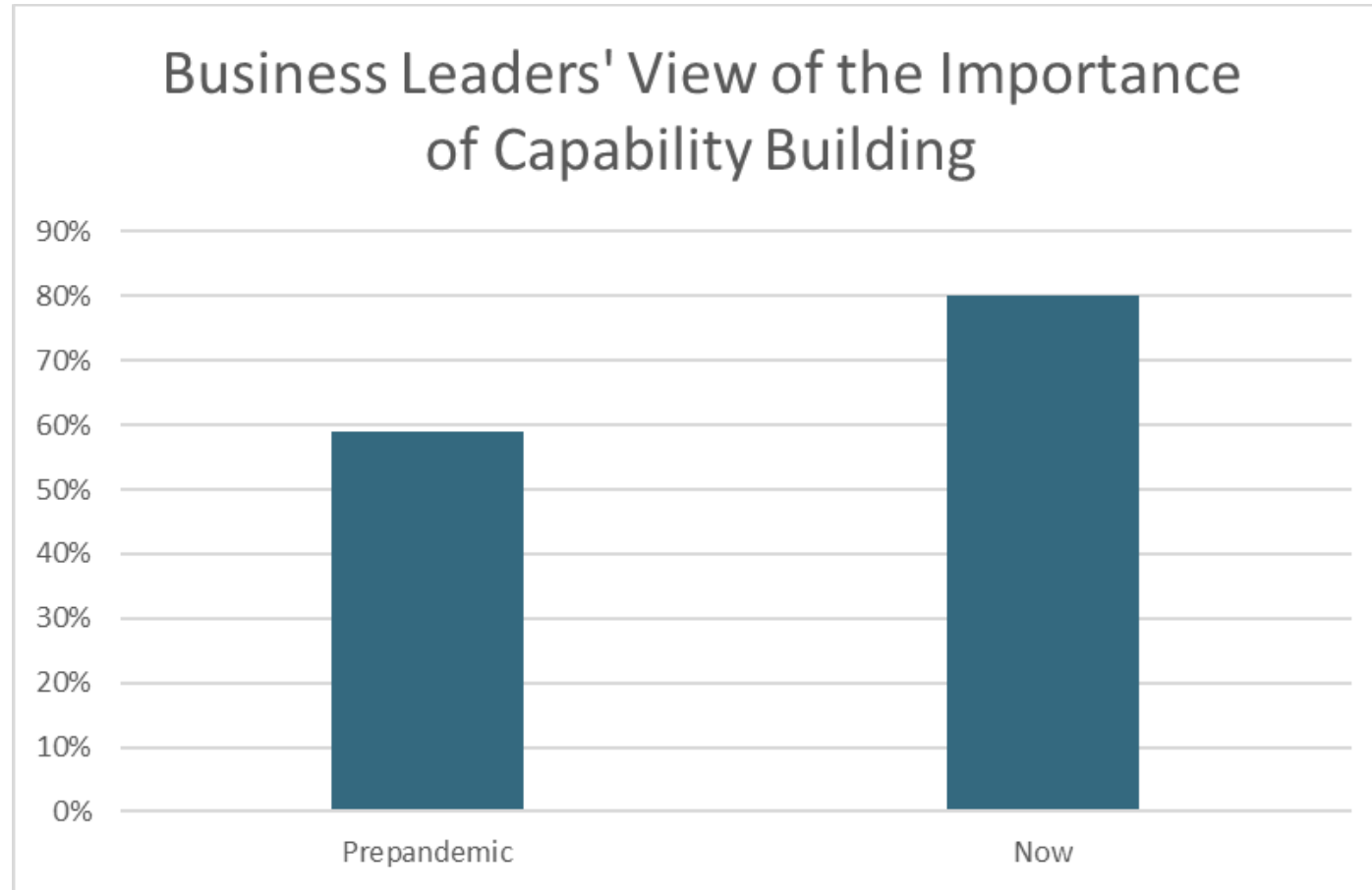
The Pandemic Has Reinforced the Importance of Partnership



"Partnership is really critical. So, lean in with us. We're fully committed to making a significant difference against COVID-19 and we know we can't do it alone. We need partnerships."

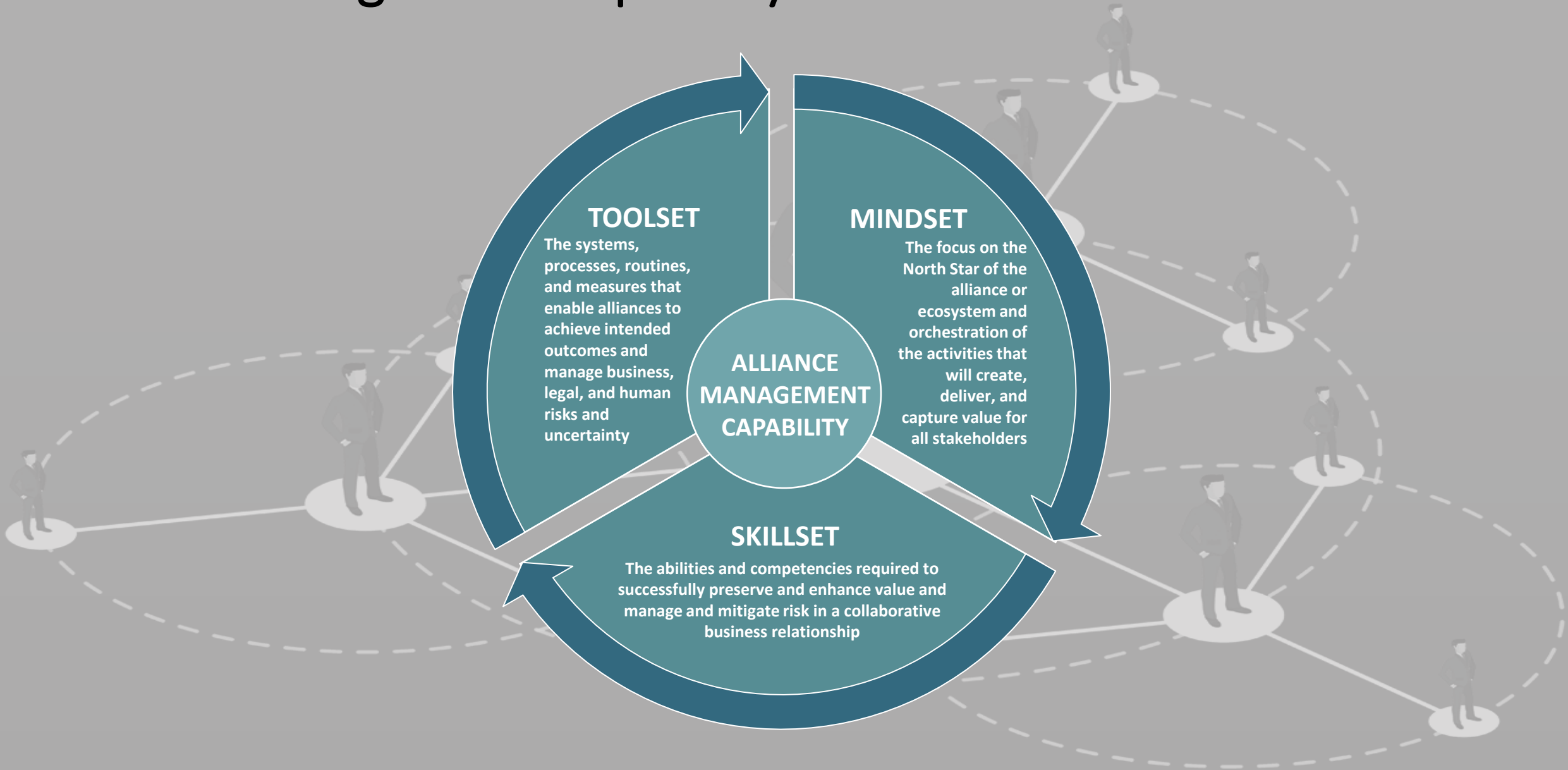
--Alexander Hardy, CEO Genentech

Capability Building Essential for the Next Normal



Source: 2020 McKinsey survey of 1240 business leaders worldwide

Alliance Management Capability is Essential for the Next Normal



Paradox: The Value of an Alliance Management Function is Being Questioned...Again

Why? Budget pressure, sure, but what else?



**Workloads
Lead to
Reactiveness**



**New Types of
Partnerships Not
“Managed”**



**Lack of Visibility
into Work of
Alliance Managers**



Managing the Cost of Time

The true value of alliance management: preventing the inherent inefficiencies of partnering and alliances from eroding and overtaking the increased value from partnering

Seven Habits to Adopt to Deliver Value

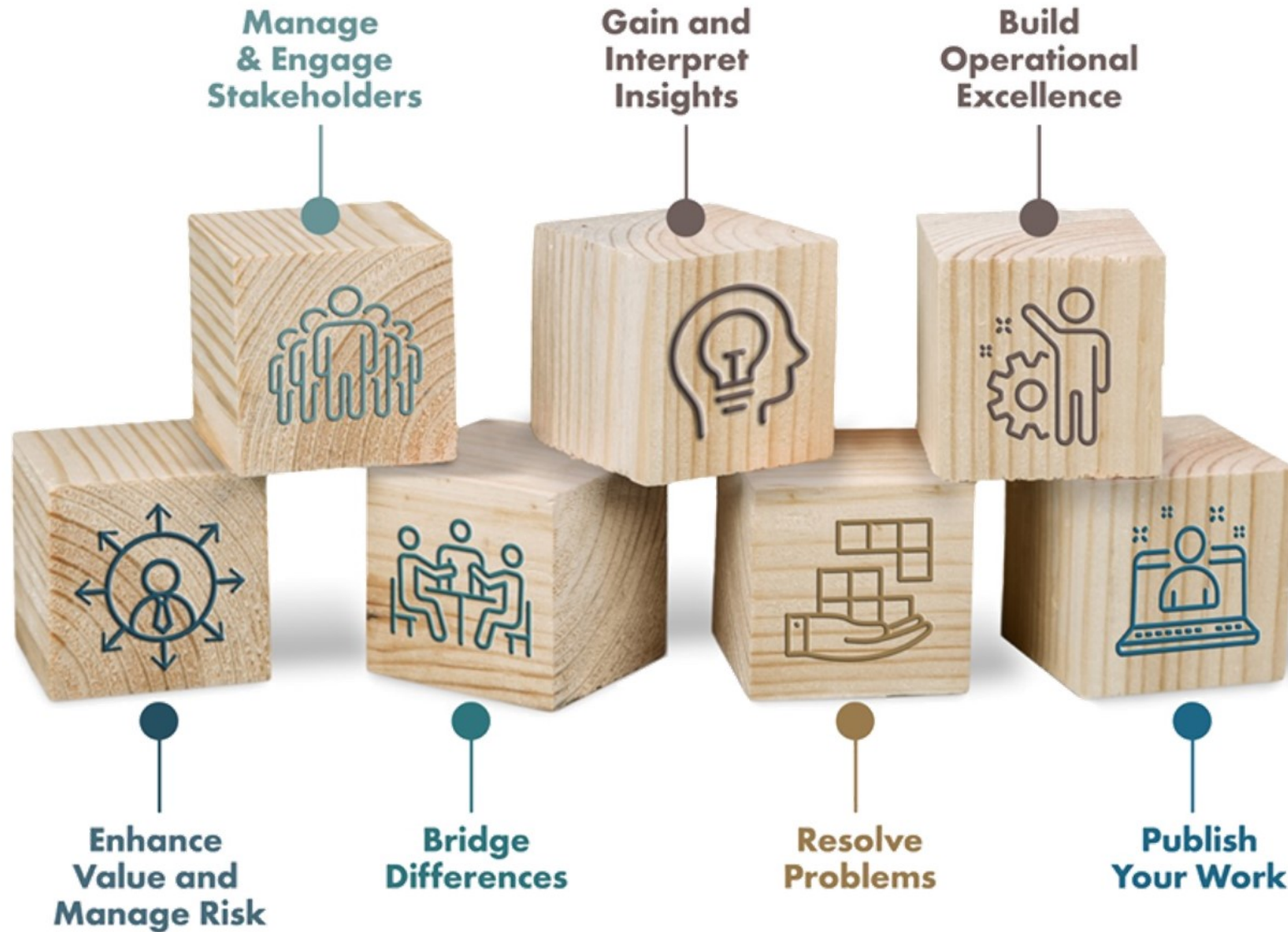
SUCCESS

HABITS

Habits are internalized behaviors that we engage in without really thinking about them. It takes practice to develop that muscle memory



The Seven Habits





PRESERVE AND ENHANCE VALUE

Create and recognize opportunities, capture new intellectual property, look for ways to improve cost structures for all, monitor obligations and restrictions

IDENTIFY, MANAGE, MITIGATE RISK

Understand motivations and their implications, plan decisions to avoid delays, conduct scenario planning for possible outcomes



**MANAGE & ENGAGE
STAKEHOLDERS**

Rally people and their resources to the purpose of the alliance by demonstrating what is in it for them. Help them embrace collaborative behaviors and manage the cost of time

Effective alliances operate with a one-team mentality. Appreciate the effects of strategy, culture, organization structure, business models, processes, and competitive issues on the alliance and its ecosystem



**BRIDGE
DIFFERENCES**





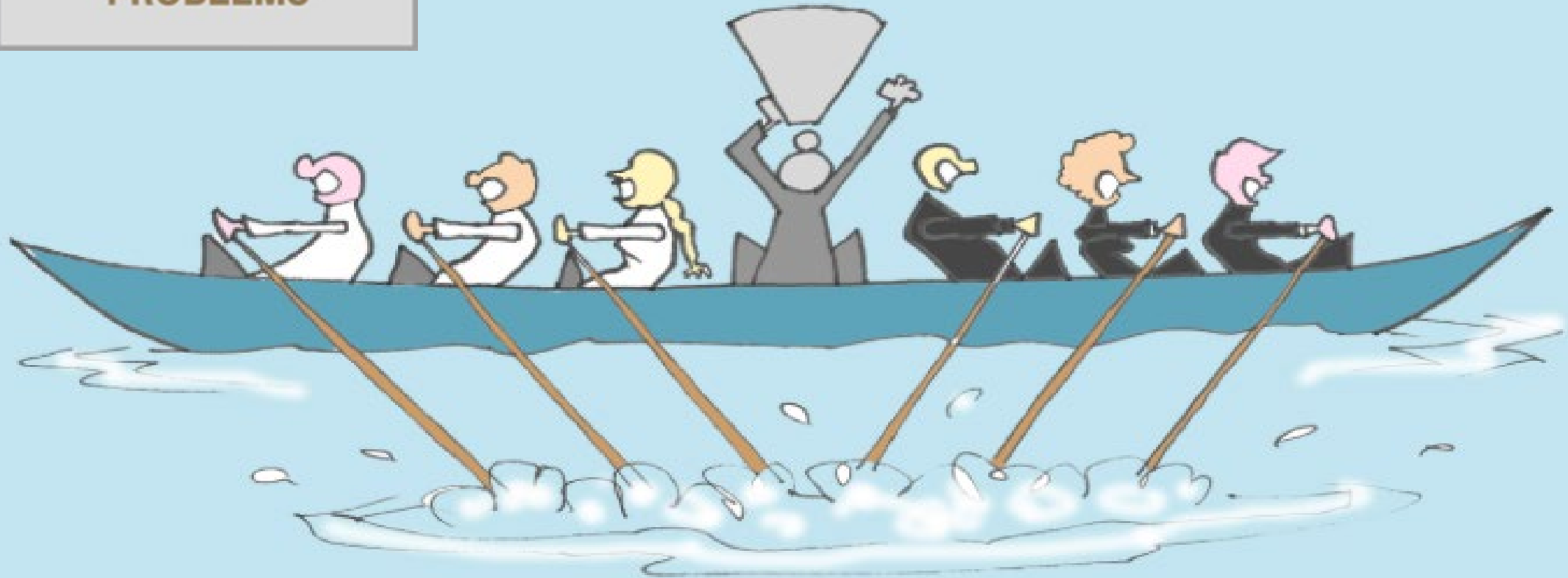
**GAIN AND
INTERPRET INSIGHTS**

Be the expert. Inquire about ongoing changes in partner company strategy, operations, personnel and more to assess impact on alliance strategy and operations



**RESOLVE
PROBLEMS**

Facilitate collaborative solutions that represent fair and efficient distribution of value and don't create unnecessary second and third order risk





**BUILD OPERATIONAL
EXCELLENCE**

Establish and implement planning, governance and decision making, measurement and improvement, communication, and reporting processes that enable alliance effectiveness





**PUBLISH
YOUR WORK**

Use a digital platform to
make your work visible
tangible, measurable,
understood, and
appreciated

Practicing the Habits

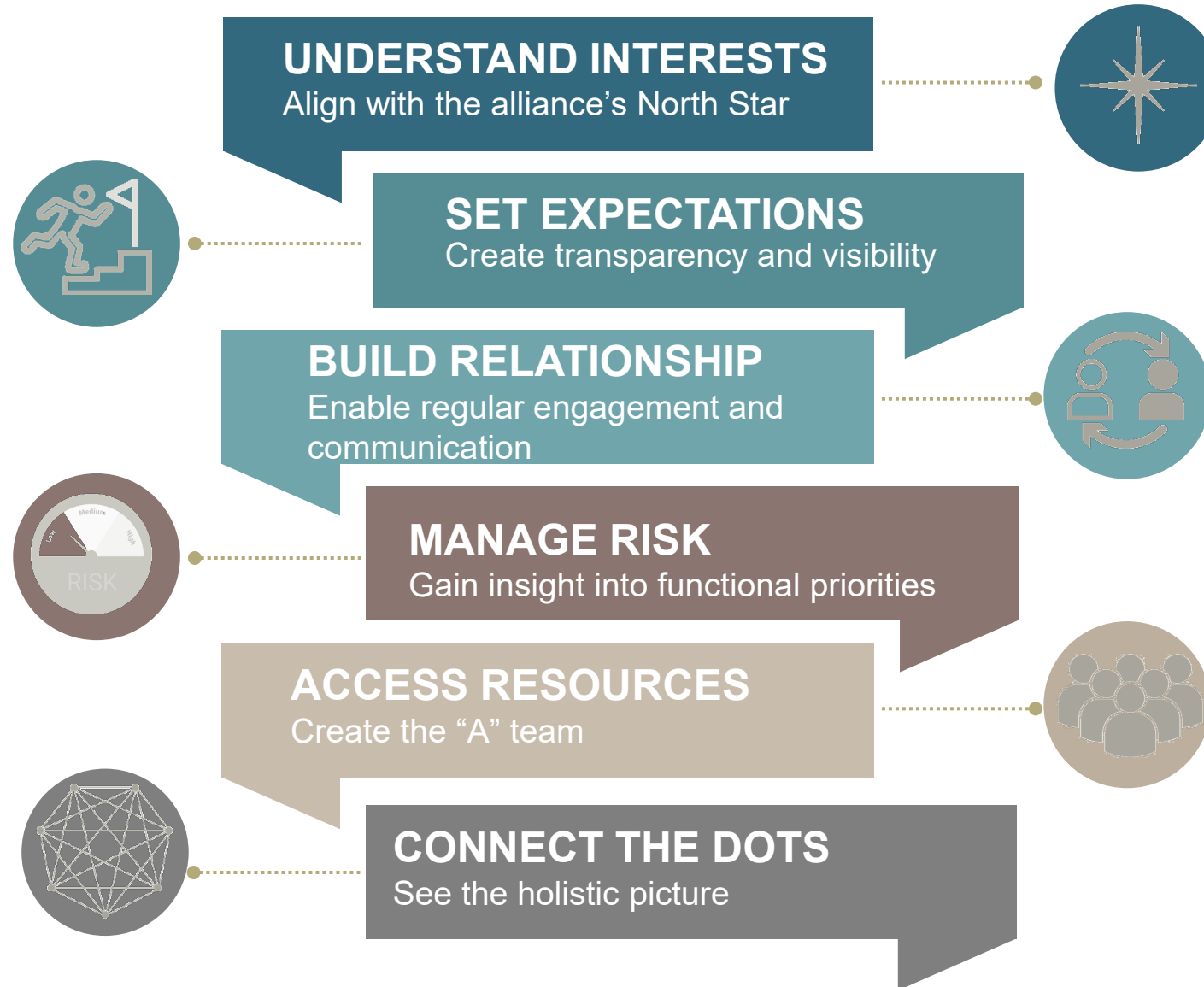


**MANAGE & ENGAGE
STAKEHOLDERS**

Rally people and their resources to the purpose of the alliance by demonstrating what is in it for them. Help them embrace collaborative behaviors and manage the cost of time

The Purpose of Stakeholder Management and Engagement

Stakeholder management and engagement is an essential process for understanding and enrolling them in maximizing value and minimizing risk by managing the cost of time



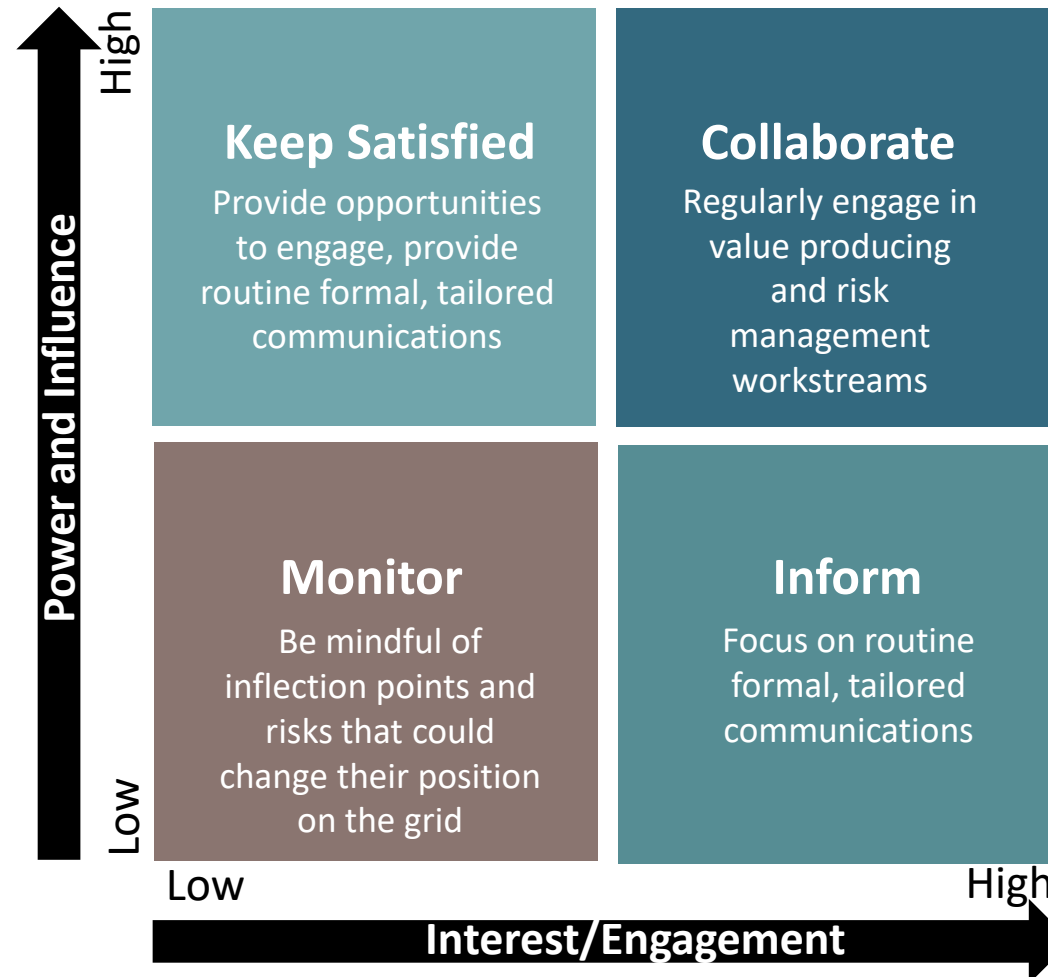
Executing the Stakeholder Management and Engagement Process

It is all about SAME – **S**etting **A**nd **M**anaging **E**xpectations



Apply the Personal Touch: Consider Individual Stakeholders' Power and Influence Relative to Interest/Engagement

Stakeholders can *affect* an alliance or *are affected* by alliance activities and outcomes, either positively or negatively

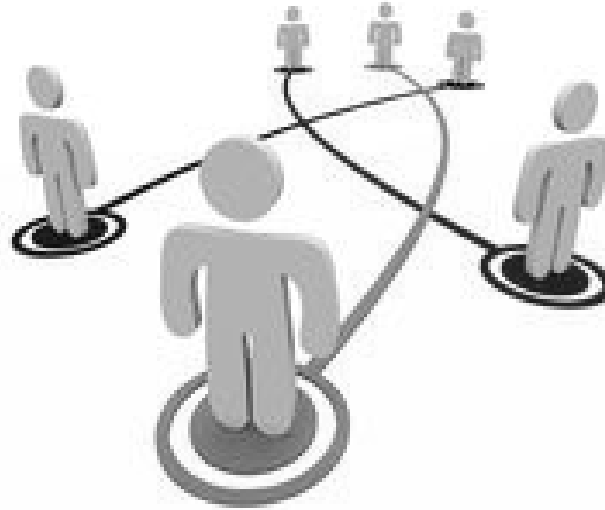


Three Components to Engaging Stakeholders



Communication

Formal and informal communication plans and protocols



Mapping

Align roles and responsibilities between counterparts



Onboarding

Inform about the role, the alliance norms, and the work



**GAIN AND
INTERPRET INSIGHTS**

Be the expert. Inquire about ongoing changes in partner company strategy, operations, personnel and more to assess impact on alliance strategy and operations

Be the Expert

- Develop in-depth knowledge of the industry, the partner and your company
- Understand motivations, represent the company's interests to the partner and the partner's interests to the company
- Recognize the financial drivers of alliances and how strategic metrics senior executives monitor are impacted by alliances



An Opportunity to Get in the CEO's Ear

A close-up photograph of a person's hand holding a brown, textured envelope. The hand is wearing a dark blue suit sleeve. The envelope is held at the top edge, and the text "Private and Confidential" is printed in black on its front. The background is a dark, out-of-focus wooden surface.

Private and Confidential



**BUILD OPERATIONAL
EXCELLENCE**

Establish and implement planning, governance and decision making, measurement and improvement, communication, and reporting processes that enable alliance effectiveness



Reimagine the Fundamentals to Create Operational Excellence

CURRENT IMPLEMENTATION OF ALLIANCE MANAGEMENT

- Attempts at consistency met with mixed results
- Practices are still largely manual
- Based on skills and preferences of individual contributors



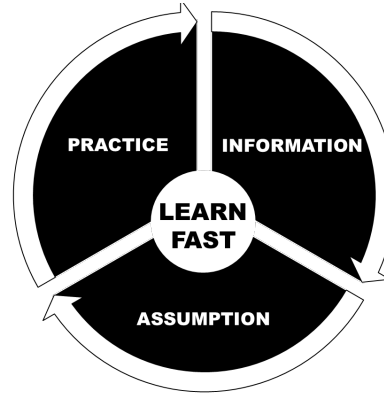
REIMAGINING THE IMPLEMENTATION OF ALLIANCE MANAGEMENT

- Service Level Agreements with stakeholders based on alliance profiles
- Integrations with internal governance and functional activities
- Digitized workflow and administration

Three Principles for Reimagining Alliance Management Practices



Visibility and
transparency of
information create
common language
with shared
meaning



Structured, data-driven
learning processes
result in efficiencies
while promoting
experimentation and
innovation



Digitize information and
workflows to drive
efficiencies through
consistency of practice
and make the work of
alliance managers
visible



**PUBLISH
YOUR WORK**

Use a digital platform to
make your work visible,
tangible, measurable,
understood, and
appreciated

Limitations of Non-AM-Centric tools, Excel, PPT, etc.

Current approaches to dashboards, analytics and reporting are limited because they cannot keep up – and they grossly under-deploy valuable AM time.

Inherent vulnerabilities
(and risks) of manual
reporting

Inability to see
interrelation between
collaboration risks and
opportunities

No integration with tools
used by other functions

Absence of historic record
means new AMs struggle
to be effective quickly

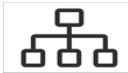
Lack of transparency with
top management team
and key business
stakeholders

Alliance performance:
different versions of the
truth between partners

Example Analytics Needs by Audience

Which key data points matter most to your C-suite or your functional stakeholders?
And which data points do you share with your partner?

Audience



**Senior
Management**



**Alliance
Management
Leadership**



**Governance
Committee
Leadership**



Alliance Manager

Charts / Reports / Data Points

- Portfolio view of all upcoming major milestones
- Key financials
- High-level risk register
- Upcoming events with key partners
- All senior management reports
- Collaborations by phase, services delivered
- Status of milestones and other plan items
- New partnering opportunities by stage
- Summary dashboard by alliance and alliance manager
- Upcoming milestones, key events
- Open decisions
- Governance membership
- All senior management and alliance leadership reports
- Decision log by alliance
- Next steps for deliverables and other plan items

Measuring the Stakeholder Benefit of Alliance Management Services



Activities

Examples of Countable Events

- Onboardings conducted
- Executive briefs provided
- Planning sessions held



Time

Examples of Quantifiable Events

- Decisions made timely
- Speed to market
- Escalations avoided

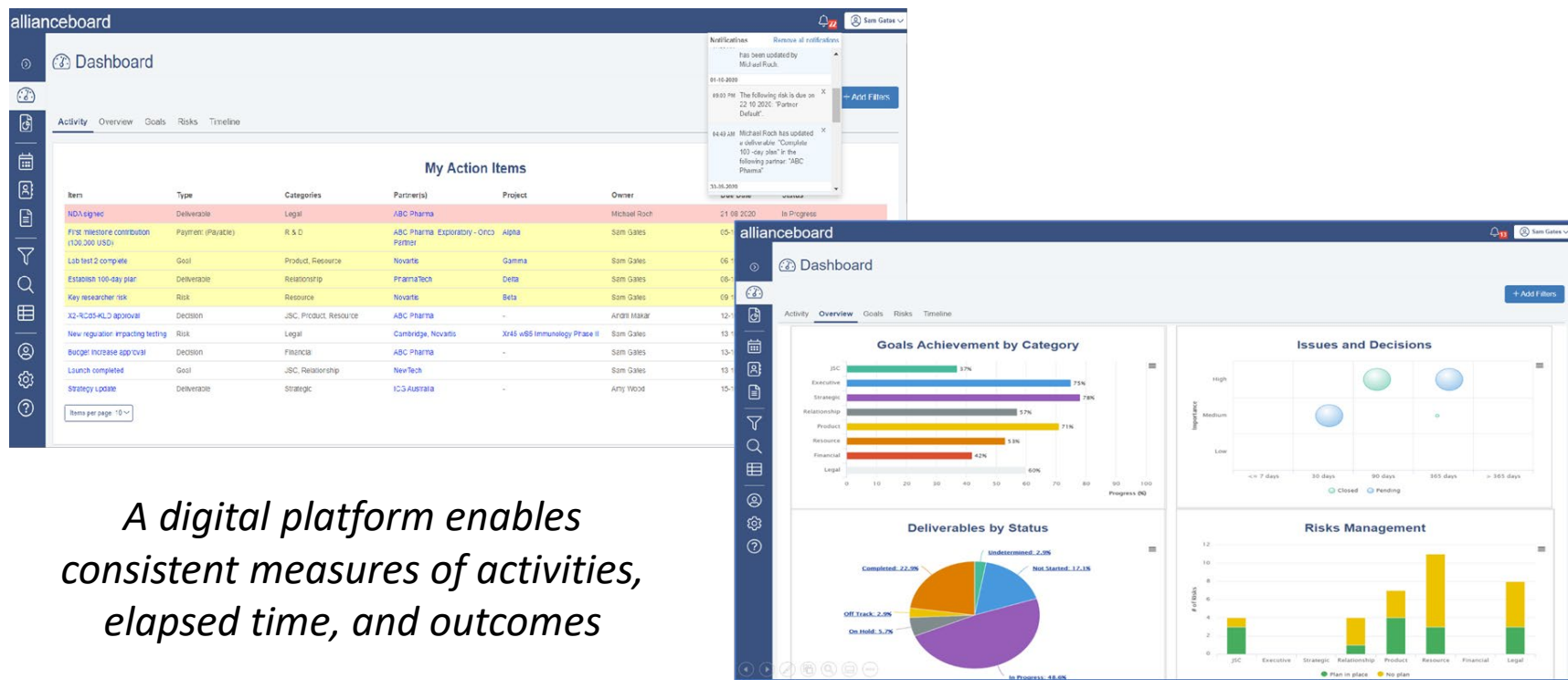


Intended Outcomes

Examples of Achievements

- Milestones met
- Pipelines filled
- IP protected

Dashboards Provide Realtime Visibility into the Work of Alliance Management



A digital platform enables consistent measures of activities, elapsed time, and outcomes



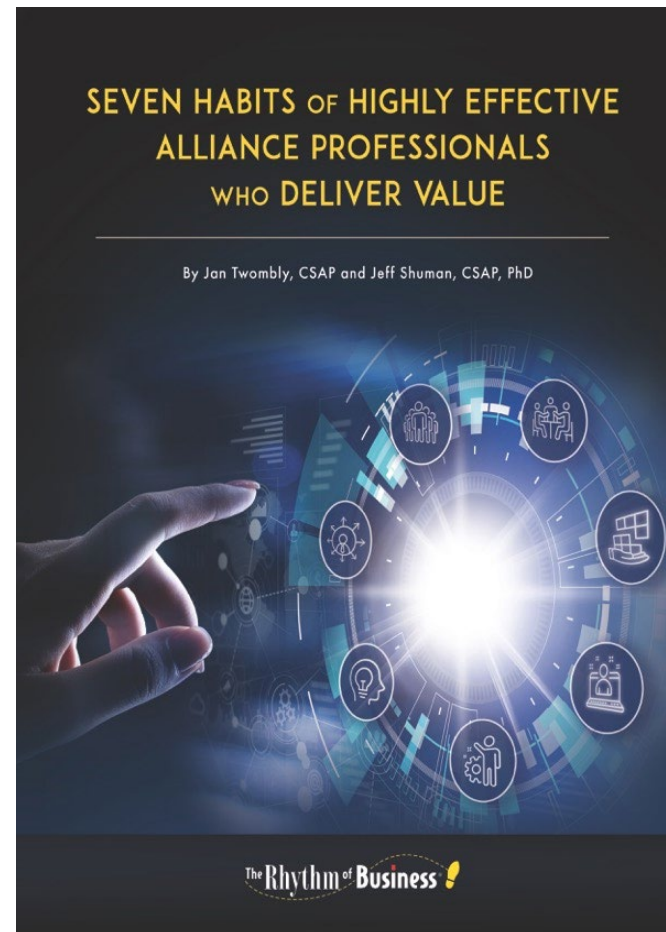
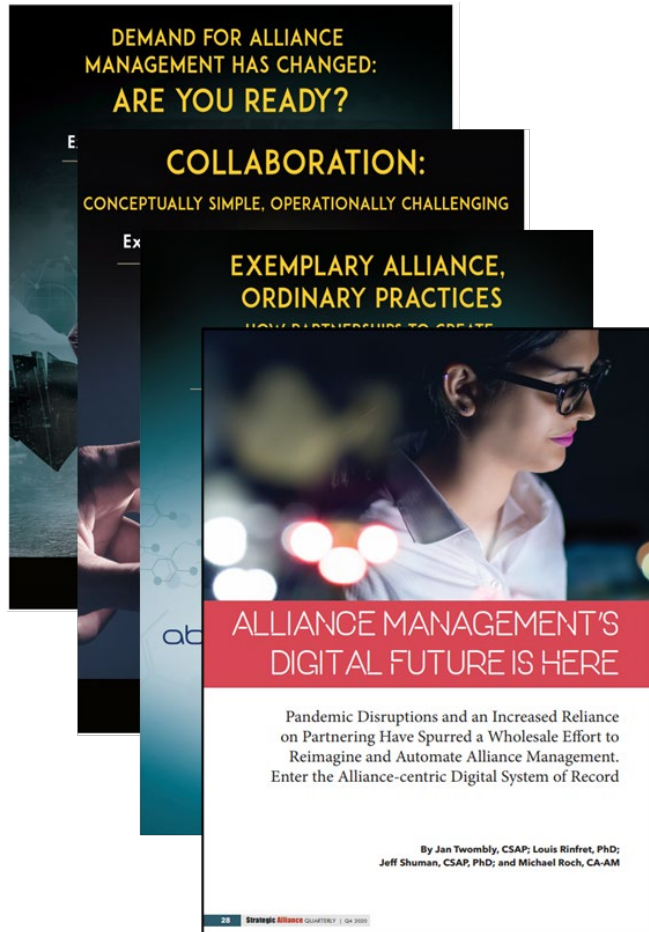
Adopting these seven habits focus alliance professionals on what stakeholders value the most—and help build your company’s alliance management capability.

Q&A



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Our Services and a Few of Our Clients

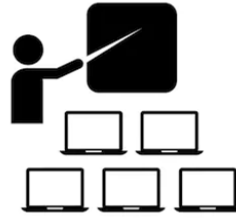
Embed partnering throughout the organization.

Create desired outcomes. Demonstrate the value of alliance management



Consulting

Strategize, build, and integrate your end-to-end partnering practice to demonstrate value to stakeholders and partners and outcomes for customers. Design and activate individual alliances



Alliance Management Training

Hands-on coaching, support on challenging alliances, digital training to grow partnering and alliance management expertise and collaborative skills; digitize alliance management workflows



Assessments

Data-driven, contextual analysis provides deep insights that solve problems and drives measurable improvement

A Few of Our Clients





Empowering Partnering and Collaboration Success

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