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The New Strategic Leadership Agenda for Partnering Professionals

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Partnering Readiness: The New Strategic Leadership Agenda for Partnering Professionals

By Jan Twombly, CSAP, and Jeff Shuman, CSAP, PhD

“Our goal isn’t just ‘partner of choice,’ or to have a ‘center of excellence.’ We intend to enable our company to be ready to partner.” So said the leader of the alliance organization of an ASAP Alliance Excellence Award winner, kicking off their annual meeting by announcing the strategic agenda for 2020. No wonder—the evidence is piling up that the companies becoming digitally enabled and customer-obsessed—and thus prepared to compete and succeed as we enter the 2020s—are those best able to collaborate internally and externally.1

To be partnering ready, companies, regardless of industry, are knocking down internal barriers and impediments to collaborative working and partnering that are part of the management legacy of hierarchal, slow, long-cycle, rigid business models and structures that are quickly losing the ability to produce desired results. In every sector of the economy—even the traditional laggards of industrial and pharmaceutical—companies are rewiring themselves to be truly focused on customer outcomes, organizing to enable agile working methods, and driving a culture of shared accountability.

In the process, they are empowering individuals to transform how they work, enabling the more externally facing, collaborative approach required to drive customer and business outcomes through and with partners by integrating the mindset, skillset, and toolset of partnering deep into every aspect of their business. The goal of partnering readiness is to introduce agility, reduce the inefficiencies in partnering, and ensure that the rhythms of partnering are not met with unnecessary friction and hurdles, whether in low-touch or high-touch, one-to-one, multipartner networks, or ecosystem arrangements.

Welcome to the Partnering Everywhere World

Unlike for our Alliance Excellence Award winner, partnering readiness is not typically something that is a specific focus of most alliance leaders. But make no mistake—it is on their new strategic leadership agenda, just in a variety of different ways and under many different labels, frequently in the guise of the traditional efforts to become a partner of choice or to build a center of excellence. Indeed, the objective of a partnering center of excellence should be to drive partnering readiness.

To get a sense of where the ASAP community is in driving partnering readiness, we gathered input during a workshop at the 2019 Global Alliance Summit, through an online survey, in telephone interviews, in our general interactions with the ASAP community, and from the alliance management professionals we have the good fortune to work with.

Just as there are leaders and laggards in becoming digital and customer-obsessed, the same holds true in the resulting need to be partnering ready. This really isn’t surprising, given that one of the key tenets of digital transformation is that partnering is required to create solutions that address customer use cases, such as preventive maintenance of industrial machines driven by a complex network of sensors, edge computing devices, and artificial intelligence–powered analytics delivered through augmented reality in a technician’s safety glasses.

In every sector of the economy, companies are rewiring themselves to be truly focused on customer outcomes, organizing to enable agile working methods, and driving a culture of shared accountability.

Or the solution might be for the diabetes patient’s ability to use a digital patch to measure key blood metrics without actually drawing blood, interpret and deliver the data to her smartphone, adjust her next insulin dose, advise her on what and when she should eat next, and seamlessly transfer all that data into her medical record for her physician to review. And if that data indicates a need for an immediate intervention, the physician is notified and responds. These are both real situations, requiring multiple companies to deliver and multiple teams/functions within those companies to collaborate within and across company borders.

Welcome to the partnering everywhere world—where partnering readiness in every aspect of the organization is the imperative to compete and succeed in the 2020s.

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The Five-Point Transformation Agenda

Context is king, and today’s context is digital business transformation and the ecosystems of partners that combine to deliver new and more valuable customer outcomes. Ecosystems are dynamic; they overlap, comingle, and compete. The role your company plays in any ecosystem varies, and thus what it means to be partnering ready in one specific situation is different from what it means in the next. The fluidity and dynamism of the roles companies take on in the many different ecosystems that comprise business today necessitate a set of principles that remains true and provides guidance to the organization regardless of the specific partnering motion. These principles are stated in a transformation agenda.² Figure 1 describes our five guiding principles required to become partnering ready in today’s context. This transformation agenda then informs the company’s leadership system, the backbone of the company that remains constant regardless of the specific situation. It is what allows an organization to be agile, and to set the right rhythm to address any partnering situation.

What’s a Leadership System?

Every organization has a leadership system. It is the vehicle through which leadership is exercised. It manifests itself through interdependent and reinforcing mechanisms for:

- Decision making and execution
- Leader selection and development

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² For more information on the transformation agenda, see “Own Your Transformation: A Five-Point Agenda for Creating Your Organization’s Collaborative Leadership System for a Digital World,” Insights from the SMART Partnering Alliance of The Rhythm of Business and Alliancesphere, 2018.
PARTNERING READINESS

- Accountability to deliver desired experiences and outcomes for customers, partners, and stakeholders
- Shaping and structuring the organization
- Advancing an organization's cultural norms, values, and ethics

An organization’s leadership system has both formal and informal elements and is embedded in its processes and culture. It usually isn’t talked about much, but it shows up in every aspect of an organization, including structural and cultural barriers to collaboration and partnering. These barriers are some of the key causes of friction and inefficiencies when partnering, and must be removed to realize the benefits of digitization.

At the 2019 ASAP Global Alliance Summit, we conducted a workshop on transforming the leadership system into a collaborative leadership system. We asked the 100 or so participants to identify the key barriers they experience and which elements of the transformation agenda those barriers impacted. (See Figure 2—all data was collected anonymously.) The most pervasive barriers are a disconnect between strategy and execution which results in being under-resourced to carry out the stated strategy. Also pervasive is different goals and priorities across departments and functions, which can make it challenging to get the buy-in, support, and resources to implement strategic partnerships or to operationalize initiatives to develop partnering capability.

Partnering readiness means that throughout the organization, wherever it engages with external partners, the mindset, skillset, and toolset to partner well are infused in the culture, ingrained in behavior, and integrated into how work gets done.

Interestingly, every barrier identified—and this is certainly not an exhaustive list—negatively impacts the transformation agenda components of building a culture of shared accountability, and most affect being able to obliterate traditional boundaries. These are core principles of an agile organization and must be addressed for companies to have a backbone that enables collaboration and partnering readiness.

Reshaping the Leadership System to Be Collaborative

There is not a one-size-fits-all leadership system because how leadership is exercised in any given organization can vary based

<table>
<thead>
<tr>
<th>Transformation Agenda Components</th>
<th>Set a North Star</th>
<th>Design for Customer Outcomes</th>
<th>Obliterate Traditional Boundaries</th>
<th>Build a Culture of Shared Accountability</th>
<th>Own Your Transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barriers to Collaboration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under-resourced (including money)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Strategy execution disconnect with leadership / no executive sponsor</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Territorial/gatekeeping</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decision styles</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural and mindset differences</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of approachability, not-invented-here mindset</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational boundaries/cross-functional challenges</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Short-term focus</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Different goals and priorities across departments</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Egos, politics, self-promotion</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process inflexibility</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top-down culture/silos</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of communication across the organization</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Figure 2: Barriers to Collaboration
on structure and purpose. The elements depicted in Figure 3 constitute a typical leadership system shaped to be collaborative.

An organization’s leadership system is embedded in its processes and culture. It usually isn’t talked about much, but it shows up in every aspect of an organization, including structural and cultural barriers to collaboration and partnering. These barriers are some of the key causes of friction and inefficiencies when partnering, and must be removed.

Additionally, leadership systems operate at many levels, including how a manager incentivizes her department, a team leader encourages accountability, or an alliance governance structure aligns its decision-making calendar with the internal governance calendars of the partners. Alliance and partner professionals influence and in some instances control how these elements of a leadership system are implemented and can do so in ways that advance a collaborative agenda.

We also had the Summit workshop participants design the characteristics of a collaborative leadership system. To focus just on the pervasive barriers that create the disconnect between strategy and execution, participants wanted the leadership system to:

- Have the agility to reallocate resources, using criteria aligned with strategy and business priorities
- Provide for transparency and present a global view

That’s exactly what one of the alliance leaders we interviewed told us was critical to her successful alliance completing a key milestone much faster than expected. “Once we realized that a specific workstream was rate-limiting and we were not on track to achieve it, senior management allowed us to reallocate resources from another workstream (and another function’s budget) that wasn’t as critical and we produced what was needed, when it was needed, to meet the key milestone,” she explained. This action sounds simple and logical, but just think about how challenging that can be in many large organizations where budget owners guard every penny and making a change like that would have been a bureaucratic exercise that stalled the alliance’s progress. Having the agility to reallocate resources also contributes to establishing a culture of shared accountability. The budget owners focused on one overarching goal—achieving the milestone and moving the alliance forward.

You may be thinking that how the organization allocates and reallocates resources and considers (or not) the needs

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**Figure 3: Characteristics of a Collaborative Leadership System**

- **Performance Management**
  - Includes External Focus
- **Silos and Matrix Busted**
- **Partnering Skills and Roles Valued**
- **Holistic Accountability**
- **Decision Making Transparent and Considers Partners**
- **Culture of We Apparent Throughout**
- **Resources Dedicated to Partnership Success**

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of partnering activities is not something you can impact as an alliance manager. Initially, many of our workshop participants thought that, too. But once we discussed that by thinking about what can be controlled at an alliance or department level and how alliance professionals use influence all the time to get people to do things in the interest of a partnership that they may not have intended to do, participants felt there were ways and opportunities to effect a more agile approach to resource allocation that they could impact.

"More than 50 percent of our products are partnered... Our goal is to develop a partnering mindset throughout the organization. Five years ago, we had a not-invented-here syndrome. It isn’t so apparent anymore."

The Partnering Readiness Stack
Partnering readiness means that throughout the organization, wherever it engages with external partners, the mindset, skillset, and toolset to partner well are infused in the culture, ingrained in behavior, and integrated into how work gets done. Figure 4 presents a framework for thinking about partnering readiness that is focused on generating outcomes for customers and for the businesses involved in creating and delivering them. It then expands to integrate the capability into the business and reflects the context of the transformation agenda, the collaborative leadership system, and an end-to-end perspective on partnering encompassing ideas to outcomes.³

Our research has highlighted a number of initiatives alliance leaders are undertaking to improve their partnering readiness—even though they typically refer to it as competency or skill building, it is much more than that. Figure 5 represents a sampling of work under way and the major elements of the stack these initiatives impact. As can be seen from the table, the majority of these efforts are primarily to build partnering capability—the mindset, skillset, and toolset—within the organization, typically beyond the partnering or alliance management team(s). As one leader told us, “More than 50 percent of our products are partnered. Our goal is to develop a partnering mindset and get that throughout the organization. Five years ago, we had a not-invented-here syndrome. It isn’t so apparent anymore.”

A significant percentage of initiatives will also help integrate partnering more deeply into the business, helping to reduce inefficiencies and create agility. Only a handful are addressing elements of the context, which suggests that there is plenty of work to be done to build the backbone that can deliver the agility today’s partnering environment requires.

The goal of partnering readiness is to introduce agility, reduce the inefficiencies in partnering, and ensure that the rhythms of partnering are not met with unnecessary friction and hurdles, whether in low-touch or high-touch, one-to-one, multipartner networks, or ecosystem arrangements.

³The integration layer of the partnering readiness stack incorporates Alliancesphere’s partner integration model. The Rhythm of Business and Alliancesphere are the founders of the SMART Partnering Alliance.
How Partnering-Ready Is Your Organization?

With an understanding of the elements of the stack that the ASAP community is working to strengthen, we undertook a simple survey of alliance professionals’ views of their partnering readiness. The results of the survey are depicted in Figure 6: Partnering Readiness Assessment. It represents a sample of 44 cross-industry respondents and demonstrates that mindset (blue line) is the strongest aspect of the capability, followed by skillset (green line) and toolset (red line) as the weakest component. The integration is strongest in the development, management, and go-to-market activities, but lacking in the support. As can be seen from Figure 5, there are many ongoing initiatives to build the skillset, especially in the critical areas of upstream development and customer-facing deployment.

The partnering toolset is comprised of the systems, processes, and routines that incorporate and/or align partnering activity with the standalone activities of the company. It also provides visibility into process, activities, and data to make partnering transparent and communicate the outcomes. As every alliance manager knows, this is a challenging but essential aspect of building a partnering practice. The digitization of alliance management is occurring as companies are experimenting with automating peer-to-peer (P2P) partnering and even joint account planning. New, fit-for-purpose alliance management platforms are being introduced to automate workflow, facilitate communication, and capture value created. Spreadsheets—and the lack of consistency, knowledge sharing, and increase in risk they bring—are starting to become a thing of the past. This will make it much easier to reduce the friction that comes with lack of information and make the outcomes from partnering endeavors easier for all to see.

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Capability</th>
<th>Integration</th>
<th>Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing a partnership-specific operating manual – work instructions and assigned roles &amp; responsibilities</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Investing in regional and local alliance management capabilities</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incorporating a quarterly alliance review process with a cross-functional team of leaders for increased visibility into our key strategic relationships</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Assessing partnering capabilities as part of due diligence process</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partner of choice initiative sponsored by the C-suite is ongoing</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Trying to figure out how to engage partners especially alliances and influence partners for better ecosystem integration and support</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Allowing partners access to early adoption of new versions of our technology and collaboration</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training alliance team members</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>Offering self-paced eLearning</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alliance management’s direct involvement in contracting processes with business development</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning for strategy, alliance management, negotiation, and personal and business development capabilities</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilizing a well-established Alliance Management Handbook, best practices, toolkits, robust capabilities, central systems/database/dashboards</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Supporting education about our partners by conducting Webinars and making the education available to the sales teams</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Working with key functions to integrate partners into their workflows</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Initiating a Partner Executive Council to explore how to better partner in the ecosystem</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

Figure 5: Partnering Readiness Initiatives
Own Your Transformation

Partnering readiness needs to be embodied in every leadership action, operational structure, and execution motion. It extends through strategy, product, marketing, sales, support, and management. It is the strategic agenda and imperative for leaders today. The alliance and partnering professionals in the mid-levels of the organization are the leaders who will guide their organizations to partnering readiness and success in the 2020s. You are the coaches of both the people who engage with customers and partners on a daily basis and the executives who make the decisions that make or break any collaboration. It is you who must play the multidimensional role of change agent and orchestrator, all the while knocking down the barriers to collaboration to be truly focused on customer outcomes, organizing to enable agile working methods, and driving a culture of shared accountability.

Ask yourself: “Am I ready?”

Jan Twombly, CSAP, and Jeff Shuman, CSAP, PhD, are the principals of The Rhythm of Business, a consulting and education firm that works with alliance professionals to build the partnering capability required to succeed in the 2020s. Twombly is a member of the ASAP Board of Directors. Shuman is professor of management at Bentley University.
THE DEMAND FOR ALLIANCE MANAGEMENT HAS CHANGED
Are You Ready?

Transform your alliance management team into a strategic and operational partnering everywhere capability to compete and succeed in the 2020s

Let The Rhythm of Business guide the way

CONTEXT
INTEGRATION
CAPABILITY
OUTCOMES

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