Paving the Way: Good Governance Helps Partners Make the Journey Together

"We used your presentation on Portfolio Management as fodder for developing our own portfolio management metrics at SAS. Your scoring methodology was most helpful in determining a weighted scoring algorithm for our measures. It's an excellent way for us to assess status of current partnerships and to set objectives for future direction with partners. We're also using this work as a foundation for our next step in the process – determining coverage models. Thanks again for your insights!"

Donna Peek, CSAP
Global Alliance Director
Consulting Portfolio at SAS Institute

Alliance Management at a Crossroads. Call +1.617.965.4777 or visit our website at rhythmofbusiness.com to access our extensive library of publications, presentations, tools, and other resources. And don't miss our session at the March 2012 ASAP Global Alliance Summit – *Launching the Alliance Management Function as an Enterprise Capability.*

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It's a Complex World. Let The Rhythm of Business Help You Navigate It. Increasingly, alliance managers are being asked to do more with less. Larger alliance portfolios. More complex collaborations. Fewer organizational resources.

Don't Go It Alone. When the challenges of complexity and scale threaten the success of alliance portfolios, alliance leaders turn to The Rhythm of Business for clarity, deep insights, and step-by-step help. At The Rhythm of Business, we serve as thinking partners and guides, providing cost-effective strategies, frameworks, and tools that:

+ Increase alliance performance and effectiveness
+ Drive financial results and other measurable value
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Tap into Our Broad Experience and Deep Industry Expertise. Whether they're starting from scratch or rethinking their alliance programs, alliance leaders call on The Rhythm of Business for our wealth of ideas and for our years of expertise in alliance-savvy industries such as biopharmaceuticals, financial services, information technology, and consumer packaged goods.

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+ Partnering program design
+ Alliance organization, staffing, and process design
+ Guidebooks, toolkits, and alliance metrics
+ Help with alliance start-ups, strategic planning, ongoing assessments, and interventions
+ Customized, targeted education for alliance managers, teams, and executives
+ Alliance portfolio analysis, mapping, and planning
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Partner with the Collaborative Business Specialists. Our consulting, education, and research services focus on driving innovation and growth through alliances and other collaborative relationships. We're passionate about advancing the discipline and profession of alliance management across sectors, throughout industries, and around the world.

Your Guide to the Future of Alliance Management
Contact The Rhythm of Business today at +1 617 965 4777 or *info@rhythmofbusiness.com* to begin, or continue, your journey down the path toward successful alliance management.

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Congratulations! You've Been Appointed to a Governance Committee. Now What?

Selection and Ramp-Up of Governance Committee Members Is Critical to Alliance Success

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

IT IS OFTEN SAID THAT MANY ALLIANCE MANAGERS stumble into the role. They don't have the title, it isn't included in performance objectives, and they don't have any training in it. Practically, the same can be said for executives asked to serve on governance committees. Sure, they've been part of many committees, boards, and task forces before, but how many of them were responsible for an alliance, where accountability is to both the alliance and the individual's employer? That dual accountability fundamentally impacts the role.

The simple fact is that most people who assume a governance committee post for the first time are not really sure what is expected of them. Yes, they are smart folks and sooner or later they'll figure it out. But before they do, they are in a position to inadvertently cause damage by making commitments that shouldn't have been made, saying something that shouldn't have been said, or doing something that undermines trust. Many alliance managers reading this are likely saying to themselves, "I can name plenty of people who have taken part in several governance committees and *still* don't get it!" Imagine the potential pitfalls for first-timers.

The governance committee role is a challenging one, and it is the alliance manager's responsibility to ensure that recruits are up to the task. For most governance committee members, it is a small part of their workload and not always a priority. For those members who also participate in alliance working teams, it can be hard to separate the project work from the governance work. Effective governance is one of the core responsibilities of an alliance manager. So what can you do to ensure that governance committee members are trained and able?

Get the Right People at the Right Time

Too often, assigning people to governance committee roles is haphazard, an ad hoc process in which anyone available gets tapped, or the same people are always tasked with the responsibility. Neither is an appropriate approach.

Introducing a selection process can be as easy as answering a simple set of questions when governance committees are being formed.

The questions you'll want to address in assessing potential governance committee members include:

– Does he/she represent the most critical functions at this stage in the product life cycle?
– Does he/she have the appropriate level of decision-making authority?
– How many other governance committee responsibilities does he/she have?

Take stock of governance committee members. Are they the right people for the current stage of the alliance?

It is also important to consider the individual's role on the project team, if he or she has one. The governance committee and core team member roles are vastly different, but they can be hard to keep separate. Think of the governance committee—or steering committee, if there is a multitiered structure—as the board of directors of the alliance. Its role is to make the policy and strategic decisions that the project team then carries out.

Also, keep an overall map of governance committee membership so that it is easy to see who is involved on each of the active committees. It is entirely likely this covers hundreds of people. With it, you will know that Mary cannot possibly be assigned to a fifth joint steering committee and you will have the facts at hand

"Great, thanks... I'll just run these by the Governance Committee."

EXHIBIT 1:
ALLIANCE BRIEFING BOOK TABLE OF CONTENTS

Collaboration overview and contract summary

Governance structure and calendar

Roles and responsibilities of each governance committee

Committee rosters

Committee/team operating principles

Communication plan and protocols

to make that case.

During the life cycle of an alliance, team members and even committees themselves come and go. As part of an annual evaluation and planning process—you have one, right?—take stock of governance committee members. Are they the right people for the current stage of product or solution development? Are the committees still appropriate at this time? The alliance management team should make recommendations for governance committee assignments and reaffirm these committee members on an annual basis, or whenever there are significant transitions in the work of the alliance.

Start Them Off Properly

When a new alliance begins, alliance managers follow a start-up process that includes a work stream for staffing and launching governance. As part of the process, the initial governance committee members learn about the alliance and the roles and responsibilities of each of the partners and governance committees. Savvy alliance managers will capture all of the documentation generated during the start-up process and create an Alliance Briefing Book.

Keep the briefing book up-to-date and use it to onboard all new governance committee members. Do so as soon as possible after they are named.

In periods of high numbers of newly appointed people, schedule some standard onboarding meetings and let people participate as they can. Just make it a requirement that they attend within 90 days of their appointment.

For the members of the most senior governance body and the heads or chairs of the functional committees, meet with them personally. Alliance managers need to build a strong working relationship with these members, so start it off right. At the first meeting present the briefing book. Then meet regularly until committee members are fully up to speed on the alliance and integrated into the governance process. These can be 15-minute sessions once a week. The

EXHIBIT 2:
PRE-GOVERNANCE MEETING PLANNING

Required Participants:

Governance committee members

Key supporting personnel

Alliance manager

Agenda Topics:

Review open issues, new issues, impending deadlines and proposed governance committee meeting agenda

Reach consensus on what decisions the governance committee must make and your company's perspective

Discuss the partner's likely perspective

Plan the negotiation, if one is expected to be needed to reach agreement

Review any presentations your company plans to make

purpose is to help the new committee member become fully knowledgeable about the alliance and the issues currently facing it—and to ensure that it becomes part of her regular work, not something that is only thought about when a formal committee meeting is occurring.

Prepare for Governance Committee Meetings

Governance committees are resource intensive. They consume a lot of time and money, but they are essential, so a lot of attention must be paid to making them effective. A pre–governance committee internal prep meeting is an excellent tool to ensure that people are prepared and aligned. Without it, people do not have direction to guide discussion and decision-making during the governance meeting, which may suppress transparent conversation and new ideas. Alliance managers must make the pre–governance committee meeting as important an obligation as the governance committee itself! It doesn't have to be a long or complicated meeting, as long as it covers the topics in Exhibit 2, above.

If the discussion is expected to be particularly challenging—because it is either highly technical or likely to be contentious—script it out. Create a dialogue map that charts how and by whom issues and possible solutions will be presented. Of course, the partner's response can vary widely, so a number of possibilities and "what if" scenarios must be brainstormed. You will still generate options together with the partner— but only after carefully considering the implications

of some possible options beforehand so that you can engage in much more constructive discussion.

Encourage Positive Behavior

More often than not, first-time appointment to an alliance governance committee is a sign of recognition. For some more senior executives, alliance governance is rapidly becoming part of the job. Alliance managers have to support and provide developmental assistance to both rookies and veterans. They also need to ensure that governance committee members know what constitutes good behavior, including:

– Building relationships with direct counterparts and other key personnel from all alliance member organizations

– Honoring communication protocols

– Knowing the boundaries of the agreement

– Putting the best interests of the alliance ahead of all other interests—while understanding how the alliance and company interests intersect

– Listening to and considering others' views and ideas

Governance is the management of an alliance. Just as companies fail because of ineffective management, alliances do not achieve their potential without qualified and proactively engaged governance committee members who are appropriate for the current point in the alliance life cycle. One of the alliance manager's greatest contributions to alliance success is to get the governance right. That starts with getting the right people on the committee, preparing them well, and supporting them in carrying out their challenging assignment. ■

Jan Twombly, CSAP, and Jeff Shuman, PhD, CSAP, are the principals of The Rhythm of Business, a consulting, education, and research firm that partners with global companies to advance their alliance and collaboration management capability. Additionally, Twombly serves on ASAP's board of directors and its executive committee, and Shuman is a professor of management at Bentley University. Visit their Web site at www. rhythmofbusiness.com to access an extensive library of publications, presentations, tools, and other resources.