DEMAND FOR ALLIANCE MANAGEMENT HAS CHANGED: ARE YOU READY?

Excerpts from The Partnering Guide™ Blog

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

The Rhythm of Business®

Demand for Alliance Management has Changed: Are You Ready?

When the head of a biopharmaceutical alliance management team told us he had to give his people "permission to ignore certain partners," and another leader said he'd love to get into digital health partnerships, but didn't have the resources, we knew the demand for alliance management had reached a tipping point. It is time to modernize how alliance management practices are implemented and the capability organized and resourced to meet growing demand.

Many companies across industries have taken a page from the discipline of agile software development to rethink how they go about their work. The outcomes are impressive in terms of value delivered to customers and the resulting benefits to the company and employees. We've always applied core tenants of agile to our work with alliance professionals, so over the past year we've been digging deeper and rethinking how to adapt agile principles to the work of alliance management.

What follows are two posts from *The Partnering Guide*™ blog presenting our perspective on the challenge facing alliance managers and an approach to applying agile to the alliance portfolio, services, and organization. We hope you find these posts helpful and welcome the opportunity to work with you to be ready to handle the increased demand for alliance management.

In collaboration and partnership,

Jan and Jeff

Jan Twombly, CSAP
Jeff Shuman, CSAP, PhD
Newton, MA, USA
March 2020

What to Do When It Gets "Just Too Hard"

A very successful entrepreneur once told us she knew it was time to iterate her assumptions and change her business when the current way she was doing something was "just too hard." Ever since that conversation, we watch for this signal. Alliance management within biopharmaceutical firms is showing many signs of hitting the tipping point where it is just too hard to continue implementing alliance management practices as is typically done. One of the key issues raised during our 2018 research project with more than 30 biopharmaceutical companies both large and small was the challenge of an ever-increasing workload—both a growing portfolio to manage and the increasing technical complexity of the alliances making up the portfolio.[1]

Lately, we are hearing from numerous leaders that the juggling act of keeping all the "balls in the air" threatens to come crashing down. As one head of an alliance management group told us, "Sometimes I have to give my people permission to ignore certain partners." We've recently talked with a few people newly assigned to executive roles with oversight for alliance management. Their number one question is, "How many alliances can one person manage?" The answer, of course, is it all depends.

Without a doubt, the number of biopharma alliance managers has increased over the past several years. It had to. The traditional research and asset-based alliance portfolio has continued to grow both organically and through acquisitions. In some firms, alliance managers are playing a role in integrating acquired companies, not just the alliances that come with an acquisition. The number of clinical collaborations to test possible combination therapies has exploded. Alliance managers are also tasked with shutting down alliances where once promising science doesn't make it to the goal line or strategies change with new CEOs.

Couple this with our truly partnering everywhere business environment. Alliance managers tell us that as much as they would love to be involved with new types of partnerships, such as digital health and beyond the pill collaborations, they just don't have the time and resource to expand their

[1]Jan Twombly and Jeff Shuman, "No Longer Any Doubt: Alliance Management is an Essential Strategic Capability for Today's Biopharmaceutical Company." *Strategic Alliance Magazine,* Q3 2018

remit. As a result, professional alliance managers are rarely involved in these challenging new alliances, most likely resulting in teams making avoidable mistakes, wasting time, money, and delaying or not getting valuable therapy to patients.[2] It will become an area of lost opportunity to alliance managers if they don't find ways to engage soon, either directly or through centers of excellence initiatives.

Coping strategies such as tiering, limiting the scope of the portfolio that is managed, and leveraging other functions, especially project and program management, have long been deployed. This eases some of the workload challenge, but also has limits and introduces new risks, notably:

- Tiering results in some alliances unmanaged or "managed" by people for whom it is not their job or skillset
- Lack of oversight adds risk and overlooks opportunities to add value because of limited visibility into the portfolio
- Alliance managers are forced to become primarily reactive, diminishing their value to stakeholders

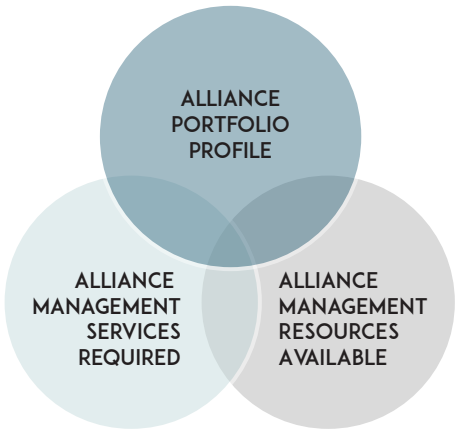


Figure 1 –
Factors Influencing Value Delivery

This last point is quite important. For alliance managers to truly add value, they need to be engaged with and immersed in the teams executing the work of the alliance. The greater the degree of complexity and risk within an alliance or alliance portfolio, the more high-touch the management of both partners and internal stakeholders needs to be to realize intended value. This is nearly impossible when the workload is overwhelming. Alliance managers then necessarily tend to focus on the routine work of an alliance, including governance, contract management, and reporting, which leaves no time for the proactive risk management and problem solving, decision planning, gaining alignment, and strategic opportunity evaluation that stakeholders truly value.

Thus, the ability of professional alliance managers to deliver value to stakeholders is a function of three elements *(See Figure 1—Factors Influencing Value Delivery):*

Alliance management within bio-pharmaceutical firms is showing many signs of hitting the tipping point where it is just too hard to continue implementing alliance management practices as is typically done.

[2]Michael Burke, "Digital Health at the Crossroads." *Strategic Alliance Quarterly,* Q4 2019

For alliance managers to truly add value, they need to be engaged with and immersed in the teams executing the work of the alliance. This is nearly impossible when the workload is overwhelming.

- The value/complexity characteristics of the alliance portfolio
- The alliance management resources available
- The alliance management services the portfolio requires to produce intended results

Finding the right balance of these factors has traditionally been the key to answering the question, "How many alliances can one person manage?"

But if it is just too hard to make this juggling act work any longer for alliance managers and the stakeholders they serve, then it is time to iterate some key assumptions.

The most obvious assumption to rethink is the way in which alliance management principles and practices are implemented. Many companies trying to deliver greater value and improve their efficiency have taken a page from the discipline of agile software development to rethink how they go about their work.

Characteristics of Agile Alliance Management Teams

Agile is a complex, holistic philosophy typically applied to innovation. In recent years, its principles have been applied to businesses as varied as Haier, a Chinese white goods manufacturer and F. Hoffmann-LaRoche, a leading global healthcare company.[3,4] The results have been eye-opening. According to McKinsey, "Agile organizations can develop products five times faster, make decisions three times faster, and reallocate resources adroitly and quickly."[5] An alliance management function that chooses to adapt agile principles will never look like an agile software development implementation. But it can benefit in a substantial way and begin to address some of its workload and value delivery challenges, producing its versions of the results the early adopters of agile methodologies and principles are claiming.

Focus on Value and Experience

One of the key principles of agile is how it organizes work, beginning with a laser-like focus on creating customer value. If it isn't clear how something contributes to a positive customer experience and creating the outcomes they seek, it isn't done. The corollary in thinking about alliance management is a focus on delivering value to stakeholders and delivering the partner experience that will encourage them to be collaborative—to have a "one-team" mentality—and for the partner to short list your company as a potential collaborator when it

[3]Gary Hamel and Michele Zanini. "The End of Bureaucracy." *Harvard Business Review,* November-December 2018

[4]Tammy Lowry, Michael Lurie, Paul Byrne. "How Roche pursues agile and digital transformation." January 2019 Interview, McKinsey & Company.

[5]Aaron De Smet, Michael Lurie, Andrew St George. "Leading agile transformation: The new capabilities leaders need to build 21st-century organizations." McKinsey & Company, October 2018.

has exciting new opportunities. *(See Figure 2 – Characteristics of Agile Alliance Management Teams).*

Questions alliance managers who want to pursue the implementation of agile alliance management practices should ask include:

- How should we evaluate the overall company portfolio of alliances and partnerships to determine the alliance management services they require to deliver desired stakeholder value and partner experience?
- What are the alliance management services stakeholders value most within each segment of the portfolio?
- What is the experience partners' expect when they engage with us? (Partners understand they may not be the most important partner for your company. They still want to be treated first among equals.)

It is a Team Play

Agile organizations are based on small, special purpose teams that focus expertise and task orientation to deliver customer value. These teams may be short-lived, charged with achieving a specific single objective. They may be longer-term, with a mandate of repeatedly conducting a critical process step again and again. The focused expertise encourages innovation and continuous improvement, ensuring that inefficiencies are minimized and additional value captured.

An alliance management function that chooses to adapt agile principles can benefit in a substantial way and begin to address some of its workload and value delivery challenges, producing its versions of the results the early adopters of agile methodologies and principles are claiming.

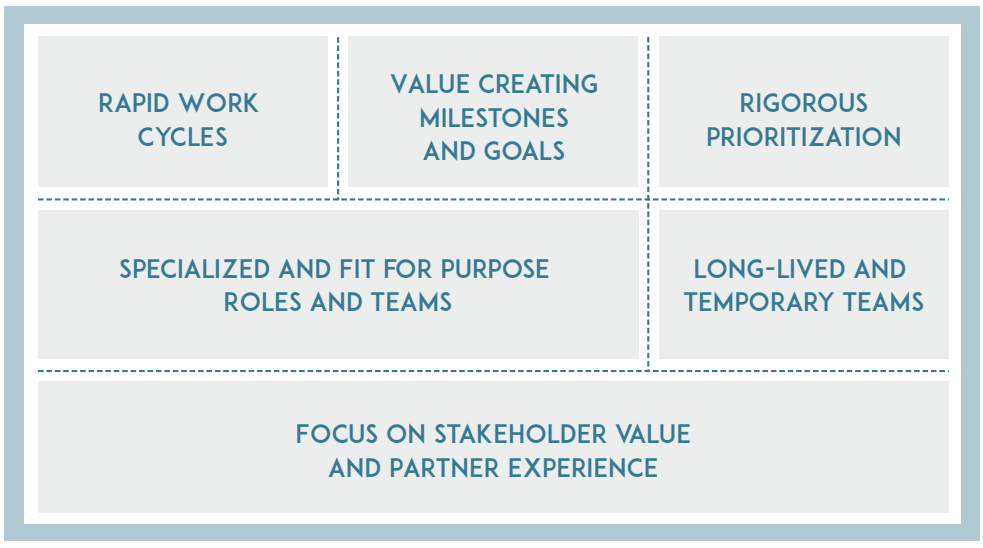


Figure 2 – *Characteristics of Agile Alliance Management Teams*

There is no doubt that alliance management is a critical strategic capability in today's bio-pharmaceutical firm where nearly every function depends on some form of external partnership. The demand for it will only continue to grow.

Alliance managers should think about the alliance lifecycle and the standard practice of all alliance managers having essentially the same job—managing an alliance from start to finish. To apply agile principles regarding the use of teams to alliance management, consider the following questions:

- What tasks across the alliance lifecycle would benefit from having a focused, specialist team that is constantly innovating how the task or process is carried out?
- How would you reconfigure alliance management roles across the alliance lifecycle if you had such specialist teams?
- How could specialist teams drive consistency, ensure sufficient risk management, and contractual compliance if certain alliances are to be self-managed by project teams and not by alliance management?

Be Proactive and Prioritize

One of the chief complaints from stakeholders indicative of workload overload is that alliance managers are too reactive. Agile organizations are religiously proactive. They break their work down into short "sprints," each of which has specific goals or milestones that create demonstrable value for customers. Anything new that comes their way not directly related to the goal in front of them is "backlogged," ensuring that resources are prioritized to that which will help them reach their North Star.

In an alliance context, this means prioritizing the services that create the greatest value for stakeholders and improve the partner experience. Alliance managers that embrace agile principles can become much more proactive, efficient, and valued by answering the following questions:

- What are the key decisions that have to be made in a relevant timeframe and how can alliance managers ensure that the decision is made through a purposeful, iterative process that get us to a desired outcome by (in advance) of the due date?
- How to move from reactive to proactive problem solving by implementing robust risk management processes?
- How to work to speed up routine work cycles, such as governance preparation and follow up with a dedicated operations team?

Welcome to the Partnering Everywhere World

There is no doubt that alliance management is a critical strategic capability in today's biopharmaceutical firm where nearly every function depends on some form of external partnership. The demand for it will only continue to grow. Many alliance management teams, whether teams in large pharma that have 10 to 20 people each managing 10+ alliances and developing centers of excellence to further support their colleagues, or one-person departments in emerging biopharma who are at saturation point with three major alliances—and more on the way—are finding it just too hard and need to iterate some key assumptions. Applying the principles of agile to how alliance management is implemented is a promising evolution.

Reimagining Alliance Management as an Agile Capability

In our post What to Do When It Gets "Just Too Hard" we describe a challenge biopharmaceutical alliance professionals are facing: How to provide proactive, value creating alliance management services to company stakeholders and partners when the number, variety, and technical complexity of partnerships exceeds the ability of alliance managers to implement a traditional management model across the scale and scope of the overall corporate portfolio. A promising approach to the problem lies in adapting and applying certain principles of agile management. In this post we explore what is meant by agile and how it can be implemented in an alliance management context.

Defining Agility

Agile is a way of working and organizing that enables innovation, collaboration, and value creation at scale and with greater efficiency than models that come from a time when the business environment was less dynamic than it is today. It is about working smarter, not harder. It encourages experimentation, not rigid planning. The objective of agile is to produce more value from less work because of an intense focus on a customer-centric North Star—the reason for the work, stated from the perspective of the value created for customers. As a way of working, agile aligns very well with the objectives of alliance management—to minimize risk and maximize value.

Agile is also a mindset. It is a process of discovery, prompting action before there is certainty about the path forward, providing comfort in the knowledge that there are plenty of built-in milestones and opportunities to iterate assumptions along the way to the North Star. It requires leaders who are comfortable in devolving authority to teams and being coaches, fostering collaboration among cross-functional teams. And it requires a mindset of abundance to focus on value creation—a hallmark of collaboration. Sounds a lot like the mindset of a successful alliance professional, doesn't it?

Aligning Agility with Alliance Management

The benefits of working and organizing agilely can be significant. According to McKinsey, "Agile organizations can develop products five times faster, make decisions three times faster, and reallocate resources adroitly and quickly."[6] For example, "Allergan has reduced the review time for promotional materials from weeks to days and in some cases even hours." "Product launches have come in 20% under budget and with 20% productivity improvements."[7] Maximizing value and minimizing risk in an alliance is done in large part by unleashing the creativity that comes from bringing different parties together, reducing the inefficiencies inherent in partnering, and preventing the cost of time from eroding value by ensuring:

- The partners have a common language *with* shared meaning
- There is alignment on a path forward
- Decisions are made timely
- Resources of each party are brought forth and appropriately leveraged
- Work is distributed and not duplicated

All of these outcomes of good alliance management are emblematic of what agile ways of working produce.

Applying agile techniques focuses efforts on creating value for customers, stakeholders, and partners. They help successfully manage the portfolio at scale. The implementation of alliance management principles and processes is adapted to eliminate unnecessary work and alliance management organizations are redesigned to address the complexity and ubiquity of partnering today. The following presents an introduction to applying agile principles to alliance management. *(See Figure 1 – Applying Agile Principles to Alliance Management)*. It is not an exhaustive treatment. It is an entry point to think differently about organizing and utilizing available alliance management resources to deliver value creating services.

Practice Component 1: Resourcing the Portfolio

One of the key reasons for reimagining alliance management as an agile capability is because there is currently a mismatch between the scale of enterprise partnering and professional alliance management resources. Current practice addresses this through traditional tiering and scoping

As a way of working, agile aligns very well with the objectives of alliance management—to minimize risk and maximize value.

[6]Aaron De Smet, Michael Lurie, Andrew St George. "Leading agile transformation: The new capabilities leaders need to build 21st-century organizations." McKinsey & Company, October 2018

[7]V. Srikant, G. Freeland, M. Lopez, and D. Gerber "Agile Can Work Wonders in Pharma," Boston Consulting Group, September 9, 2019

Partnering is occurring in all corners of the business, but much of it is not benefiting from the application of alliance management principles, no doubt resulting in avoidable mistakes, and lost time and money.

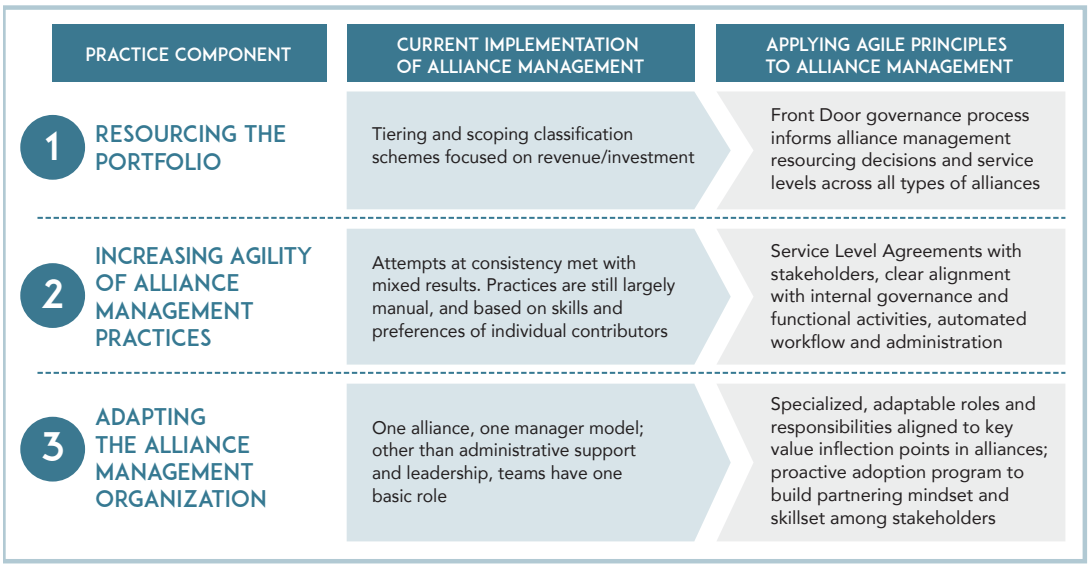


Figure 1 -*Applying Agile Principles to Alliance Management*

practices that result in unmanaged alliances and diminished value to stakeholders of alliance managers who are spread too thin to deeply engage in their alliances.[8]

Partnering is occurring in all corners of the business, but much of it is not benefitting from the application of alliance management principles, no doubt resulting in avoidable mistakes, and lost time and money. Alliance leadership tells us they simply don't have the resources to staff new types of partnerships, such as digital, specialized service providers, or academia. Alliance managers are an expensive resource, so not all alliances and partnerships should receive professional alliance management on an ongoing basis; however, all alliances benefit from the application of good alliance practices, such as ensuring alignment on goals and objectives, effective decision making, good governance, and appropriate resource allocation.[9]

The Alliance Management Resourcing Front Door Process

Part of what gives an enterprise the agility to make rapid decisions and focus on work that creates value is that it has a stable backbone—what we describe as a collaborative leadership system—that governs among other things how and by whom decisions are made, resources allocated, and risks managed.[10] This backbone should include a governance process for determining a resourcing and management strategy for each alliance. A process of this type is sometimes known as the "front door," *(See Figure 2- Alliance Management Resourcing Front Door Process)* because it provides a single-entry point to the process. In this instance, all alliances and partnerships, whether an alliance is asset-based,

[8]No Longer Any Doubt: Alliance Management is an Essential Strategic Capability for Today's Biopharmaceutical Company, Jan Twombly and Jeff Shuman, *Strategic Alliance Magazine,* Q3 2018

[9]*The ASAP Handbook of Alliance Management: A Practitioner's Guide,* Association of Strategic Alliance Professionals, 2013

[10]"Collaborative Leadership: The Antidote to the Collaboration Paradox," *The Partnering Guide,* January 21, 2020, https://rhythmofbusiness.com/insights.php?pid=91

service-based, or digital *(represented in Figure 2 as the Partner Ecosystem)* enter this process for a decision on resourcing. Decisions about how an alliance or partnership should be managed require that its value assumption as well as economic, operating, and governance models (collectively, the business model) are known. As a result, the alliance management resourcing process is initiated once an alliance or partnership is agreed to and its business model defined. Alliance management is generally a contributor to the partner selection and design process not the owner, whereas it is responsible for allocating the resources assigned to manage an alliance.

Any external relationship where there is shared risk and reward should come through the front door and be evaluated by specific criteria across three dimensions:

- **Criticality to the business** – A measure of how essential it is to strategy and business outcomes that the risks this alliance presents are managed and intended value is maximized
- **Degree of cross-functionality** – A measure of the internal complexity inherent because of the number of functions, therapeutic areas, business units, and/or geographies that have to be aligned to minimize risks and maximize value
- **Partner interconnectivity** – A measure of the external complexity inherent because of the number of collaborations with other companies in the ecosystem that the partner has to make successful to ensure risks are managed and value maximized in the core alliance

Part of what gives an enterprise the agility to make rapid decisions and focus on work that creates value is that it has a stable backbone … that backbone should include a governance process for determining a resourcing and management strategy for each alliance.

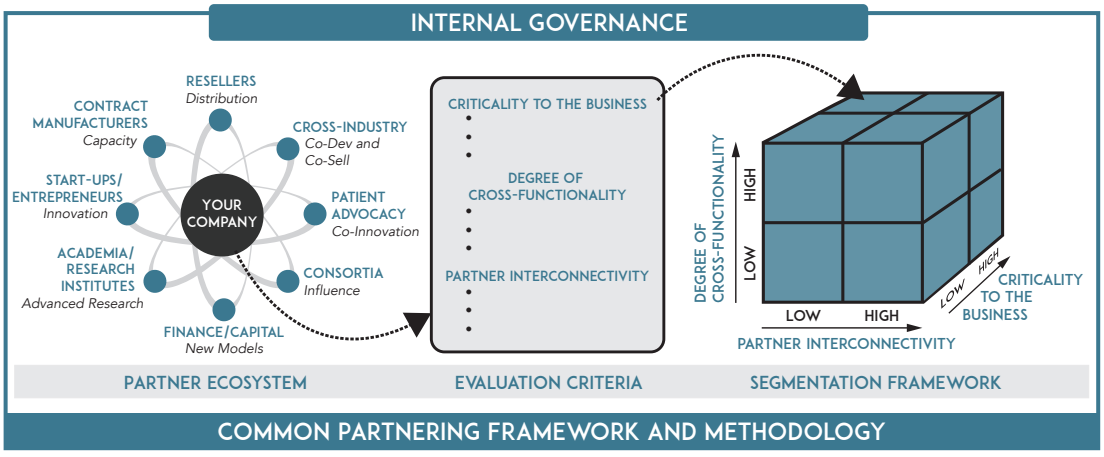


Figure 2 -*Alliance Management Resourcing Front Door Process*

Any external relationship where there is shared risk and reward should come through the front door and be evaluated by specific criteria across three dimensions: criticality to the business, degree of cross-functionality, and partner interconnectivity.

As a result of this analysis, each alliance is placed on the segmentation framework in Figure 2 at the appropriate intersection of the three dimensions. The specific placement defines:

1. *The resourcing for the management of the alliance*—Options include:

- A professional alliance management team, specialists known as a "node team" in agile parlance
- A cross-functional market-facing team
- A cross-functional innovation team
- A specialist function, such as a gene therapy manufacturing team

Depending on how a company's alliance management function is organized, the node team could be centralized or it could be embedded in a business, a therapeutic area, geography, or function. The other resourcing options could have individual members who are full-time, trained alliance professionals, or the responsibility could be an add-on to a person's core role.

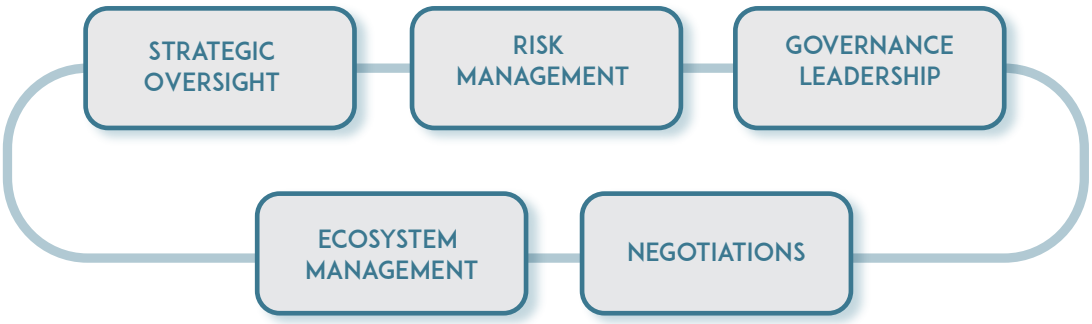


Figure 3 -*Examples of Higher Value Services*

2. *The level of alliance management services required for alliances with similar profiles*—All alliances require certain basic services, such as guiding the startup process, reporting, and contract management. More complex alliances require higher value services *(See Figure 3 – Examples of Higher Value Services)* such as:

- Proactive decision planning, risk management, and problem solving
- Hands-on leadership of the alliance governance

- Facilitating the negotiation of subsidiary agreements, such as quality, pharmacovigilance, and co-promotion agreements
- Navigating relationships with ecosystem partners, such as clinical collaborators
- Ensuring leadership has a holistic view of all alliance and relevant ecosystem activities

This is hardly an exhaustive list of the services stakeholders value. In practice, different alliance profiles are aligned to Service Level Agreements (SLAs) to set expectations with stakeholders about the work of alliance managers. SLAs provide role clarity and drive accountability, both essential elements for greater value.

In practice, different alliance profiles are aligned to Service Level Agreements (SLAs) to set expectations with stakeholders about the work of alliance managers.

Managing the Alliance Management Resourcing Front Door Process

The front door evaluation process establishes pro-forma profiles representing a segmentation of certain combinations of the three dimensions—criticality to the business, internal cross-functional complexity, and complexity caused by external partner interconnectivity. In keeping with an agile posture, this process should be carried out by a team consisting of an alliance professional, a member of the transaction team, a market-facing member, and/or an innovation professional, depending on the focus of the alliance. The team may need to reach out to key experts to help understand the business criticality, such as a gene therapy manufacturing team, or data scientist in the case of a partnership to accelerate drug discovery using artificial intelligence (AI). Their initial evaluation of the partnership will be based on many assumptions because the partnership has just been initiated, but that is OK. As the partnership develops, the evaluation will be revisited on a regular cadence. Agility requires learning fast. It also looks to redeploy resources as conditions warrant.

Employing an agile front door process means that all partnerships and alliances, regardless of their nature and purpose, be they pre-clinical research, co-development and co-commercial, for AI platform technologies, or digital health, are evaluated and mapped to an appropriate alliance management strategy and receive a commensurate level of alliance management expert services to minimize risk and maximize value. That's the starting point to ensure the complete portfolio is appropriately resourced and managed.

Implementing enabling technologies is an agile principle that enforces consistency.

Practice Component 2: Increasing the Agility of Alliance Management Practices

There are many ways to build agility into alliance management practices. The Service Level Agreements between alliance managers and stakeholders shape expectations and focus resources on the work that delivers the greatest value to stakeholders and enhances the partner experience. Successful implementation of services requires standardization, meaning that everyone understands the language and how things are done. People easily work with others because everyone knows how a certain alliance activity is conducted. We refer to this state which is a prerequisite for collaboration as "common language with shared meaning." It means that when the alliance manager talks about an alliance kickoff meeting and pictures an in-person meeting of all key personnel with certain agenda items, her key stakeholder sees the same thing, not a 30-minute phone meeting.

For example, with standardization an alliance kickoff has the same core elements, regardless of which alliance manager is running it, the therapeutic area, or the partners. From the alliance manager's perspective, timing and the scope of certain activities may differ depending on the alliance profile as determined by the front door process. Nonetheless, stakeholders will experience one kickoff as very similar to the next and know what is expected of them when assigned to a new alliance.

Many alliance management teams already attempt to standardize with playbooks, ASAP certification, and common templates for similar activities, such as stakeholder mapping and team charters. Results are mixed. We've observed that even among teams that proclaim to want certain practices to be followed, it can be hard to achieve consistency. Of course, alliances involve partners, so no company can—or should—dictate how an alliance will be implemented. The partners will be most successful if they work together to identify a "third way"—a means of satisfying each party's interests through a collaboratively designed process that is more efficient than running duplicative processes.

Internal workflows can be largely standardized, producing significant benefits both in terms of minimizing risk and in delivering value to stakeholders. For example, because proactive risk identification and management is especially valued by stakeholders, a company could have a standard protocol for this service, differentiated by portfolio segmentation. The following are three examples of how to make any alliance management practice more agile:

- *Information transparency*—It isn't easy in many company cultures to discuss what could go wrong. In an agile environment, critical assumptions and the data needed to assess if they are valid or invalid are identified, measured, and reported to all relevant stakeholders, enabling candid discussion, a leadership culture of accountability, and the ability to escalate problems teams can't solve.

Figure 4 -*Learn Fast*

- *Learning fast*—Structured processes, such as after-action reviews, regular analysis, and interpretation of data relative to assumptions mean that time is not wasted on activities and projects or decision options that aren't going to bear results. This practice is typically phrased as "failing fast," but that implies an end to the process. Agile principles encourage ongoing, rapid experimentation which is better described as "learning fast" *(See Figure 4 – Learn Fast)*

- *Digitization of information and workflows*—Implementing enabling technologies is an agile principle that enforces consistency. For too long, alliance management has been embedded in the minds and spreadsheets of individual alliance managers. There are new systems coming on the market that are specifically designed for alliance management, such as allianceboard <allianceboard.com>. All alliance managers should investigate it and other available options to automate their basic information and workflows.[11]

Integrating into Functional Activities

Alliances are most effective when they are integrated into the day-to-day workflow of the critical functions such as regulatory or supply chain. Even in our partnering everywhere environment, companies develop Standard Operating Practices (SOPs) without regard for the fact that they often have to implement them with a partner. Some simple practices that companies can implement to be more agile include:

- *Mapping partners into standard workflows*—What does it mean to incorporate a partner into the development of a regulatory

Opaque decision-making processes are enemies of agility—and create the risk of value eroding delays and sub-optimized decisions.

[11]The Rhythm of Business is partnering with allianceboard to offer process and workflow design, implementation, and training services

Specialist roles free up the alliance manager to focus more on the key value inflection points, and enhances the alliance manager's role as orchestrator of a team of resources, applying her executive expertise and focused on what really matters to stakeholders and partners.

submission? At what points would you consult with them or seek their advice to ensure that your partner can perform as intended?

- *Aligning financial calendars*—It can be a significant challenge when partners operate on different calendars. Be purposeful in aligning calendars to the degree possible around budgeting cycles. This may require some creativity, especially if the partners have different fiscal calendars. Consider five or six quarter rolling budgets that are updated quarterly to reflect the latest learning. This is an agile practice because it encourages quarterly milestones and designing work in short sprints to meet those milestones

- *Creating transparency into decision making*—Opaque decision-making processes are enemies of agility—and create the risk of value eroding delays and sub-optimized decisions. Alliance managers should understand each other's alliance-level decision making processes—who makes them and if there is a formal calendar to adhere to, such as quarterly investment committees. Additionally, the partners should understand the authority individual functions have to make decisions and how that authority is allocated globally and locally, if that is relevant

The foregoing are not new practices. Many alliance managers already incorporate them into their ways of working. What makes them agile and drives greater value with less work is the discipline and consistency with which they are implemented.

Practice Component 3: Adapting the Alliance Management Organization

Typically, the resourcing model has been that each alliance has one alliance manager and that each individual has responsibility for multiple alliances. Certainly, there are exceptions for very large and complex alliances, and in advanced companies that have recognized the need for new ways of working, but by and large the traditional model remains entrenched. This means that alliance management functions, groups, or teams do not operate as teams; they operate as collections of individual contributors. Agility depends on purpose driven teams.

We need to reimagine how alliance managers work as a team and distill work into discreet components focused on achieving milestones or delivering a task with less work and greater value. We can point to some examples

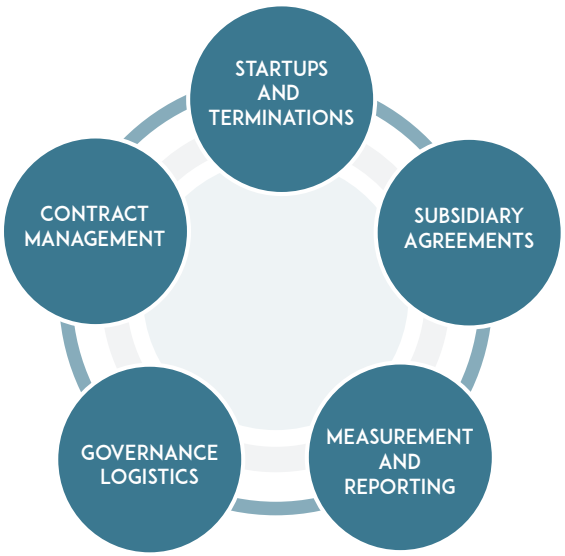


Figure 5 –
Using Specialists to Deliver Certain Services

of this already. Case in point, there are many large companies that break up their alliance management teams and align them to stages of the product lifecycle, creating separate teams for pre-proof-of-concept alliances and commercial alliances; or creating teams that specialize in different therapeutic areas. However, the alliance managers on these teams still work as individual contributors in most cases.

Taking specialization a step further, Merck & Co (known as Merck, Sharpe & Dohme outside of the US) has a distinct team within its Merck Research Labs alliance management group that handles its approximately 200 clinical collaborations for possible combination therapies with pembrolizumab (KEYTRUDA). They have developed their expertise and can implement and manage a high number of similar alliances with excellence and expediency.

Most companies do not have the resources of Merck, so how can they use specialization to become more agile in their alliance management practices? Even small alliance management groups can increase their agility and ability to handle large numbers of alliances by building expertise in certain services that are required on essentially all alliances and can be somewhat formulaic. A partial list *(See Figure 5 – Using Specialists to Deliver Certain Services)* includes:

- Alliance startups or terminations
- Negotiating subsidiary agreements, such as quality agreements
- Measurement and reporting
- Other operations functions, such as managing the scheduling and logistics of governance meetings
- Contract and financial management

Turning these responsibilities into a specialist role or roles frees up the alliance manager assigned to an alliance to focus more on the key value inflection points, such as helping to arrive at optimized trial design, managing the de-

cisioning around data reveals, ensuring commercial strategy is implemented, and problems are solved collaboratively. It enhances the alliance manager's role as orchestrator of a team of resources, applying her executive expertise and focused on what really matters to stakeholders and partners.

Adding these roles to an alliance management group creates opportunities to bring in less-senior people and develop their capabilities, building career paths that are missing today. Importantly, it also elevates the senior alliance managers in the eyes of executives and key stakeholders as they see them managing a team and experience the benefits of high-value work.

Building the Partnering Mindset and Skillset

Over the past few years, the number of alliance management organizations that are offering alliance and collaboration education and training has grown significantly. Sometimes, especially in large companies, this is part of the remit of a Center of Excellence, occasionally staffed by a dedicated team; more often an additional responsibility of professional alliance managers, or provided by expert consultants. There are two types of training required:

- Focused training for individuals who will have an alliance management or governance role in addition to their "day jobs"
- General partnering and collaboration training for stakeholders who have a role on alliance teams

The first type of training is essential to enable the segmented resourcing strategies that allow certain alliances to be managed by market-facing or innovation teams. The second type of training is needed to elevate the overall capability of the organization and minimize risks posed by uninformed stakeholders.

The Promise of Agile

Agile is not a panacea and companies can struggle with the strategic and cultural implications of adopting agile methods and principles. Given the alignment of desired outcomes between what good alliance management entails and the ways in which agility delivers benefits, there are clear steps that alliance professionals can take to enhance their ability to provide their organizations with value.

By implementing an alliance management resourcing front door process, the right resources can be assigned to each collaboration—and resources can extend beyond the professional alliance management team. Stand-

ardizing process, embedding alliance practices in functional workflow, introducing automation, and focusing services on that which matters most helps create greater value from less work. Building specialist roles and elevating the role of the professional alliance manager creates greater capacity to maximize the value and minimize risk in an ever-expanding alliance portfolio that now encompasses asset-based, specialized services, and digital partnerships. Finally, building the partnering mindset and skillset of stakeholders means they become active contributors to driving intended outcomes.

Getting Started

Agile initiatives focus on a North Star—a destination—and know that the path there is one of discovery and experimentation by fit-for-purpose teams that rigorously focus on more value for less work. If you want to become more agile, start becoming more agile! Once you know where you want to go, you can start with any of the practice components we've discussed. The key is to just start the journey.

Recent Thought Leadership Publications from The Rhythm of Business

Demand for Alliance Management has Changed: Are You Ready? Jan Twombly and Jeff Shuman, The Rhythm of Business, Inc., March, 2020.

Reimaging Alliance Management as an Agile Capability, Jan Twombly and Jeff Shuman, The Rhythm of Business, Inc., March, 2020.

Collaboration: Conceptually Simple, Operationally Challenging, Jan Twombly and Jeff Shuman, The Rhythm of Business, Inc., March, 2020.

What to Do When It Gets "Just Too Hard," Jan Twombly and Jeff Shuman, The Partnering Guide Blog, The Rhythm of Business, Inc., January, 2020.

Collaborative Leadership: The Antidote to the Collaboration Paradox, Jan Twombly and Jeff Shuman, The Partnering Guide Blog, The Rhythm of Business, Inc., January, 2020.

Five Skills for Collaborating Across Borders, Jan Twombly and Jeff Shuman, The Partnering Guide Blog, The Rhythm of Business, Inc., December, 2019.

Collaboration: Easier Said Than Done, Jan Twombly and Jeff Shuman, The Partnering Guide Blog, The Rhythm of Business, Inc., November, 2019.

Partnering Readiness: The New Strategic Leadership Agenda for Partnering Professionals, Jan Twombly and Jeff Shuman, The Association of Strategic Alliance Professionals, *Strategic Alliance Quarterly,* Q4, 2019.

Biopharmaceutical Alliance Management: Practices, Structure, Value, Jan Twombly and Jeff Shuman, The Rhythm of Business, Inc., October, 2019.

Could Partnering Capability be the Achilles' Heel of Ecosystems? Jan Twombly and Jeff Shuman, Partnering Guide, The 11th Global Peter Drucker Forum, July, 2019.

Own Your Transformation: A Five-Point Agenda for Creating Your Organization's Collaborative Leadership System for a Digital World, Jan Twombly, Jeff Shuman, and Lorin Coles, The Rhythm of Business, Inc., and Alliancesphere, LLC, October, 2018.

What's Your Resourcing and Capability Roadmap? How an Essential Function Keeps Pace with Demand, Jan Twombly and Jeff Shuman, The Rhythm of Business, Inc., March, 2018.

No Longer Any Doubt: Alliance Management is an Essential Strategic Capability for Today's Biopharmaceutical Company, Jan Twombly and Jeff Shuman, *Strategic Alliance Magazine,* Q3 2018.

Partnering at the Speed of Business, Jan Twombly and Jeff Shuman, The Rhythm of Business, Inc., March, 2018.

Beyond the Pill Strategies: Biopharma Partnering's Next Frontier, Jan Twombly and Jeff Shuman, The Rhythm of Business, Inc., September, 2017.

The Partner-Everywhere Imperative: A Practitioner's Guide, Jan Twombly, Jeff Shuman, and Lorin Coles, *Strategic Alliance Magazine,* Winter, 2017.

About the Authors and The Rhythm of Business

Jan Twombly, CSAP and **Jeff Shuman CSAP, PhD,** are the principals of **The Rhythm of Business,** a consultancy and advisory firm with core expertise in partnering, strategic alliances, and collaboration. Since 1999 they have consulted globally and offered education and training to help organizations achieve higher levels of partnering and alliance success. They work with leaders to build and execute a collaborative leadership agenda, break down barriers, and drive consistently excellent alliance practice throughout an organization and its partnerships.

Twombly serves on the Board of Directors of the Association of Strategic Alliance Professionals as Chairman of the Editorial Committee. Shuman is also professor of management at Bentley University in Waltham, Massachusetts.

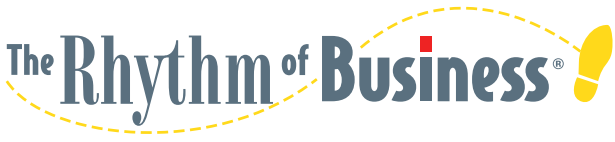
The Partnering Guide™ blog regularly features their latest thought leadership and posts on current topics in partnering, strategic alliance, and collaboration. Access it at ***www.rhythmofbusiness.com/insights.***

The Rhythm of Business®

Empowering Collaboration and Partnering Success

+1 617 965 4777
www.rhythmofbusiness.com

© 2020 The Rhythm of Business, Inc.



Empowering Collaboration and Partnering Success

+1 617 965 4777

www.rhythmofbusiness.com