

Insights from the 2021 ASAP Global Alliance Summit STARTUP MASTER CLASS

During the 2021 ASAP Global Alliance Summit, we led a highly interactive master class on the startup process. Participants analyzed one of two case studies: one about a software company establishing a critical partnership with a global systems integrator and a cloud services provider to provide scale and reach; the other a codevelopment, cocommercialization alliance between a mission-driven biotech and a big pharma company. The case studies had competitive issues, cultural differences, difficult personalities, and multiple complexities—all the challenges an alliance management professional would expect!

We asked the participants in the master class to characterize the major risks in the case study alliances and how they would address them. The following table identifies a few of the risks they saw and how to counter them (See *Figure 3 - Risk Management Actions*).

Characterizing Risks

All of the risks identified by the master class participants are common across the different types of alliances. The last two listed in the table (where only one industry is checked) are really just variations on dealing with the risks posed by the complexity of multiple partners.



Risk	Management Action	Info/Digital Tech	Biopharma
CULTURAL DIFFERENCES	<ul style="list-style-type: none"> ■ Use the startup process to develop understanding and begin to shape an alliance culture ■ Faithful implementation of a comprehensive communication plan ■ Engage in team/relationship building activities during the startup process and periodically thereafter 	✓	✓
COMPETITIVE CONCERNS	<ul style="list-style-type: none"> ■ Acknowledge upfront that these concerns exist ■ Have executives express commitment to the alliance ■ Establish specific rules of engagement 	✓	✓
LEVEL OF COMPETENCY	<ul style="list-style-type: none"> ■ Align on roles and responsibilities ■ Provide opportunities to showcase capabilities ■ Carefully select governance members 	✓	✓
CHALLENGING/ DOMINANT EXECUTIVES	<ul style="list-style-type: none"> ■ Robust stakeholder engagement and management of the joint leadership group ■ Partner with executive sponsor/Joint Steering Committee leadership to establish and enforce “good behaviors” 	✓	✓
COMPLEXITY OF SALES PROCESS WHEN MULTIPLE ECOSYSTEM PARTNERS INVOLVED	<ul style="list-style-type: none"> ■ Ensure sales enablement is thorough and addresses this aspect ■ Success story from early wins to demonstrate how to navigate the complexity ■ Define routes to market by partner 	✓	
DEVELOPMENT CHALLENGES OF COMBINATION THERAPIES	<ul style="list-style-type: none"> ■ Implement governance over the combinations—recognize their complexity can multiply when there are promising trial results ■ Template agreements to the degree possible ■ Have someone on the alliance management team specialize in these agreements and pay attention to the portfolio implications 		✓

Figure 3 – Risk Management Actions

The Value of Alliance Management Services

Another question participants discussed was the value their services during the startup period deliver to stakeholders and how they would communicate that value. Not surprisingly, participants focused on **preparing stakeholders for what could go wrong and setting them up to make it go right**. The risk identification exercise is an essential piece of preparing for what could go wrong. Other ways alliance management professionals can prepare stakeholders include:

- Provide a blueprint for effective partnering—recognize that good partnering behavior is still not second nature in many companies—and there may be a culture and embedded systems, including compensation that work against it
- Work with your counterpart to establish an open and trusting relationship so that you can immediately address early warning signs of trouble
- Establish comprehensive stakeholder engagement and management plans—especially for stakeholders who are known to be “assertive”
- Setup conversations between peers, including team members, governance committee members, functional stakeholders, and executives about potential areas of conflict and challenges at the kickoff meeting and beyond. Ensure this is not a taboo area of discussion and help people understand that disagreements can be a source of innovation
- Articulate value with an outside-in perspective that says how the alliance is beneficial and valuable to the end customer. (This works well when the interaction with the customer is near-term. If there is a long development period, think about and articulate the partnership’s contribution to baseline scientific knowledge or advancement of a broad therapy platform)
- Similarly, be very clear and reinforce the partnership value proposition for your company in a way that is easily understood. For example: “This partnership is allowing us to scale our efforts about a year sooner than we otherwise could. This means our revenue in the coming year will increase by X.” If at all possible, relate the value proposition to what it means for individuals
- Prioritize efforts to create value—help your team focus on the opportunities that have been teed up for them so that they can learn quickly and expand their efforts

PUBLISH YOUR WORK –

Communicate the Value of Alliance Management Services

It is not enough for alliance management professionals to do good work. It is important to communicate what you are doing during the startup process **because it helps the organization learn good partnering practices**. Yes, there is an element of making sure the value of alliance management services is recognized but that is a by-product. Communicating it is a key part of organizational capability building and should not be considered self-promotion. Advice our master class participants had for communicating the value of alliance management services to startup an alliance includes:

- Add to your report/scorecard at governance committee/business review meetings opportunities identified, disasters avoided, and how efficiency and effectiveness has been improved. For example, define time savings relative to previous alliance launches
- Use the startup period to establish baselines, especially around decision making. Report in the future how you are able to reduce those timelines because decision making processes were established in the startup period, and how your risk management efforts have prevented problems from occurring
- Continuously build success stories that others can use to guide their actions
- Develop a suite of metrics that you implement during the startup period. Our advice is those metrics should include a mix of activity, process, and outcome metrics:
 - **Activity metrics** are leading indicators. They report things such as how many people have participated in information sessions about the alliance, providing an indication of how widespread knowledge is of the specifics of the alliance
 - **Process metrics** reflect time elapsed and need a reference point to show improvement
 - **Outcome metrics** are lagging indicators. They report the achievement of deliverables, milestones, or revenue that demonstrates tangible progress

Our master class participants also highlighted the need to change what all too often happens: A robust communication plan is developed with good intentions, but the reality of moving the business forward everyday makes implementing that communication plan an afterthought. They recognized this is an area where we must all do better to build partnering capability within our organizations—and demonstrate the value alliance management professionals provide to stakeholders during the startup process and beyond.