



Executive Sponsorship – Critical Factor for Partnering Success

What is an executive sponsor – really?

Why is having one so important?

Executive sponsorship is commonly acknowledged as one of the most critical factors for alliance success. This applies not only to individual alliances but also relates to how well an organization can realize value from all their partner relationships i.e., how well does a company partner. Have you ever had the misfortune to have worked for a company (or two) that just didn't 'get it' when it came to working with partners. For one executive, a win-win partnership meant, he won twice. Just imagine what it was like trying to build collaborative relationships under that leadership! That company was once accused of having "victims not partners".

How many times have we seen a successful alliance flounder when a key executive sponsor leaves the company, or gets promoted or transferred? In an extreme incident, one company acquired a competitor to their partner when the executive sponsor left the company. The partner did not understand the importance of that relationship and failed to rebuild it. Because the relationship no longer had executive support, no longer had the confidence of the company's management team to deliver on growth objectives, the company felt it had no choice but to acquire an alternative that was more directly under their control. This had devastating results for the partner. They were left with an even more powerful competitor where they once had an ally.

A successful alliance program begins at the top with the support of the CEO. Like many other things, the CEO influences company culture, models the behavior, and sets the priorities in collaborative relationships. CEO support and that of the CXO staff fosters the environment where alliances can thrive and deliver results.

When you look at the management model of strategic alliances, it becomes clear why this level of support is critical. As strategic alliances stretch across a company's value chain, you find that company to company collaboration touches multiple functional organizations – R&D, Operations, Marketing, Sales, etc. It takes the active involvement of senior management to keep the behaviors of the functional organizations in alignment with the company's strategic goals in partnering with an alliance.

Companies that are well known for alliance excellence not only foster the partner friendly environment from the top down but they assign executive sponsors to shape and manage the strategic intent of the most important relationships. IBM is one of those companies that has a well developed Executive Sponsorship program built into their most important alliances. For the largest and most strategic alliances, alliance strategy and performance is reported at the Board of Directors level and the CEO, Sam Palmisano, regularly meets with his alliance CEO counterpart. Key business leaders are assigned as executive sponsors, especially to those partners that are considered important to the success of those lines of

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Strong and effective executive sponsorship is critical to alliance success.

Executive sponsorship begins at the top with the CEO who sets the example in supporting partner relationships.



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business for which they are responsible. These executives are actively involved in those alliances and have a clear stake in their success.

What does an Executive Sponsor do?

What are the responsibilities of an executive sponsor? That will of course vary with each alliance, but in general, here are some of the key roles:

Champion and Evangelize the Value of the Alliance – An executive sponsor serves as an advocate of the alliance across the company. As the executive sponsor participates in discussions with peers in other functional organizations or lines of business, they ensure that the needs and value of the alliance are recognized as strategies are formed and decisions are made. That does not mean that every decision that may have negative impact on the alliance or on any one functional area is avoided, but that at least decisions are made in full cognizance of the implications and that ultimately the right decision is made for the company. This also implies that one of the roles of an executive sponsor is to look beyond the interests of a single line of business but to optimize the overall value of the alliance to the company.

Represent the Company Position on Key Issues – The executive sponsor may also serve as the official company spokesperson on key issues. These issues can represent a full range of topics from product road map and strategy, to mergers and acquisitions, especially those that may impact the partnership.

Strategic Guidance in Aligning with Corporate Objectives – One of the most common roles for the executive sponsor is to ensure that the strategic objectives of the company are being served by the alliance. The executive sponsor provides the vision while the alliance management team provides the focus for implementation.

Assist Organizational Navigation – This role can be particularly important in large complex organizations where there are multiple lines of business. Quite frequently what makes a strategic alliance, well - strategic, is that the relationship provides value across multiple lines of business. A strong and visible executive sponsor can make the appropriate introductions and initiate partnering discussions at the right levels with the right influencers creating more opportunities for both partners.

Escalation Point for Problem Resolution – One of the challenges of alliances is that it functions across the normal organizational command and control of management. So where and how do decisions get made? Having a clear, well understood and mutually accepted process for problem escalation and resolution is important. But at the end of the day, who can make the final decision? This often falls to the executive sponsor and the partner counterpart. Though in the largest and most strategic partnerships, we find that some issues may be ultimately escalated to the company CEO's. This, again, emphasizes the importance of having sponsorship from the top.

Remove Organizational Barriers/Red Tape – This role is closely related to the roles in assisting organizational navigation and escalation, chiefly because of the organizational authority and position of a senior executive to build internal relationships throughout a company and to use that influence to help move the work of the alliance forward when needed.



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Executive sponsorship is most effective when there is alignment with the goals and objectives of the alliance and goals and objectives of the executive sponsor's 'day job'.

In this way there is a natural accountability and reward for success.



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Accountable for Overall Alliance Performance – In the best sponsorship programs, sponsors are key stakeholders in alliance success. They are both accountable and rewarded for alliance performance. Ideally alliance performance is aligned with the executive sponsor's 'day job'. For example, if the strategic objective of a partnership is to speed time to market of a particular product, ideally it is a product in development under the sponsor's management.

Building Executive Sponsorship Relationships

Finally, executive sponsorship is most effective when the roles and relationships are proactively managed. All too often sponsors are identified but the relationship doesn't extend beyond the initial business review or golf game. Having to build that relationship in the midst of a crisis when it is needed the most is a troublesome thing. One of an alliance manager's key challenges is to keep the executive sponsor relationships active and effective. Like any relationship, it takes effort to build trust between the parties and keep the lines of communication open. Alliance managers need to ensure they keep their executive sponsors appropriately informed and involved. Their success depends upon it!

How effective is executive sponsorship for your alliance?

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