LOOKING INTO THE FUTURE OF...

▶ **Alliance Management**

▶ **Digital Transformation**

▶ **Biopharma-Vendor Collaborations**

▶ **The Channel**

■ **Pulling on the Same Rope**
Other Functions May Determine the Fate of Your Alliances—So How Do You Get Them Engaged?

■ *Editorial Supplement:*
A Matter of Trust
In a World Gone Virtual, Maintaining and Strengthening the Bonds of Trust Becomes a Partnering Necessity

Looking into the Future

What Are the Skills That Will Help Alliance Professionals Be Most Effective in the Virtual Pandemic Working World?

By Jon Lavietes

When COVID-19 took root and effectively sent us into our homes in early March, we spoke to a number of alliance managers who were just getting the feel for doing their jobs without the benefit of face-to-face meetings and the ability to read body language and nonverbal cues. They recounted how they were consciously replicating the social element of work with virtual happy hours and comfortable T-shirts, five o'clock shadows, and the appearance of kids and pets in work spaces. (See "Partnering in a Pandemic: Across Industries and Around the World, Alliance Managers Share How They've Been Coping with COVID-19," *Strategic Alliance Quarterly*, Q2 2020.)

Now that we are many months into this pandemic, where does the alliance management discipline stand? Do alliance pros need new skills, tools, or best practices to conduct business in these unique conditions? Which ones are coming in handy, and how are they being applied? Are remote-work conditions impacting specific parts of the job or the alliance life cycle more than others? Will some of these changes to how the craft is plied end up being permanent long after we neutralize the coronavirus? Several of the profession's veterans from different industries weighed in with their observations at this juncture of our new reality.

# of Alliance Management

The Recession Pivot: A New, Agile Twist on a Familiar Story

The slowing economy and rapid shifts in buying behavior in response to this unprecedented (at least in our lifetimes, unless you are 102 years old) global health crisis are elevating alliance managers' nose for value creation and eye for product strategy, but they will need the olfactory senses of a hound and the speed and cunning of a fox in order to reconfigure partner networks, solution-development objectives, and supply chains because there is no time to waste, especially in high-tech. The COVID-19 economy has tilted demand toward a few product and service areas that are uniquely suited to pandemic circumstances, such as healthcare, remote working and learning, e-commerce, and transportation solutions, observed **Norma Watenpaugh**, CSAP, CEO and founding principal of Phoenix Consulting Group.

"Where are the opportunities? How does buying behavior shift? What do you take from your tool chest, and how do you combine it with what other partners in the ecosystem have in order to build new solutions that meet the new challenges and requirements that businesses face? How do you solve the big problems?" she asked, outlining how alliance professionals need to reimagine solutions. "Alliance managers have to reshift their partner ecosystems and solutions to adapt to new opportunities and do it quickly."

> **"How do you solve the big problems? Alliance managers have to reshift their partner ecosystems and solutions to adapt to new opportunities and do it quickly."**

The quick pivot is in many ways a new twist on a familiar story. This is the same formula alliance teams used to navigate the 2001 "dot bomb" and the Great Recession of 2009. In a recent LinkedIn post, Watenpaugh recounted that Cisco's alliance revenue grew 12 percent during the former downturn, while banking colleagues pivoted to aiding with the mergers, acquisitions, consolidations, and increased compliance requirements that resulted from the financial meltdown a little more than a decade ago. The same strategic skills will help alliance managers steer their organizations through the coronavirus storm.

"Alliance managers do have to have a considerable amount of business savvy. What is changing and how do we react to it?" said Watenpaugh. "If your market shifts, and you no longer have a strong market for what you're selling, where do you go next?"

In other words, it is up to alliance managers to make their portfolios, and their companies, more agile by choosing and assembling the right pieces in short order as market demands change. An "agile" partner ecosystem would likely share many traits with the agile project management method as defined by the Association for Project Management, namely that it should "promote velocity and adaptability" and "exhibit central values and behaviors of trust, flexibility, empowerment, and collaboration."

"Too Many Moving Parts" Gives Rise to More Democratized Ecosystems

With that said, COVID-19 has changed how these ecosystems come together. According to **Manoj Bhatia**, CSAP, director of partner business development at Verizon, because "we are realizing that there are way too many moving parts," it is easy

for alliance managers to find themselves "overwhelmed with the number of new connections they have to make," given the speed at which they must bring "partners together quickly on a common framework" and how high the stakes are right now in terms of making the right bets on partners. For these ecosystems to work quickly, companies are ditching "tiering" systems, which has resulted in greater interaction among partners in the group, a stark contrast from the previous ecosystem model where each member would largely deal directly with one dominant partner.

"We learned a new sense of collaboration and alliance management from this recent crisis. When that situation falls on us, then it's okay to break those barriers and work really fast with all of the partners in the ecosystem. There's no need for preferential [treatment] or any sort of high-medium-low type of tiering, even thinking that one company can contribute more," said Bhatia.

> **"We learned a new sense of collaboration and alliance management from this recent crisis. It's okay to break those barriers and work really fast with all of the partners in the ecosystem."**

Since the partner ecosystem plays such a vital role in helping organizations shift strategy in this pandemic, companies are increasingly recognizing the alliance manager's ability to contribute what Bhatia sees as "thought leadership" in these circumstances.

"Because we are your eyes and ears for the company, talking to multiple stakeholders—we know 20 different ecosystem partners working for a common goal—we have a much better handle on the situation," he said. "Not only do I know the partners and stakeholders who are involved, but I'm also able to make a difference for you because I can bring you certain pieces of information you might not be aware of."

Hard Numbers and Soft Skills

Forward-thinking alliance managers are not only proactively calling attention to partner functionality that could potentially augment their organizations' product and go-to-market strategy, they are sifting through reports of problems with partner companies that crop up in the news and vetting whether there is any validity to them. They are analyzing and delineating thousands of pages of industry reports from management consulting leaders like Deloitte, BCG, and McKinsey and, in the tech space, research analyst firms such as Gartner, IDC, and Forrester. In fact, Bhatia pointed to "data modeling and analysis" as one tool alliance managers should consider adding to their toolbox if they haven't already.

"It will be good if alliance managers are comfortable with numbers, not only from a partner sales and revenues viewpoint, but also in analyzing unexpected business scenarios (e.g., pandemic crisis), thus striking a balance of hard and soft skills," he said. Alliance managers can really demonstrate value if they can "map out a few scenarios" and bring "some predictability about partner revenue based on this data modeling," in Bhatia's view.

Entrepreneurial Mindsets Wanted

Ecosystems have given alliance managers more to think about strategically and operationally. **Andreas Westh**, CSAP, director of global partnering strategy at Ericsson, said his company has had to look beyond its organization, industry, and existing partners in revamping its partner network. His traditionally communications service provider–focused company is leveraging industry standards to lead digital transformation toward 5G and IoT for carriers and their mobile networks. Furthermore, Ericsson is engaging jointly with service providers in Industry 4.0 ecosystems in order to expand into enterprise environments that depend on robust cellular connectivity, such as campuses, smart factories, ports, and airports. He suspects that alliance managers in all industries will need to similarly delve into unfamiliar markets and learn their unique industry cultures.

"It's not enough for alliance managers to understand their own companies' portfolios and how we fit in our own industry. We [need to] understand what's happening with other companies in our industry but also how we connect and depend on other industries," he said.

> **"It's not enough for alliance managers to understand their own companies' portfolios and how we fit in our own industry. We [need to] understand what's happening with other companies in our industry but also how we connect and depend on other industries."**

Most important, Westh urged alliance managers to apply an "entrepreneurial mindset" to their jobs, take risks, and make recommendations directly to senior management.

"We [should] help senior management, coach them, and apply consulting on what's happening in the marketplace," he said.

If alliance managers are driving ecosystems, they will have to apply skills around governance, rules of engagement, and strategy alignment to make sure every player agrees on what they are contributing to the group. They may determine that it is more appropriate to join an ecosystem as a player, not a leader. Either way, alliance managers will need to help existing partners understand the new ecosystem's messaging, joint goals, and target markets, both old and new. They will also need to actively integrate them into ecosystem operations wherever necessary.

Building Bridges in a Virtual World

In some industries, the alliance management toolkit is being adopted by the rest of the organization. These emerging ecosystem models had already prompted Equifax to deploy the principles in the *ASAP Handbook of Alliance Management* to its direct sales operations, even before the pandemic.

"The competencies around alliance management are relevant and appropriate for anyone who engages in commercial business," said **Joy Wilder-Lybeer**, United States Information Solutions (USIS) chief revenue officer and senior vice president of global partnerships at Equifax. "In any commercial engagement, we must identify points of joint value, negotiate effectively, manage conflict, and execute common work plans. Whether we are involved in direct selling or more of a traditional partner model, we must achieve transparent communication and ongoing governance to ensure that we optimize joint value and meet our contractual commitments."

COVID-19 has only heightened the need for these practices. It turns out that the ability to bridge cultural and operational differences works in the virtual world as well.

"It's not like every single customer says, 'We have the same instance of Zoom, and we use it exactly like you do, and we have the same facilitation tools, and we're comfortable with your demanding certain delivery timeframes.' Partners often have different virtual environments and different virtual expectations and comfort levels. All the more reason we need to equip the team with ways to handle conflict and ways to get on the same ladder of inference," said Wilder-Lybeer. "Particularly in situations where people have different safety concerns, protocols for engagement, different comfort levels with engagement. I have to be savvy about what is important to you, framing my values in a way that helps you meet your objectives as well as my objectives."

Climbing the Trust Ladder to Reach a High Bar

If you are going to apply one section of the *Handbook* to your alliances in a diffuse, virtual office, **Julie Shirley**, CA-AM, vice president of alliances at Equifax, might recommend the section on trust, as the digital workspace has made it a bit tougher to build, maintain, and rebuild it once it is lost. Equifax is also applying this element of alliance management to the rest of its organization.

"[Trust is] going to continue to be so important—the same important thing but harder to do in the virtual world," she said. "We're slowly getting more comfortable with talking about the concept of trust. When we diagnose conflict, trust, and the loss of trust, that trust ladder is a factor."

"Trust is going to continue to be so important—the same important thing but harder to do in the virtual world."

Wilder-Lybeer observed that her team has had to be more deliberate in its joint account planning efforts without the option of meeting partners and internal team members face to face. A thorough account plan will spell out "who's involved, the engagement process, the identification of specific opportunities, and then the attribution of results back to the plan—did we do what we said we were going to do?" explained Wilder-Lybeer. "I don't change the bar, even in a pandemic. We have a job to do. We have shareholder expectations that we need to meet. We have partner agreements and expectations that we deliver against. It is incumbent on us to use all of our alliance management competencies, engaging with others just as effectively as before to achieve the same goals."

Although a stakeholder map might be tougher to put together without the luxury of meeting partner counterparts at their offices, it will still serve alliance managers well to piece one together as best they can from a home office. It will be much harder to jointly develop an escalation process in the middle of the collaboration's first flare-up.

"Perhaps we are a little bit more deliberate at the onset as opposed to waiting until there's conflict. Too often, people don't think to do a stakeholder map until they have a conflict situation," said Shirley.

"Adjust to What?" Long-Running Pharma Alliances Keep On Keepin' On

In the pharmaceutical industry, the challenges are slightly different. The strategic objectives of alliances, many of which are expected to stretch 10 or 15 years, aren't changing for the most part. A few months is a blip on the screen in the world of biopharma, and for some alliance leaders there are still more questions than answers in terms of how the pandemic will affect the application of alliance skills in both the short and long terms.

"Six months is no time," said **Knut Sturmhoefel**, CA-AM, vice president and global head of alliance management at Novartis. "We may be starting now to adjust, but adjust to what?"

Sturmhoefel feels that current work-from-home conditions have blunted alliance kickoff tools and conflict management techniques to a certain extent. While alliance managers have been able to draw on the equity built up in partnerships

Essential Partnering Skills for Today...and Tomorrow

The following skills will prove invaluable for partnering and alliance professionals in all industries, both in the current pandemic conditions and in whatever "normal" comes next:

Strategic Skills

- *Act like an entrepreneur*: Apply an entrepreneurial mindset in reimagining product/service offerings to fit current market demands. Convene appropriate partners and recruit new allies wherever necessary.

- *Include more than just "the usual suspects"*: Look beyond your organization, industry, and existing partners in revamping and expanding your partner network.

- *Stay agile*: Keep partner agreements flexible so that your organization can continually adapt to high-velocity shifting market dynamics in an agile fashion.

- *No more tiers*: Recognize when "tiering" systems hinder efficiency and expediency rather than helping it. Enable direct interaction between ecosystem partners in these cases.

- *Data, data, data*: Create data models to illustrate scenarios and project partner revenue.

- *School of thought*: Provide thought leadership to senior management by proactively recommending joint product strategies, monitoring developments with key partners, and keeping abreast of industry trends.

formed prior to COVID-19, there are obstacles in forming bonds with new partners and ironing out differences in partnerships that are experiencing bumps in the road.

> ## "If we're in a difficult situation where teams are struggling with each other, how do we solve this? How do we run a team-building exercise virtually?"

"If you are in a difficult situation where teams are struggling with each other, how do we solve this? How do we run a team-building exercise virtually? You can improve team spirit with teams that know each other already to some extent, but if you're starting a new alliance, I don't know how well that works," he said.

Reading the Cues in Conflict Management

Cindy Warren, global vice president of business development for the neuroscience division and head of business development in the Japan region at Janssen (Johnson & Johnson Innovation), has similarly noticed obstacles facing collaborations at the earlier stages of the alliance life cycle. Without exposure to the visual cues and the overall tenor during contract negotiations, alliance managers are handicapped to some extent in getting the partnership off on the right track.

"What are the issues that people have felt that they had to concede or compromise on? During in-person negotiations, you understand coming into this where people might have a sore spot when it comes to the execution of the collaboration," she said. "They witness the body language of people and they use this to facilitate the execution of the collaboration. Picking up those cues and interpreting them on Zoom or other technology is more difficult."

> ## "You can call them and they don't have to pick up their phone. It's easier for people to avoid conflict now."

When it comes to conflict management, alliance managers' first aid kits are as useful as ever. The problem is, stakeholders aren't always showing them their wounds because it is much easier to duck a tough conversation.

"Now, you can call them and they don't have to pick up their phone. It's easier for people to avoid the conflict now, which makes it more difficult for the alliance manager to try to facilitate or resolve," said Warren.

This Is How We Do It: Dealing with Crisis and Uncertainty, Every Day

None of this is to say that pandemic conditions have completely muted pharma alliance teams' collective skills. The alliance manager's adeptness in change and crisis management has been indispensable for biopharma organizations.

"This is what they do on a day-to-day basis. In normal times, they are managing through crises, managing through change. They're building relationships where relationships might be hard to build. This is a skill set that they have. This is sort of taking it to the next level. This is where they will have to work a little harder to build trust internally—building that internal trust and managing to influence without authority," said Warren, before adding that alliance managers are now succeeding in "mobilizing people in the same direction in a very different and unprecedented environment."

Sturmhoefel said that the alliance team has helped the rest of his organization cope with delays and other unpredictable developments that have stemmed from COVID-19.

> ## "We need to show understanding and empathy with our partners and jointly seek solutions to problems arising from the pandemic—it is now more important than ever to do your best to be a true partner."

"The alliance managers, with their teams, have gone in there and sought regular contacts and interaction with a calming attitude," said Sturmhoefel. "Being able to communicate that we're all in the same boat. We need to show understanding and empathy with our partners and jointly seek solutions to problems arising from the pandemic—it is now more important than ever to do your best to be a true partner."

"One of the characteristics of an alliance manager is dealing with uncertainty. That's the hallmark of the crisis: uncertainty," he concluded.

Alliance Managers Double Down on Active Listening

Will the profession look or function any differently several years from now (assuming a vaccine has been created and distributed by then)? In one sense, the answer is no. Alliance professionals don't figure to be implementing tools and practices in a radically unusual way at that point. After all, even in today's bizarre circumstances, the tricks of the trade are the same; alliance managers have simply had to double down on some of them to meet changing objectives, said Watenpaugh.

"It's less about new skills, but resurrecting the skills you need in disruptive environments versus business as usual," she added.

"I don't think the role and responsibility is going to change dramatically," said Bhatia.

In the medium term, however, there seems to be wide agreement that those executing alliances are going to have to put in a little extra work in order to build rapport with partners without the benefit of in-person bonding. To put it another way, when asked what the most important alliance management skill will be moving forward, Warren said without hesitation, "Communication, communication, communication. You can't be communicating enough."

> ### "Communication, communication, communication. You can't be communicating enough."

"It's more important than ever right now—listening," she continued. "Find out what's going on in people's worlds—at least create some sort of personal connection with them as well. I think that's more important than anything right now. It will help you understand not only what's happening in their company, but what's happening with them personally—to understand how this communication cadence is going to work, how do we stay connected, how do I completely build trust with you."

"People have to be more diligent on reaching out. If something comes up, and there's a question, 'Why did I get that email?' Learn not to second guess. Learn how to reach out. Understand what's behind it. Be even more of an active listener and try to understand before reacting," said Sturmhoefel.

Core Alliance Skills

- *Start with best practices*: Apply alliance management joint planning, trust building, and joint value creation practices and principles to the virtual environment.

- *Map it out*: Piece together a stakeholder map as best you can at the outset of a relationship before a conflict arises.

- *Loosen the reins*: Consider instituting looser governance and relaxed rules of engagement in order to facilitate more direct communication in the virtual world.

Interpersonal Skills

- *Keep calm and carry on*: Exhibit a calming demeanor to partners and internal stakeholders at all times—but especially during a crisis.

- *Communication, communication, communication*: Make the extra effort—the extra phone call, the extra informal group happy hour—to get to know your partner and keep a pulse on internal and external alliance team members in the absence of face-to-face meetings.

- *Learn ALL of the tools in your electronic toolbox*: Familiarize yourself with the more intricate features of videoconference and collaboration technology tools in order to create livelier meetings and presentations and reproduce the feeling of a "live" meeting as much as possible.

- *Be a human*: Show empathy and understanding for extenuating circumstances created by the pandemic—e.g., health, childcare, and family issues.

Getting to Know You (Coffee and Pastries Not Included)

"How do we block time on the calendar and convince someone that it's super important for them to be willing to chat for a minute and get to know each other better and be on the same page with the partnership moving forward?" asked Wilder-Lybeer. She added that there is no substitute for trying to uncover what truly makes people tick.

"We're throwing the barn door open and saying, 'We're going to meet each other and we're going to know each other.' The governance structure and the engagement model are probably going to feel looser than they have in the past in order to facilitate direct communication," said Shirley.

Westh said it is now more important than ever to practice the Swedish concept of *fika*, the act of convening a group over coffee and pastries to talk more informally about their jobs, lives, and what is going on in the world, with internal and external alliance team members, even if it's over video.

"You need to make sure you structure some kind of environment to foster informal communication," he said. "We need to be spearheading that kind of open communication, transparency, willingness to share between teams—break the siloes, remove the walls, and really drive collaboration."

It Takes Techno-Savvy, a Virtual Stage Presence, and Time

In addition, there are fewer excuses for not being savvy enough with videoconferencing and enterprise communication tools to carry out your duties, especially if you are in a leadership role (e.g., C-suite executive, department head, partner lead, etc.).

"Someone who's not versed, not comfortable with using all types of electronic communication will have a hard time," said Sturmhoefel. "If you lead and have to decide how to run effective meetings, steering meetings, you need to be versed and always prepared for technical issues much more than before."

Warren said even people outside of tech need to "upskill" in their proficiency with these technology tools and stay on top of changes in this area with more diligence.

> **"It will be great for the alliance manager to better understand and be able to use the technology, and use it effectively to create an environment as close as possible to a live situation."**

"It will be great for the alliance manager to better understand and be able to use the technology, and use it effectively to create an environment as close as possible to a live situation," she said.

Equifax is going as far as to administer a "virtual engagement workshop" for its employees, including the alliance team, that will cover "stage presence, lighting, and demeanor, as well as engaging the audience, enlisting participation, and facilitating and ideating without a flip chart," said Wilder-Lybeer, who admitted that she has grown a little weary of the scruffy faces, knotted-up hair, and T-shirts that have become normalized in the digital workplace.

Finally, Warren warned the ASAP community to budget more time for everything that involves partner engagement—whether it's moving tactical items forward or fostering deeper relationship building.

"They can use the same skills but it will take longer to do, and it will be more scheduled," she said.

In some senses, the pandemic work environment is all about time and space. We have more time to dedicate to business matters now because we're not leaving our work spaces anytime soon. Is that a good or bad thing? Time—and space—will tell. ◼