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- **Avoid Unpleasant Surprises with Better Joint Planning**
- **The Illusion of Communication**

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# THE ILLUSION *OF* COMMUNICATION

Clear, Frequent, and Transparent Communication Goes a Long Way Toward Solving—or Avoiding—the Most Common Alliance Problems. Most of Us Probably Don't Do It Enough

By Peter J. Simoons, CSAP

Have you ever found yourself in a situation where someone in conversation with you used an abbreviation and you stopped for a split second to try to understand what the abbreviation meant, only to lose track and then, later on, realize that it meant something else?

I saw this happen recently in a conversation with representatives of the pharmaceutical industry and the information technology industry.

The person from pharma was explaining why it was important to team up with a partner involved in the development of an API. I saw the person with the IT background nodding his head as if he completely understood. Yet a little while later into the conversation he lost track, and I saw him raising his eyebrows trying to understand. Interestingly, he was not comfortable enough to ask for clarification!

As the independent outsider in the conversation I was ready to intervene and ask the “dumb” question. And the woman from pharma was happy to clarify that an API for her was an “active pharmaceutical ingredient,” whereas the IT person explained that for him an API was an “application programming interface.”

It's an innocent example, no harm done, and as the atmosphere in the conversation was relaxed we all had a laugh about this confusion of terminology! But sometimes this sort of “lost in translation” moment is no laughing matter.

## What's in a Name?

In the alliance master classes I run we often start with a question: “What are alliances?” Yes, it's a simple question, but you might be surprised at the variety of answers. Try it: Ask 10 people what an alliance or partnership is and you will probably get 10 different answers. We also don't make it easy in our profession. Some of us talk about alliances, or channels, or partnerships, or even joint ventures.



Lack of clarity in the terms we use can sometimes lead to massive confusion. Take for instance the term “joint venture.” I was raised in the corporate world, where establishing a joint venture would mean that two or more companies join forces by creating a separate legal entity in which all the parties are shareholders.

The joint venture would generally operate as an independent company. However, when speaking to small business owners with a different background I was surprised to hear them talking about teaming up in a joint venture. Would they really want to create a separate company together? When I asked the question it became clear that was not their intention. What they *really* meant was to embark on a joint *project* together and to collaborate for the duration of the project.

## Collaborations and Constellations

We seem to lack one single overarching term for what we call our cross-organizational collaborations. When we talk about a car, everybody understands what a car is. We might discuss

what type of car it is—a sedan, a station wagon, or an SUV—or we might talk about the brand of the car. Regardless, we all know *what* a car is. In our profession people talk about “alliances and partnerships,” which seems like a good collective term. However, where do we leave other collaborative relationships between organizations? Is it appropriate to call an outsourcing or licensing relationship an alliance? I suppose it depends on the level of collaboration in the particular endeavor.

Most often I use the term “business collaborations.” When referring to the whole spectrum I refer to the “collaborative business spectrum”; it covers all collaborations, from transactions on one side, right up to mergers and acquisitions on the other.

In his great book *Remix Strategy*,<sup>1</sup> Ben Gomes-Casseres, CSAP, talks about “constellations,” and the “constellation spectrum.” Both terms are accurate, but they have never quite moved into common usage. Recently we’ve seen a rise in the use of the term “ecosystems.” Sometimes it feels like the

buzzword of the century, as everyone seems to be using—and misusing—it for all kinds of business collaborations. However, when talking to **Greg Sarafin** of EY and reading his article “Seven Business Models for Creating Ecosystem Value,”<sup>22</sup> I think it makes sense to use it as an overarching term. Greg feels that the term “alliances” is overused and that an ecosystem covers all kinds of collaborations. “The marketplace ecosystem business model...is the ‘original’ ecosystem business model,” he writes. “Marketplaces go back thousands of years.”

In the end it doesn’t matter what terms we use, as long as we clarify what the terms we use actually mean. That is exactly the essence of the first exercise in our alliance master class: to make people aware of the different meanings of the terms used for different people.

***“In nature nothing exists alone.”***

**—Rachel Carson**

## Open and Transparent

When I’m getting involved in alliances or partnerships that are experiencing difficult times, the root cause of the problems most often lies in communication—or the lack of it! At the beginning of an alliance, people tend to communicate often, transparently and clearly. As the partnership matures and those involved start to feel more comfortable with their partners, it seems that communication fades to less frequent intervals. A common situation I see is that people start to assume the partner is on the same page as they are and therefore understands what is going on in the same way. However, while making that unconscious assumption, people forget that the partner is still working for another company, with another culture and strategy, and different goals and interests.

When the situation really goes downhill, the collaborative culture in a partnership can, due to the lack of communication, diminish and be replaced with a toxic culture.

A couple years ago, I was asked to mediate a situation where a startup was collaborating with an established firm. When the contract was signed, the parties were happy, and it seemed like a partnership match made in heaven! Each party had what the other needed and the future looked bright.

However, over time communication and understanding for each other’s situation decreased. The startup had a fast culture where decisions were made on the fly. The established firm had a more typical corporate culture where decisions required

at least a couple of meetings. In the beginning of the alliance these differences were no problem, as they were bridged by frequent communication and what looked like a promising future. But then innovation stalled, and the startup sought more money to continue development while simultaneously the established firm demanded results. Personal issues also played a role, as the founders of the startup were no longer aligned and the executive of the corporation who signed the deal was looking toward his next career move—and a successful alliance would help him achieve that! People were accusing each other of hidden agendas, trust had faded away, and communication came to a stop. The alliance partners were no longer talking *to* each other, but *about* each other.

In one-to-one conversations with all stakeholders, I found many dug-in positions, and countless times I was told “*They need to understand that...*” by stakeholders on both sides! Fortunately I was able to bring them back to the table. In a series of mediation conversations, the air was cleared, understanding for each other’s situation reestablished, and a new communication pattern put in place. Additionally, the two parties went back to the negotiation table and in the end signed a new contract to transform their partnership.

It marked a happy ending to a situation that never would have happened in the first place if the partners had kept an open mind and maintained open and transparent communication.

***“Much unhappiness has come into the world because of bewilderment and things left unsaid.”***

**—Fyodor Dostoyevsky**

## The Illusion of Communication

Good communication involves both regular and ad hoc communication at all levels: It takes place between the partners,



as well as inside each organization. To foster good communication it's a good idea to set up communication structures that include, for instance, regular meetings, calls, and newsletters. Ad hoc communication could include phone and video calls, face-to-face meetings, and also the use of tools such as WhatsApp chat and instant messaging. Yet communication is *not* about the tools; they are just the carrier of messages. Good communication is about intention and behavior, about transparency, and about proactive, open and honest sharing of information that needs to be shared.

But even with the best intentions and structures in place, we need to check in every now and then to find out if we are still sailing on the right course and if our stakeholders are all still on board. Health checks can be helpful tools to gauge the health of an alliance. The health checks that I perform for clients always show room for improvement in several areas, and many of those improvement areas lead back to communication. This is not always apparent when looking at the initial Likert scale agree/disagree statement questions. The open comment fields often unearth a treasure trove of useful information for improvement of the partnership. Reading between the lines, they also provide indications of what causes possible misalignment. A comment like *“Who are the partnership managers?”* doesn't mean that there are no partner managers involved, and a comment such as *“We need to find a way to include partner B in the partnership”* in a three-way partnership doesn't mean that partner B is not involved. In both cases it is a sign that the commentator is unaware of the partnership managers and of the role of partner B. In other words it drills down once again to communication.

The initial response of the alliance or partnership manager is often to take it personally. They feel that their role is the most clearly defined one in the partnership and that they communicate often. After a short conversation, however, they

realize that it's not about what's wrong, and that it's certainly not about them. The comments reflect the perception of the responders, and as such their reality. Perhaps the responders were not properly onboarded to the alliance or simply did not receive or did not understand earlier communications? Their input provides ample opportunities for improving the partnership. As the conductor of the alliance orchestra, it is the alliance manager's responsibility to ensure that an improved communication structure is implemented—one that does not just transmit messages, but includes two-way communication and a proper briefing of new team members.

***“The single biggest problem in communication is the illusion that it has taken place.”***

**—George Bernard Shaw**

## In Summary

In every alliance or partnership, communication should be a point of constant attention. Communication is about people, information, and personal interests. Even though people may be in the same alliance, they all send and receive messages in a different way, depending on their mood and the circumstances they are in. In life, and certainly in alliance relationships, communication is essential.

In the situations described above, transparent communication, and proactive, open and honest sharing of important information—and clarification of the terms used—would have prevented a lot of turmoil and confusion!

When it comes to communication, whether with your colleagues, with your team, or with other organizations, my advice is to communicate, communicate, communicate, and when you think you have communicated, communicate again!

**Peter J. Simoons**, CSAP, is a global executive coach. His work sits at the intersection of collaboration and leadership. He supports alliance and business leaders in unlocking their full potential—for themselves, with their teams, and in strategic partnerships with other organizations. ■

<sup>1</sup><https://alliancestrategy.com/remix-strategy-book/>.

<sup>2</sup>[https://www.ey.com/en\\_lu/alliances/seven-business-models-for-creating-ecosystem-value/](https://www.ey.com/en_lu/alliances/seven-business-models-for-creating-ecosystem-value/).



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*As a practitioner of collaboration in a variety of perhaps non-traditional alliance functions myself, I've found so many key elements of partnering and collaboration management for synergistic outcomes were perfectly encapsulated by ASAP's offerings.*

—Kevin Little, CSAP  
Senior Partnership Director  
Novo Nordisk