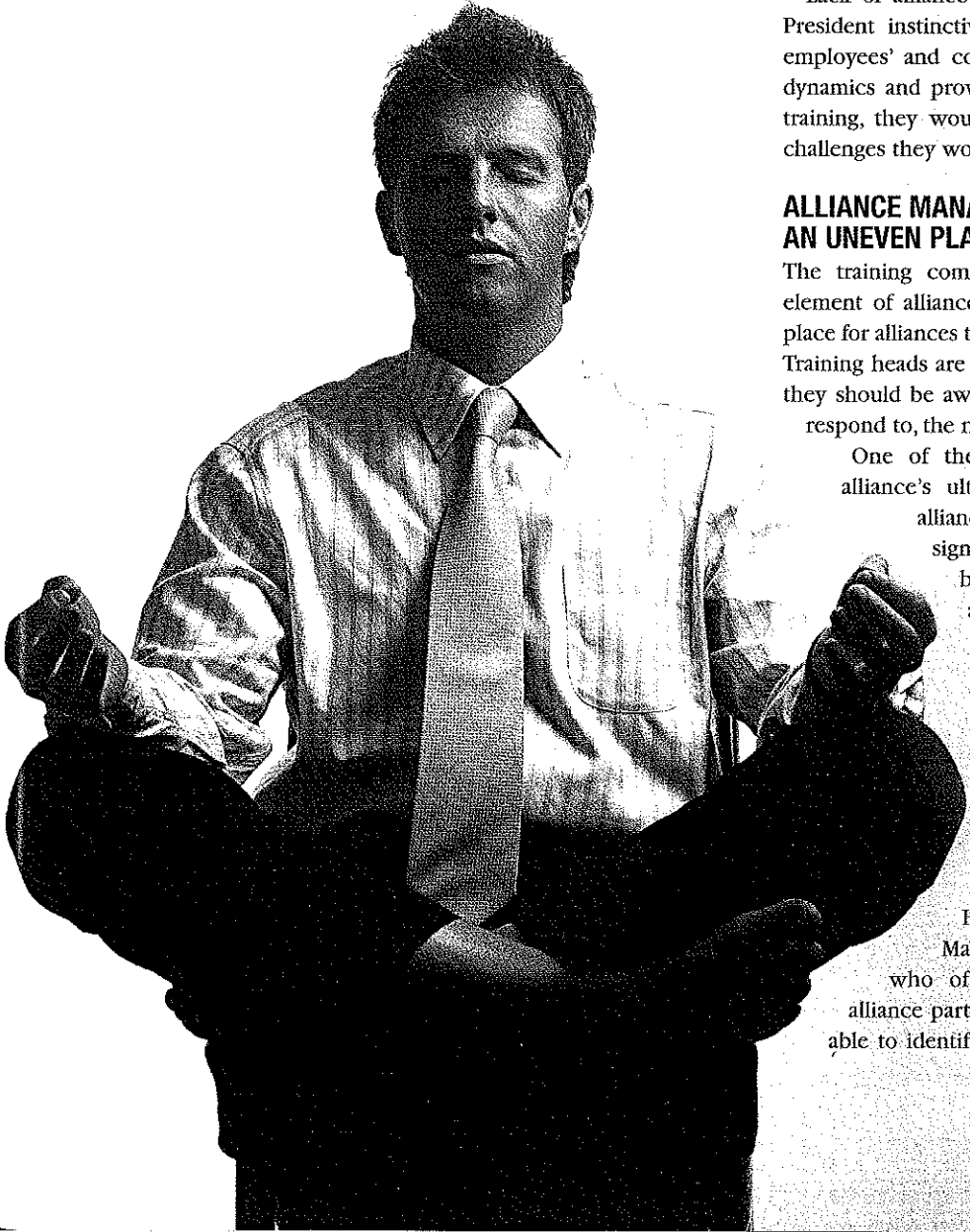


# TAKE YOUR TEAM TO MARRIAGE COUNSELING: TRAINING ALLIANCE TEAMS TO LIVE IN HARMONY

*by Lynda McDermott and Esther Fleischbacker*



*Photography by Zsolt Nyulaszi*



**T**he Vice President of Research and Development of a small biotech firm recently told us: "We're in the early Phase III trials for our drug, and we have been looking for an alliance partner to co-develop and co-promote this product. If we do a deal, with presumably a larger pharma company, I'd like you to come down and provide our people with some training on how to work on alliance teams. None of our staff has ever worked on these types of teams, and I know, from previous experience, they can be rough."

What an understatement! Although pharma-biotech alliances are an increasingly popular business model, their success rate continues to hover below 50%. Some of the reasons why these highly anticipated "marriages" fail are listed in Figure 1.

Lack of alliance training is not on the list, but this Vice President instinctively knew that if he could increase his employees' and colleagues' understanding of alliance team dynamics and provide them with some skill and behavioral training, they would be better prepared for the inevitable challenges they would face working on an alliance team.

### **ALLIANCE MANAGEMENT: AN UNEVEN PLAYING FIELD**

The training component our VP envisioned is only one element of alliance management that needs to be put into place for alliances to start off on the right foot toward success. Training heads are rarely directly involved in these steps, but they should be aware of them to either proactively offer, or respond to, the need for education and skills support.

One of the first opportunities to influence your alliance's ultimate success occurs even before the alliance deal is consummated and the contract signed (see Figure 2). Traditionally, it's the business development staff, the attorneys, and the finance team (i.e., the "deal team") who conduct the due diligence process and deal negotiations. The problem is, these people generally have little or no knowledge of the operating challenges the alliance will face after the deal is signed.

That scenario is changing. In many companies, the deal team is now expanding to include members from Human Resources, Alliance Management, Marketing/R&D, and other influential groups who offer different perspectives on potential alliance partners. These new team members are better able to identify the "red flags" or executable issues that

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could impede success, such as lack of equity in the transaction, cultural differences, lack of shared values, or mismatched operational processes.

Because successful functioning of alliance teams critically depends on the day-to-day effectiveness of alliance team leaders and team members, you could argue that a training manager should be part of an extended alliance team, just as legal, finance, and IT members are once the contract is signed.

### START AT THE TOP

"Go ye forth and become a team" is sometimes the way senior managers form internal teams, with vague directions about what the team is supposed to accomplish. Fortunately, there are enough lessons learned from alliance team launches to suggest this laissez-faire approach by senior management would be a disaster.

If your company is contemplating entering into an alliance arrangement, while the business development professionals, lawyers, and finance experts are conducting due diligence and negotiating contracts, senior management needs to be planning the types of governance committee structures that should be in place, including who will make what decisions, how conflicts will be resolved, who will play what roles in the alliance development and commercial teams, and so forth.

If your senior management team has never engaged in an alliance, this will be new territory for them. There is, likely, no formal alliance management role yet established in your company, and so a training director could form a small team

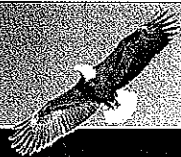
**Figure 1**

### WHY ALLIANCES UNDERPERFORM/FAIL

- Changing market conditions
- Lack of senior management commitment to the alliance
- Ineffective problem-solving and decision-making
- Unaligned or conflicting goals
- Unclear roles and accountabilities
- Unwillingness to engage in constructive "tough talks"
- Inability to resolve conflicts constructively
- Lack of shared values
- Lack of mutual understanding and respect for differences (e.g., a partner company's norms, policies, practices)
- Personnel turnover
- Lack of alliance management competencies and best practices
- Incompatible expertise and/or experience
- Unclear governance
- Communication failures
- Incompatible or conflicting cultures/leadership styles
- Lack of commitment to building a network of interpersonal relationships
- Lack of compatible business processes (e.g., planning, budgeting, information reporting)
- Lack of alignment, collaboration and trust

with General Counsel and Business Development to develop a "Senior Management Alliance Orientation program." The possible topics for such a program are outlined in Figure 3.

This program should be positioned as an educational dialogue program, prior to or immediately following an alliance



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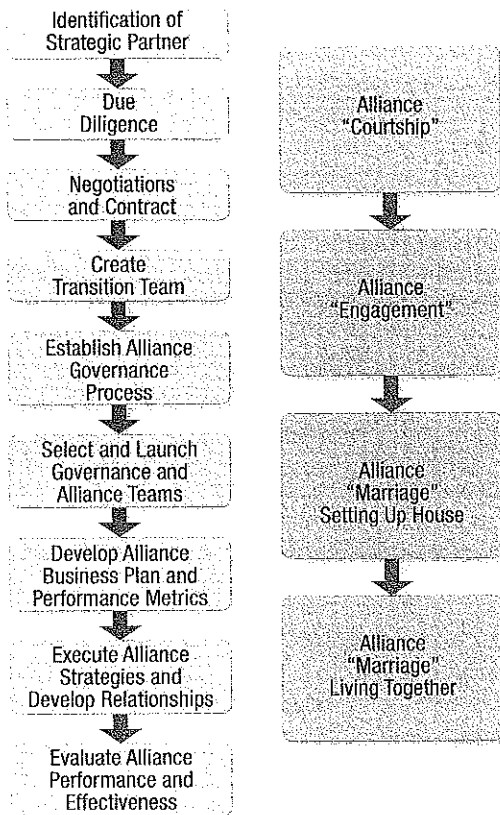
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Figure 2

## THE PATH TOWARDS ALLIANCE SUCCESS



deal. If a contract has been signed, specific details about that particular alliance should be provided and discussed in the program. This should not be positioned as a training program and should be attended by all senior executives and functional managers who will directly participate in or support the alliance.

Once an alliance is formed, it would also make sense for the senior executives, key team members, and functional stakeholders of both companies to share their respective perspectives on topics, as well as specific contractual agreements regarding the alliance's governance and operating principles, structure, and processes. All too often, training staff are not included or do not play an active role in these early meetings, which is missed opportunity for them to understand potential issues early on.

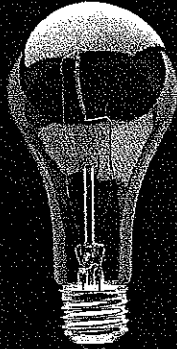
### LAUNCHING THE ALLIANCE TEAM

One of the first keys to alliance execution success is the launch of the product or project team. This is the group of people from both companies who must implement the strategies and tactics that ultimately will influence the alliance's success. The launch meeting, which could be facilitated by a training director, should last two to three days and include all core team members, as well as extended team members, if appropriate. The agenda should include the following topics:

- What is our charter, and what are our boundaries (what are we empowered and accountable to do)?
- What is our vision for the next two to three years (what

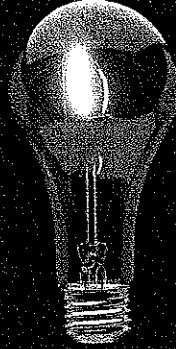
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will success look like)?

- How will we measure our success?
- What are our 12- to 18-month goals (such as key milestones and deliverables)?
- Who is responsible or accountable for what?
- What sub-teams will be formed?
- How will we ensure alignment of our team and sub-teams with all of the governance structures?
- How will we make decisions?
- How will we resolve conflicts?
- What key operating processes need alignment (e-rooms, budgeting, planning, etc.)?
- What are our values and norms for building our relationships and working together?
- Where and how often will we meet?
- Will we schedule social and teambuilding time together?
- What are our respective teamwork strengths?
- How may our cultures support and complement each other? How may they potentially conflict?
- How will we build trust and collaboration? What

**Figure 3**

### Senior Alliance Management Orientation Program Topics (Sample)

- Why an Alliance Fits our Business Strategy: our Goals and Expectations
- What we seek in an Alliance Partner/What we bring to an Alliance?
- What is our Company Culture? How do things get done around here? (i.e., Entrepreneurial or Bureaucratic, Micro or Macro-Managed, Top-down or empowered decision-making)
- Why do Alliances, historically, fail?
- What could the challenges of working with us in an alliance be?
- What skills/behaviors do we need to develop/improve to work successfully in an alliance?
- How should we measure the success of an alliance?

could jeopardize or destroy our mutual trust and collaboration?

- How do we alert each other that it is time to have a "tough talk" about an issue?



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- How and when will we evaluate our alliance team's effectiveness?
- How and when should we use an alliance manager?

The following skill building modules should be included in an alliance team launch program:

- Team decision-making
- Team role and communication styles using such survey tools as the Team Role Analysis Survey® (by Management Research Group) and the DiSC Inventory® (by Resources Unlimited)
- Understanding and resolving conflicts.

A VP who wanted to give his employees alliance team training before their alliance begins could ask his training director to select from topics listed in Figure 4.


Unfortunately, too many alliances fail to invest the time to "jump start" their alliances. A formal launch does not guarantee ultimate success, but it can help the alliance members to establish an initial set of "ground rules" as they move forward.

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**Figure 4**


#### **Alliance Team Development Modules**

- Cross-functional (cross-company) collaboration
- Stakeholder Management and Influence
- Team Goal-Setting RASCI and Performance Management
- Team Decision-Making
- Building and Maintaining Team Trust
- Team Role Analysis and Development
- Leading for Results
- Scenario Planning
- Conflict Management
- Project Management
- Change Management
- Critical Thinking and Problem Solving
- Divide and Conquer Team Resource Allocation
- Navigating Alliance Cultures
- Developing and maintaining Team Operating Agreements
- Alliance Team Leadership
- Team Peer Feedback and Coaching
- Tough Talks for Teams
- Alliance Team Onboarding Process
- Team Building Activities  
(e.g., Scavenger Hunt, Sailing, Culinary Adventures etc.)



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### ASSESSING AND DEVELOPING ALLIANCE TEAMS

Alliance relationships can last as long as the patent of the product, although alliance team governance, membership, and leadership will likely change.

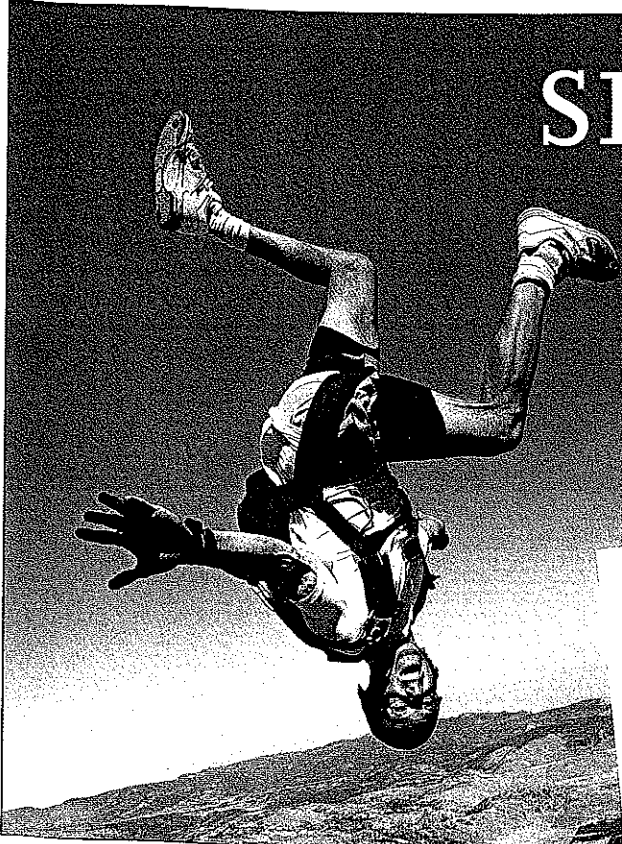
One of the most successful long-term alliances we have helped to support is now going into its fifth year. Over this time period, there have been at least three team leadership changes in both companies. The large pharma company has been through two major reorganizations, and the smaller biotech company has been acquired. Despite these strains, the two companies have committed to continuously assess the alliance's performance and provide team development support, as required.

Every six months, the extended alliance team attends a three-day offsite session during which they jointly assess the alliance's financial performance and plan for the next year's strategic plan. In addition, they assess the alliance's overall effectiveness via an alliance health check (see Figure 5 for sample assessment dimensions) and lessons learned discussions. There is also a team skill development module

**Figure 5**

#### ALLIANCE TEAM "HEALTH CHECK" ASSESSMENT DIMENSIONS

- Level of senior management commitment
- Aligned plans and goals
- Clear responsibilities and accountabilities
- Communications and conversations
- Decision-making
- Aligned work processes
- Constructive conflict management
- Disciplined execution
- Cultural compatibility
- Stakeholder management
- Team leadership
- Team rewards and recognition
- Operating and interpersonal relationships
- Team skills and abilities
- Respect, collaboration and trust
- Team norms and operating agreements
- Team commitment and satisfaction



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included in each offsite agenda, depending on the specific issues or knowledge or skill needs the team has at a particular point in time. Examples of these are:

- Team Conflict Management (by Thomas-Killman)
- Team Communications Styles (by DiSC)
- Tough Talks for Teams (by EquiPro International)

### TRAINING'S MARRIAGE COUNSELOR ROLE

Based on the increasing body of knowledge about alliance teams and best practices, training directors can anticipate and provide alliance executives and teams with the generally accepted knowledge and skills required for success.

What cannot be planned for and provided in advance is the support required to address the inevitable speed bumps that will occur during an alliance team's lifecycle. Complex issues such as major policy disagreements between the two companies, goal conflicts arising from a strategic organizational structure or leadership change, interpersonal or style conflicts, and so forth may require specific "marriage counseling" interventions. These include facilitating team discussions

or individual coaching that may be beyond the roles of traditional trainers. In such situations, the training director may need to call upon internal or external organizational

effectiveness resources. If the company is committed long-term to an alliance-based business model, however, the training department should commit to developing alliance competencies throughout the organization to enhance the company's position as an "alliance partner of choice."

**If a contract has been signed, specific details about that particular alliance should be provided and discussed in the program.**

*Lynda McDermott is President and Esther Fleischbacher is Senior Consultant of EquiPro International, Ltd., headquartered in New York City. Contact them at (212)573-9046 or <[www.equiproint.com](http://www.equiproint.com)>.*



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