



A First Step in Ensuring Successful Partnerships: The Relationship Launch

A White Paper

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Today's global economy requires companies to do more with less under increased competitive pressure. To keep up, executives are turning to alliances, joint ventures, consortia, outsourcing arrangements and other forms of partnership that lengthen their global reach, enhance customer value, bridge gaps in their own capabilities and gain competitive advantage. Indeed, partnerships, which are proliferating at an unprecedented rate, are integral components of most company's strategies today. The 21st century will only see this trend continue as globalization and competitive pressures increase. Thus, organizations will have to work more interdependently, as traditionally arms-length relationships with suppliers, competitors and others become more intricate and as new forms of partnership take hold.

Companies are moving toward establishing longer-term, more deeply interdependent alliances and joint ventures. In the pharmaceutical industry, for example, companies traditionally licensed, in effect bought, strategic technologies from biotechnology firms, universities and other research institutions. Today, however, many biotechnology firms and research organizations insist on joint research and development, and are looking to work only with those pharmaceutical giants willing and able to collaborate closely with them. Across the business world company success hinges ever more upon effective collaboration in intricate alliances and joint ventures.

Bilateral alliances and joint ventures, however, are not the only types of complex, interdependent relationships proliferating across the economy. Consortia or networks, where several firms collaborate to produce a single product, service or package of offerings, are also becoming increasingly common. In telecommunications for example, technology change, increasing customer demand for multinational service and new technologies, and liberalization of telecommunications and media markets have combined to drastically change the dynamics of the industry. Thus, partnerships between traditional telecommunication companies, content providers, media companies and computer and technology companies are taking over an industry once dominated by monopolies, government control and little interdependence.

Finally, firms are increasingly aware that significant

value can be captured either by outsourcing work or re-examining their relationships with suppliers. While outsourcing can produce enormous cost-savings when the component or service is of particular value to the final product, managing the relationship with that supplier becomes critical. Thus, companies are increasingly shedding the classic customer-supplier relationship for a more collaborative paradigm. Rather than solely focusing on their own bottom lines, customers, suppliers and outsourcing partners are seeking new and more creative and collaborative ways to enhance their products and reduce costs.

Making Interdependent Ventures Work: The Importance of Relationship Management

While alliances, consortia, outsourcing arrangements and other forms of partnership can hold great promise, they are often threatened by different corporate cultures, organizational structures, or the simple fact that partners compete in other arena. The impact of these challenges can, however, be minimized if partners invest time early in planning for how to manage the relationship and not just the business (see Figure 1). Getting a partnership of any kind initiated correctly is thus essential to establishing trust, preventing conflict and, above all, to maximizing the value of the relationship.

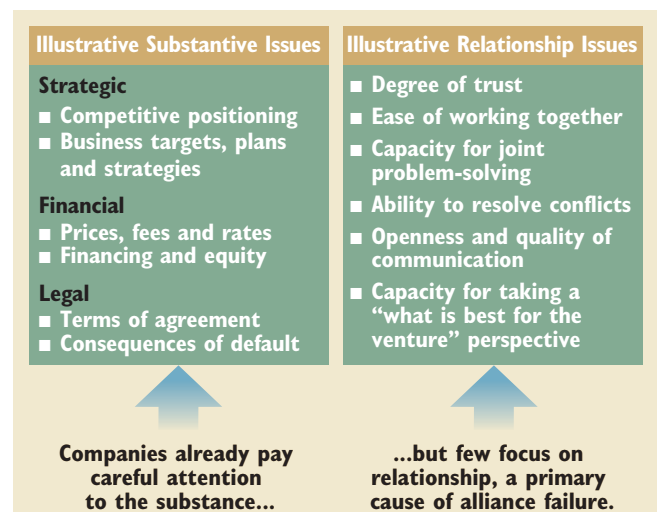


Figure 1.

Indeed, in our three-year, cross-industry study of alliance relationship management we found that solid contracts, sound financials and good business strategy alone will not ensure successful partnerships. In fact,

poor or damaged working relationships between partners was the foremost cause of alliance failure (see Figure 2). Thus, the relationship side of alliances and partnerships, in short, partners' ability to work together effectively, must be proactively addressed if companies are to succeed in the increasingly interdependent, competitive global markets of this century.

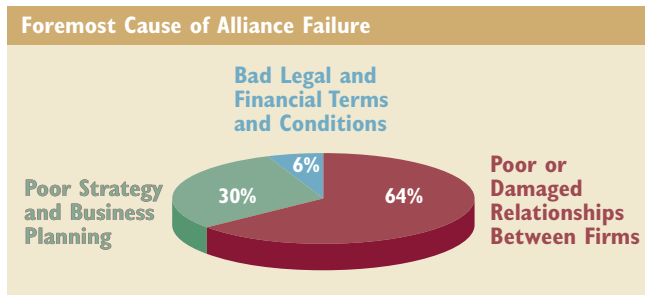


Figure 2 (from 2000 survey by Vantage Partners of over 150 alliance managers).

Leading Companies are Beginning to Build Relationship Management Capability

Given the importance of relationship management, companies are beginning to take a more systematic approach. Indeed, leading companies are beginning to undertake serious efforts to make partner relationship management an organization-wide capability. To do so, they are moving beyond simply training individuals in the art of relationship management or relying on a few talented people; they are also developing what we have termed “relationship management infrastructure” — processes, tools, and methodologies — focused on providing all employees working on alliances with mechanisms and a common framework for effective alliance relationship management.

These processes and other forms of infrastructure include conflict resolution mechanisms, problem-solving tools, negotiation methods, and relationship audit processes, to name a few. The most critical component of such infrastructure, however, is a standard Relationship Launch process. As the first step in any comprehensive relationship methodology, it lays the groundwork for a strong working relationship and a successful partnership.

A Relationship Launch is the Foundation of Successful Partnering

New partners are immediately faced with a number of

critical tasks and decisions. It is, therefore, imperative that a smooth transition from negotiators to execution or implementation team members take place. Implementers need to understand the context in which a new relationship has been formed. They need, in other words, to understand the spirit of the partnership or alliance agreement, the intent of the words in the contract, the history of negotiations, and the reasons for entering into an alliance or partnership in the first place. New partners also need to resolve any existing conflicts or tensions, align around their visions for the working relationship, and make specific plans for how to realize that vision. In essence, they must equip themselves to manage the long-term relationship. To do so they must efficiently and effectively answer a number of key questions: How will they assess the health of the relationship? How will they even know when the relationship is breaking down? How will they manage conflict collaboratively? What will individuals' roles and responsibilities be? How will they manage change? A Relationship Launch provides a framework for answering these and other questions.

Through a launch new partners jointly define the desired relationship, assess possible obstacles, develop joint protocols for dealing with those obstacles, and address any residual issues or tensions left over from negotiations. A launch enables new partners to plan for how they will deal with the inevitable conflicts and difficulties that can slow down implementation of a partnership and even thwart realization of the partners' goals. While not a panacea, it is an important first step. When taken, it can improve the foundational relationship, help partners build mechanisms for managing the relationship, and put in place the necessary skills for sustaining a strong relationship over the life of a partnership.

Companies like those from Case A, (see Figure 3) have used a launch process at the very beginning of their partnership to make the task of managing the relationship a joint effort, and consequently have reaped the kind of substantive benefits that a good relationship allows partners to realize. Today they have a successful joint service offering and are able to work together efficiently, unburdened by tense conflict. Other companies, like those in Case B, (see Figure 5) have learned the benefits of the Relationship Launch after experiencing major setbacks in their alliance's implementa-

Case A: A Relationship Launch in Action

In the late 1990s, a joint venture was formed between a large technology company and one of its key customers to offer both data processing and e-commerce services to a new and growing market segment. Having worked out deal terms and the structure and strategy of the venture, the two companies turned to making the relationship work. Realizing that they had different goals and different ways of working, they set out to ensure that the 20-person joint management team could build a common way of working together.

Over the course of a three-day launch, conducted by Vantage Partners, Board members and senior managers from each partner company met to plan for how they would build and manage their working relationship. The launch began with an overview from the negotiators of the deal's terms, the mission and goals of the venture, and the structure and methods by which the venture would be governed and managed. This briefing helped managers gain a common understanding of how the venture was expected to work.

From there, the managers broke out into their various teams (e.g., Strategy, Operations, and Business Development), and explored differences and similarities in how each company made decisions, managed change, and resolved conflict. They then began to consider what processes might be put into place to manage these differences.

To further enable them to manage their differences and use the processes they had begun to develop, the partners next worked their way through some experiential joint-education. Both partnering firms were

introduced to a common set of models and tools for problem-solving, negotiating, resolving conflict, and engaging in difficult conversations. Exercises and role-plays allowed them to practice the new tools and models in a risk-free environment. Working on the exercises together both created new relationships and established a framework of norms and expectations within which future problems could be constructively resolved.

As they moved further into the launch, the managers from both companies began to use their shared experience and cooperative work models to explore how, precisely, the alliance would operate. They defined what they meant by a good working relationship, and planned for how they might measure and monitor it over time. It became easy to sketch out a common way of operating - i.e., how decisions would get made, conflict would be resolved, and change would be managed.

As a result of the launch, the partners were able to rely on common vocabulary, skills, and tools as they worked together going forward. Further, on-going efforts were made to refine the processes and protocols drafted during the launch. These processes and protocols continue to serve as a foundation for a strong, successful collaboration. Above all, the partners were able to effectively involve other constituents, such as their clients, in using these relationship management processes, enabling all affected parties to work well together and increasing everyone's ability to capture maximum value from the alliance.

Figure 3.

tion. Prior to a Relationship Launch, the companies in Case B could not work together effectively. This not only reduced the profitability of the alliance but also led to significant employee attrition. Thus, they re-launched their relationship and today have a healthy partnership that adds value to both companies.

For the companies portrayed in these cases and for many others, a Relationship Launch has proven to be an invaluable step in ensuring the long-term success of their partnerships.

What Does a Relationship Launch Entail? Eight Key Steps

A Relationship Launch is a process that spans a few days and is comprised of eight important steps. The remainder of this paper treats each step in turn, describing the goals, activities and benefits of each.

I. Transfer Knowledge Internally. The formation of the character of the relationship between partner organizations begins during negotiations. Initial visions of what working together will look like are developed, first impressions are formed, perceptions of strengths, weaknesses, culture, etc. are developed, and commitments that must be kept if the relationship is to be successful are made. Given all of this, careful transition of a partnership from the negotiation phase to actual implementation is a critical, but often poorly handled, partnership success factor.

To ensure that this transition is as effective as possible, the launch process begins internally with a meeting between those individuals involved in the partnership negotiations and those that will be part of relationship management or implementation. There are two important activities that take place in

this meeting. First, negotiators brief the implementation or partnership management team on lessons learned about the new partner, on important issues that arose during negotiations, and on how difficult issues or conflicts were handled. Through the briefing, management teams learn about their partner, the history of negotiations, and any preexisting tensions between the new partners in order to position themselves to work with the partner most effectively.

Secondly, negotiators and implementers clarify their roles and responsibilities going forward. This avoids internal confusion as some people transition into and some people transition away from working with the partner. It also helps prevent external confusion about who a partner should go to when. This simple meeting smoothes the transition of the partnership into implementation, and ensures that important knowledge and lessons are extracted from negotiators to be used by the implementation team in managing the relationship.

2. Build Joint Contract and Deal Understanding.

Incongruent interpretations of the meaning and intent of contracts and alliance agreements are the root of many alliance and partnership problems. Unaligned expectations can cause breakdowns in communication, and lead partners to unknowingly surprise and disappoint each other.

To attend to such problems, and further ensure a seamless transition from negotiators to implementers, the next step in a launch process is a joint briefing session that includes the negotiation and the implementation or management teams of both partners in the new relationship. In this session, negotiators from both partners brief all the individuals that will be responsible for turning the vision of the deal architects into reality. They explain the terms of the agreement and the underlying intentions, clarifying each partner's commitments as prescribed by the agreement, and describe contractual provisions for governance, decision-making and so on. This discussion helps the management teams develop a common understanding of the context in which they are beginning to work together and aligns them around an understanding of the purposes and structure of the relationship.

3. Conduct Relationship Planning. The next activity in a relationship launch process is for the joint implementation team to openly discuss relationship goals and challenges, and to then craft a plan for how they will hit those goals and overcome the challenges. This discussion is broken into several separate steps.

The first step is for the implementation teams to begin jointly defining the kind of working relationship they want to build. To do so, they must go beyond the broad definitions of a good working relationship that partners usually espouse — like “we respect each others’ strengths” or “we have mutual trust.” Instead they need to focus on the specific characteristics — behaviors, assumptions, etc. — of the desired relationship to ensure that they truly have a common picture and a set of mutually understood goals. Figure 4 demonstrates how two seemingly identical understandings of an ideal working relationship (shown in the boxes at the top of the picture), when examined more closely, (see boxes at the bottom of Figure 4), are in fact very different. Unaddressed, these differences lead partners to surprise each other with actions that do not correspond to their own interpretation of what being a good partner means. Such surprises lead partners to develop perceptions of each other and attributions of not acting in good faith or as not valuing the relationship. Thus, defining a good relationship in a useful way must include conversation about what having a good relationship actually looks like in action.

Once the partners have developed a clear and common definition of a good working relationship between them, they are ready to do some planning for how precisely they are going to build and maintain such a relationship. The next step, therefore, is to think about what obstacles might exist to developing such a relationship. Together the partners brainstorm possible obstacles, making this exploration a joint activity and framing the challenges as problems to be tackled jointly. Although there is some risk in having this conversation early in the relationship, most of these obstacles are already in people's minds, often in a more exaggerated state than when they are shared and discussed. Furthermore, most partners report that getting them out on the table early helps reduce

surprise and increases time for planning for how to manage them.

Having explored possible obstacles, the partners will ordinarily be able to sort them into three categories. The first is discrete problems or issues that can be addressed through a tactical fix. For example, if one obstacle is the common, “not enough people devoted to the partnership to make it work,” the partners can plan out how to transfer more people to the venture, hire or sub-contract more resource, or alter the business processes to be used. The second category of challenges is differences in the two partners’ “norms,” or their standard ways of operating, that can be addressed by developing some common ways of working together through the development of a set of protocols, or what is sometimes called a Procedural Contract or Procedural Agreement. For example, if both companies have very different methods for running

meetings, a different sense of time, or different implicit or explicit ground rules about how to have difficult conversations, the partners can explore and define some common ways of doing or thinking about each. The third category relates to dynamics at a systemic level, such as differences in the ways the partners resolve conflict, make decisions, or manage change. These can be addressed by building some common infrastructure — relationship management processes — to be used to manage the partnership (e.g., a common conflict management process, a defined set of escalation procedures, or a common method for defining decision-making roles).

The Relationship Planning step ends with categorizing the challenges into these three sets — tactical, procedural and systemic — and beginning the work on how to deal with the discrete problems through tactical fixes. Some partners will want to

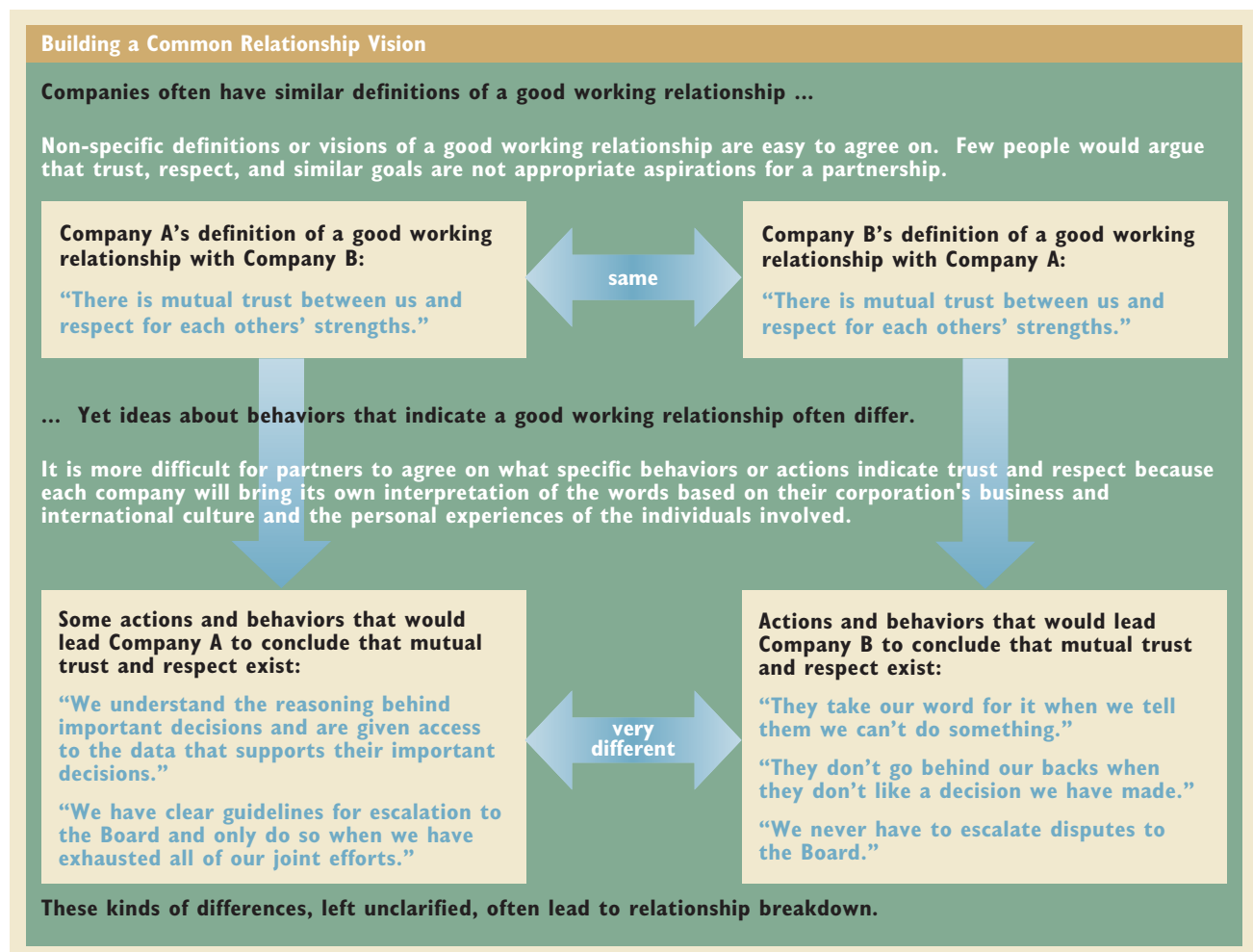
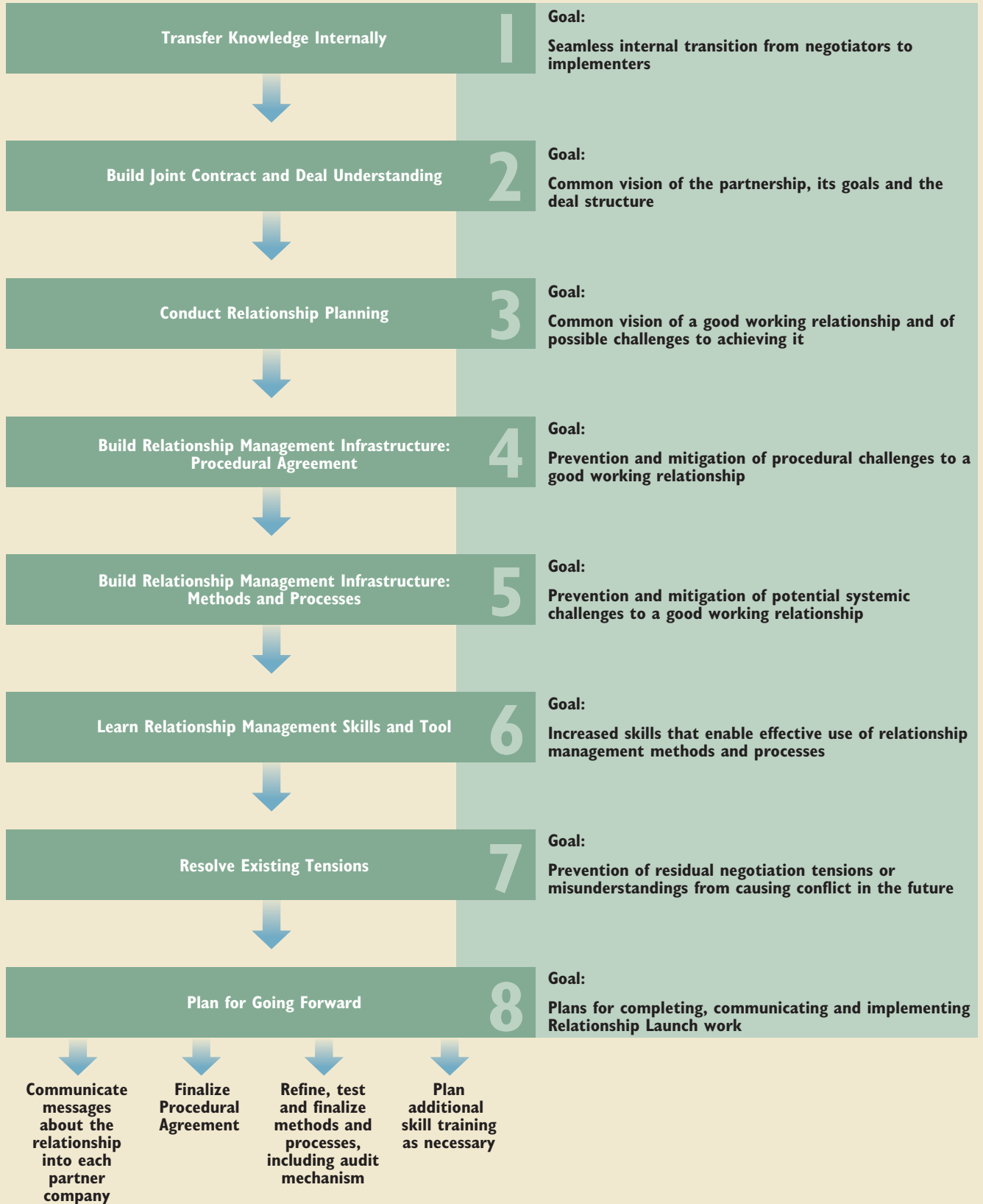


Figure 4.

Eight Steps to a Successful Relationship Launch



work this out in the launch. Others will want to put these in the hands of joint sub-teams to work out after the launch. As to addressing the procedural and systemic challenges, these are dealt with in the next two steps.

4. Build Relationship Management Infrastructure: Procedural Agreements. Having successfully established relationship goals, brainstormed and categorized possible challenges, and dealt with the tactical issues, the next step in a Relationship Launch is to begin addressing the second category of challenges — differences in operating styles. To do this, partners create a Procedural Agreement. To craft this agreement, partners review previously discussed operational challenges and, for each one, brainstorm specific behaviors or assumptions that they might agree to uphold in order to avoid misunderstandings, miscommunication, conflicts

and other frustrations that operational differences can produce. For example, each company may have different operating practices about managing commitments. Thus, at one organization when requests are made of people to take responsibility for additional work, the default response, perhaps because of a culture that values jumping in and saying “yes” as a symbol of good teamwork, is to quickly commit and worry later about how they will get the work done. At the other organization, however, commitment management might look very different. There, in an attempt to be careful of over-committing and not meeting expectations, people default to deferring commitment until they are sure they can do the work as well as everything else they are responsible for, in the time desired. It is easy to see how such differences in commitment management styles, though seemingly small, can

Case B: A Relationship “Re-launch”

Several years ago a small biotechnology company joined forces with a global pharmaceutical company to co-market a blockbuster drug that cured a serious and widespread medical condition. Spurred by a competitor’s product on the heels of theirs, the companies went to work without paying particular attention to the relationship, or to how they planned to work together. A year into the collaboration, the organizations were at odds. Conflict between partners was rampant; work was not getting done; valuable employees were resigning and the partners were losing critical time to market. It was at this point that the partnership turned to Vantage Partners for assistance to “re-launch” their relationship - to essentially start over the way, with hindsight, they realized they should have started in the first place.

In the launch, the partners began by co-drafting a vision for a more effective working relationship. They went beyond short, topical descriptions of a quality working relationship to articulating what such a relationship would actually look like in practice. From there they began mapping a course to achieve their joint relationship vision. They put in place a number of joint protocols and processes to improve day-to-day interactions between partners.

For example, prior to their re-launch, neither partner trusted the other to take their interests into account during decision-making. In fact, the partners were unable to make decisions together without invoking the contract or using their formally assigned authorities to impose decisions on each other. During their re-launch, to break out of this dynamic, the partners developed a systematic decision-making process. For each important kind of decision, they identified exactly how other members of the collaboration and of each company’s own internal

constituents would be involved. They first decided who would be consulted for their advice or relevant knowledge. They next designated people that would be informed of decisions once they were made so that no one would be surprised by a decision later. Lastly, they designated whom, depending on the kind of decision, would need to agree before a decision could be considered final. This system has helped the partners make better decisions together and has improved each company’s trust in the joint decision-making process.

In addition to this decision-making process, the partners used the launch to put in place a number of other relationship management processes, including a relationship audit process. They also developed a Procedural Agreement that spelled out how they agreed to work together going forward, regarding such issues as communication, information-sharing, and roles and responsibilities.

In the end, each company found that it is hard to go back and try to start from scratch when serious conflicts had already broken trust and when partisan perceptions about “the other side” were already deeply imbedded. Today, the partners have a new way of looking at their relationship. It is no longer a matter of “us” vs. “them,” but one of “we.” The partners have re-built trust and have a new appreciation for each other’s strengths. Clear decision-making processes, roles and responsibilities and ways of working together more efficiently and effectively have paid off and enabled the partners to focus on the product and increasing market-share. Given the success of what they were able to achieve, these organizations are now building Relationship Launches into their company’s standard alliance and partnering methodologies.

Figure 5.

often yield frustration and difficulty with one partner seeing the other as irresponsible and untrustworthy, while the other is seeing them as unhelpful and unwilling to be a team player. In this case, to avoid that, partners in a launch would create and agree to one common set of commitment management practices. Depending on their actual challenges, partners might also agree to joint protocols for such things as how they will think about and allocate roles and accountabilities, share information, communicate with each other, communicate internally about the partnership, and interact with the press.

After taking each operational challenge in turn and brainstorming possible protocols to address them, partners next decide which protocols they will actually put in place. Then, either during or shortly after the launch, they put the joint protocols together into a Procedural Agreement. Once this agreement is finalized, it is disseminated within each of the partner companies so that everyone involved in or affected by the alliance is aware of and understands how the venture will operate. The power of a Procedural Agreement is that, by aligning expectations, it reduces the prospect of miscommunication and conflict and becomes the guiding principles upon which the partners agree to base their interactions.

5. Build Relationship Management Infrastructure: Methods and Process. Maintaining a strong relationship over time requires more than Procedural Agreements. Partners will also want to take this opportunity to identify additional strategies for working together effectively. In particular, they will need means for addressing the last category of challenges — the more complex systemic challenges like managing and resolving conflict, making decisions, spotting and dealing with changes that affect the partnership, and reviewing and adjusting the relationship over time. The next step in a launch is, therefore, for partners to agree to build a set of relationship management methods and processes to address the particular systemic challenges that they expect to face.

For example, partners in a technology alliance used their Relationship Launch to outline what later became an effective process for managing conflict.

The partners wanted to minimize escalation and use conflicts as learning opportunities, so they built a mechanism that defined a step-by-step conflict resolution process for solving problems at their original source. The partners in this example also provided specific criteria for escalation of conflict and built a database for tracking conflict. Alliance managers could review the database to help diagnose underlying problems causing the same or similar conflicts to come up again and again across the alliance interface. As in this example, work on refining and instituting effective relationship management mechanisms usually extends beyond the launch.

To a large degree, the methods and processes that each partnership requires depend on the kinds of challenges the partners expect to face. Nevertheless, almost all partners need a method for auditing their relationship and tracking its performance. For this reason, the next step in a Relationship Launch is beginning to build a relationship audit mechanism.

A relationship audit mechanism is a process and a set of tools for periodically measuring the quality of the working relationship. What, specifically, the mechanism measures depends on the relationship goals discussed earlier in the launch. Partners often measure such indicators of a healthy relationship as degree of trust, quality and frequency of communication, and ease of decision-making. Relationship audits provide partners with information about how they are working together and why they are experiencing any problems or conflicts. This kind of information then helps partners improve the working relationship and, as a result, the partnership's performance.

To build a relationship audit mechanism, partners begin by reviewing their relationship goals as defined during the relationship-planning segment of the launch. They then brainstorm concrete, assessable measures of success that are consistent with their relationship vision. These metrics, such as number of escalated conflicts, frequency of communication between alliance managers and others, length of time required to make important decisions, and durability of decisions made, are now incorporated into a draft "relationship scorecard."

This is a tool that aggregates and reports out the results of a relationship audit and gives partners an assessment of the health of their working relationship. On it are the metrics or measurable indicators of a good relationship agreed to earlier. After a relationship audit is conducted, the results of the assessment appear on the scorecard next to their corresponding categories.

Partners next begin to consider modes of data collection — paper surveys, on-line questionnaires, personal interviews conducted by alliance managers, or some other means — frequency of audits, and who will be involved in what ways. Once those decisions are made, a data collection tool must be designed that poses appropriate questions. Finalizing these tools and the overall process for relationship auditing usually takes place shortly after the launch. With some means of data collection and a scorecard tool for aggregating and reporting results, partners are prepared to “audit” their relationship periodically, and evaluate and adjust it over time.

Aside from providing useful data about the state of the working relationship, metrics for the relationship side of a partnership help hold people accountable for the quality of the working relationship and encourage collaborative behavior.

6. Learn Relationship Management Skills and Tools. The best laid plans and strategies, with the best processes and methods for relationship management, will still fail to capture value without a team well equipped with the proper skills and techniques to bring them to life. Relationship management skills enable partners to do such things as effectively execute against conflict resolution procedures, make escalation more efficient, solve problems together, communicate openly and make sound and efficient decisions.

Thus, having taken the first steps toward putting relationship management infrastructure into place, the next step in a launch is training in the necessary individual skills that support them. As part of a Relationship Launch, partnership or alliance management teams are trained together in joint problem-solving, conflict resolution, difficult conversations and good quality communication.

Together, partners learn about a number of concepts like joint contribution, partisan perceptions and interest-based problem-solving. Specific tools and skills that enable people to apply these concepts are practiced and shared. For example, participants learn a framework (see Figure 6) for joint problem-solving that enables them to come up with solutions that take into account the interests of each partner, are objectively determined, and maximize potential value between the parties. Launch participants are also introduced to tools that guide preparation for difficult conversations, and skills such as balancing advocacy with inquiry, and separating impact from intent, that make tough conversations easier and less damaging to relationships.

Numerous firms have found that these kinds of skills and tools enable parties involved in partnerships to prevent misunderstandings and different perspectives

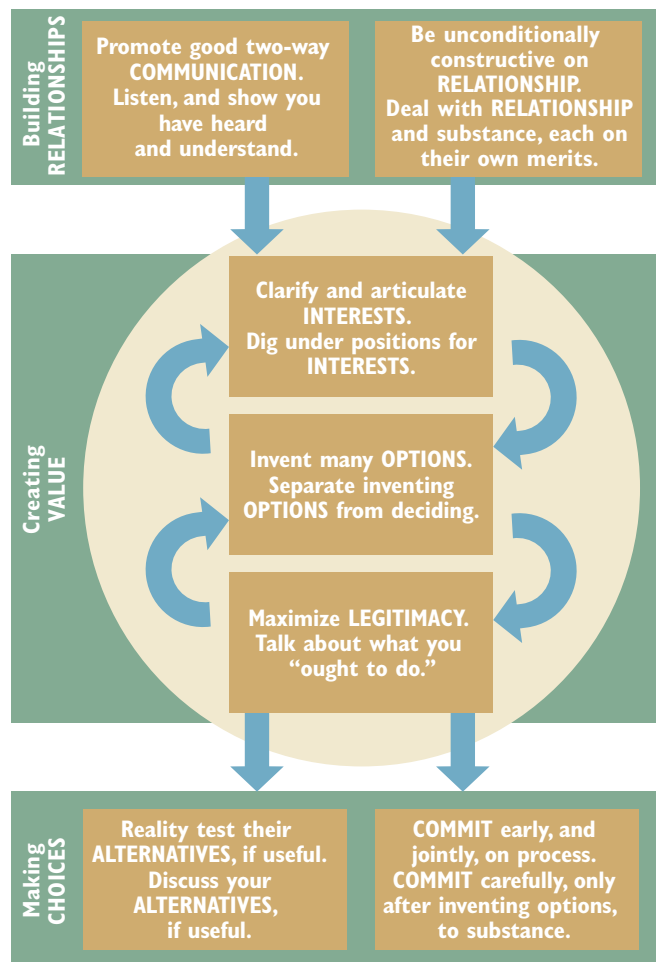


Figure 6.

from damaging relationships and to capture and create new and unforeseen value from the partnership. The organizations in Case A have found these skills to be indispensable. In fact, as they reflected on what they would do differently in their next alliance, they reported that they would conduct some of the same joint training before negotiations, and even train some of their customers.

7. Resolve Existing Tensions. One of the most difficult challenges that partners face as they enter into a new relationship is getting past any residual tensions and ill feelings left over from negotiations. Even when entirely new teams are brought in to manage a relationship and no members of the negotiation team remain in contact with the partner, perceptions tend to linger and harm the relationship. It is easy for people to develop negative opinions about a partner based on stories circulated during or after the negotiation phase. Once these expectations, founded or unfounded, have been established, employees will almost inevitably selectively interpret their partner's actions through this negative lens. This selective interpretation of data will only serve to solidify their conclusions, even in the face of non-conforming behavior.

In a launch, there is a unique opportunity for partners to resolve these kinds of problems. By openly addressing their concerns with the help of facilitators, partners prevent issues from developing into needless conflicts and misunderstandings later. Facilitators help partners apply the tools and skills learned during the joint training segment of the launch to real issues. The activity gets real problems resolved before they get the partners into trouble; reinforces new skills and methods; and creates a common history of effective joint problem-solving that partners can draw from as they encounter conflict later.

8. Plan for Going Forward. The realization of a partnership's goals requires the work of more people than the relationship managers and key players that attend a joint launch. Thus, as the last step in a Relationship Launch, a series of planning activities needs to be agreed to. There will need to be communication activities, follow-up work to finalize Procedural Agreements, and work to refine and finalize any methods and processes the partners

outlined during the launch, including their relationship audit process. Thus, prior to the launch ending, teams take the opportunity, while the issues are fresh, to plan and assign responsibility for finalizing their Procedural Agreement and refining and testing the methods and processes they began to work on during the launch. Sub-groups may need to collect feedback from others outside of the launch and re-convene a few times to finish this work.

Next, communication about the goals of the partnership, the vision for the relationship, and the relationship management strategies and methods developed, is planned. Launch participants craft the messages they want to send about the partnership to both the rest of their implementation teams and their companies more broadly to help build a mindset that supports the kind of relationship the partners have crafted and planned. For those individuals more closely involved in working on the partnership, they plan to share relationship management strategies, procedures, mechanisms and individual expectations. All communication is carefully coordinated between partners so that the right mindset and appropriate expectations are set throughout the partner organizations and so that the messages sent into each partner company are consistent.

Lastly, partners involved in a launch consider and plan for how to transfer some of the skill developed during the launch to any other people working on the venture.

Deciding to Hold a Relationship Launch

The benefits of holding a Relationship Launch are significant. Partners get to know one another, build a common understanding of the partnership's aims and goals, and explore their differences. They use this information to develop a joint approach to, and mindset for, managing the relationship. Further, they do all this in the context of, but away from, the day-to-day workings of the partnership, so that they can specifically focus on the partner *relationship*. Thus, from the beginning, a positive relationship can be established, along with a robust, commonly agreed-upon relationship management infrastructure, that together can enable the partners to constructively deal with new issues as they arise.

Whereas the benefits should be obvious, frequently the question arises, “Do we have time to do this? After all, there is business to conduct.” There are at least two ways of answering this question. At the most basic level one must respond: “Can we afford not to do this?” Making the relationship work is in fact part of conducting the business of the alliance or partnership. Certainly, without a strong working relationship, it is very difficult to get the rest of the work done. As most experienced managers of partnerships report, the relationship does not just take care of itself, and waiting to manage it once there is a problem is a recipe for disaster.

The second answer is to make the Relationship Launch work within the resource and time constraints that exist. Not all pieces of a launch need to happen in one session, and not all people need to be involved in all parts of the launch. Some partners choose initially to bring their senior people together for relationship planning and some joint skill building, leaving the development of protocols and methods for sub-groups to work on in the first month or two of the collaboration. Other partners focus more on going through a joint briefing and working through any existing tensions first, leaving a separate session for relationship planning and the development of protocols and methods. There is no strict recipe for success. The trick is to include each of the ingredients — in other words, each of the eight steps that make up a launch. Each one has its own purpose, and investing some time in each has big payoffs in the long run.

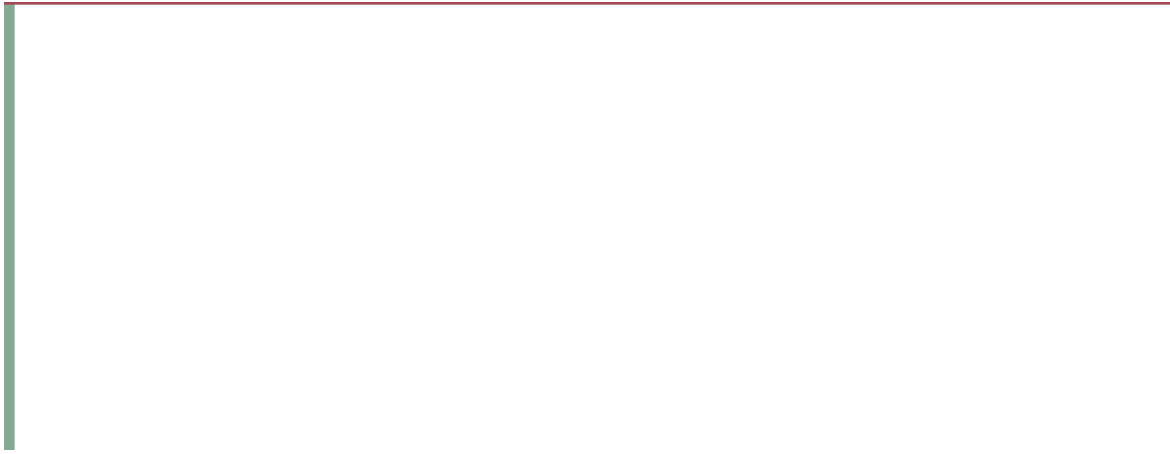
The Ends Justify the Means

More partnerships and alliances fail than not. Most fail, at least in large part, due to lack of attention to how the partners work together. Conducting a Relationship Launch (or re-launch) puts the relationship front and center. It forces all parties involved to examine what it means to have a partnering relationship, and what it will take to make one successful in their given context.

Historically, companies have relied upon the skills and personalities of a few individuals to ensure that even the most complex partnering relationships succeed. This simply does not work. A strong relationship is the responsibility of numerous people up and down the interface, and on both sides of the partnership. Making

it work requires having common understandings about the relationship, common methods for managing it, and common approaches and mindset to working together. Having these in hand significantly increases the chances of a successful working relationship between the partners.

In turn, having a positive working relationship significantly increases the chances of achieving successful business results. The best-conceived and structured partnerships have enormous value within them. To release and realize this value, however, requires traits that no legal document, however detailed, can provide. An alliance must have a set of effective ways of working together and a strong sense of partnership. Without this, the value is wasted. With it, alliances and other forms of partnership become a truly powerful tool for executing today’s complex, interdependent business strategies.



About Vantage Partners, LLC

Vantage Partners helps leading organizations around the world more effectively manage their most valuable and important relationships — with customers, suppliers, and alliance partners, and within the organization, across divisions, functions and geographies. We help our clients build the necessary systems and structures, tools, skills, and mindset, to consistently and on an on-going basis, create and capture value through collaboration.

Please contact us for more information on how Vantage Partners might assist you with improving your alliance relationship management capacity or other relationship management issues.

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