

[vital]signs™

Alliance Operations Effectiveness Assessment

From Good to Great

Strategic Alliances – Facts

- ▶ **Alliances are increasing by 25% per year**
- ▶ **Approx. 2000 strategic alliances are launched worldwide each year**
- ▶ **Alliances account for 1/3 of many companies' revenue and value**
- ▶ **Only 9% of companies consistently build successful alliances according to the Association of Strategic Alliance Professionals (ASAP, 2007)**
- ▶ **More than half underperform or fail to meet their strategic goals due to such factors as:**
 - **Lack of collaborative ability**
 - **Failure of the alliance to adapt to changes in strategy**
 - **Mismatch between the governance structure and the way work really gets done**
- ▶ **Alliance Management is becoming more formalized within many organizations**

How can success rates be increased?



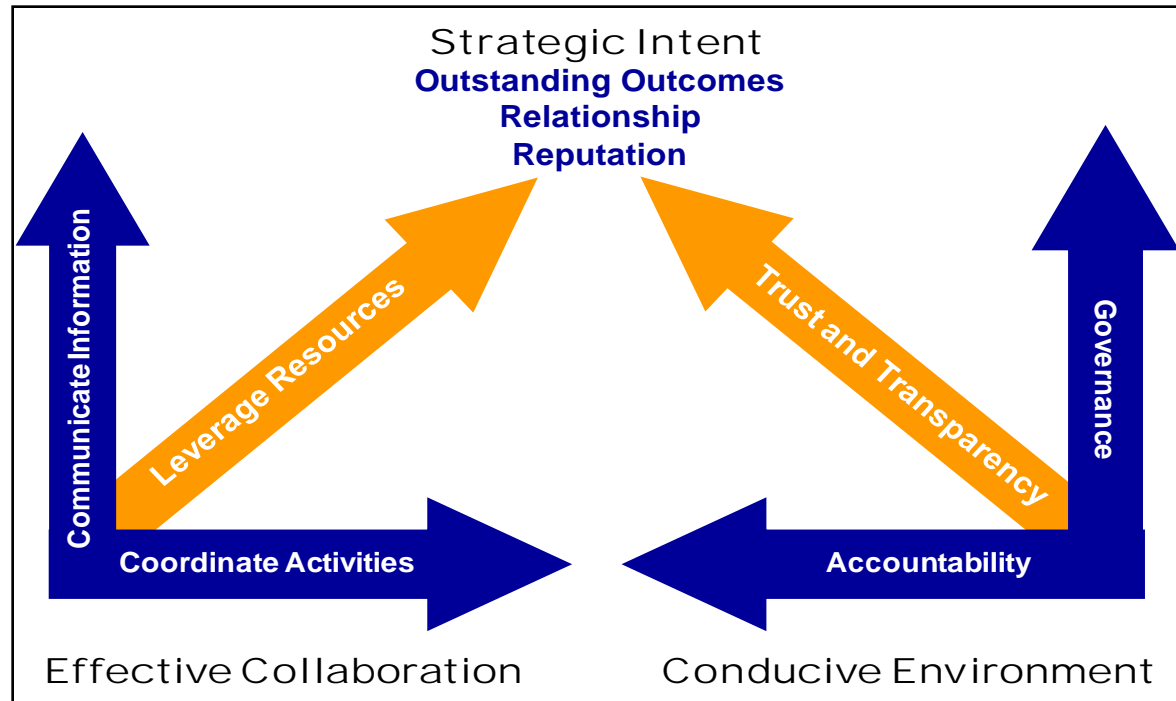
▶ Key Factors

- ▶ Dedicated alliance managers
- ▶ Joint business planning
- ▶ Contextual best practices
- ▶ Focus on building collaborative ability
- ▶ Metrics and evaluations

■ *Alliance evaluation tools turn out to be the most important tools for increasing alliance success*

--ASAP State of Alliance Study 2007

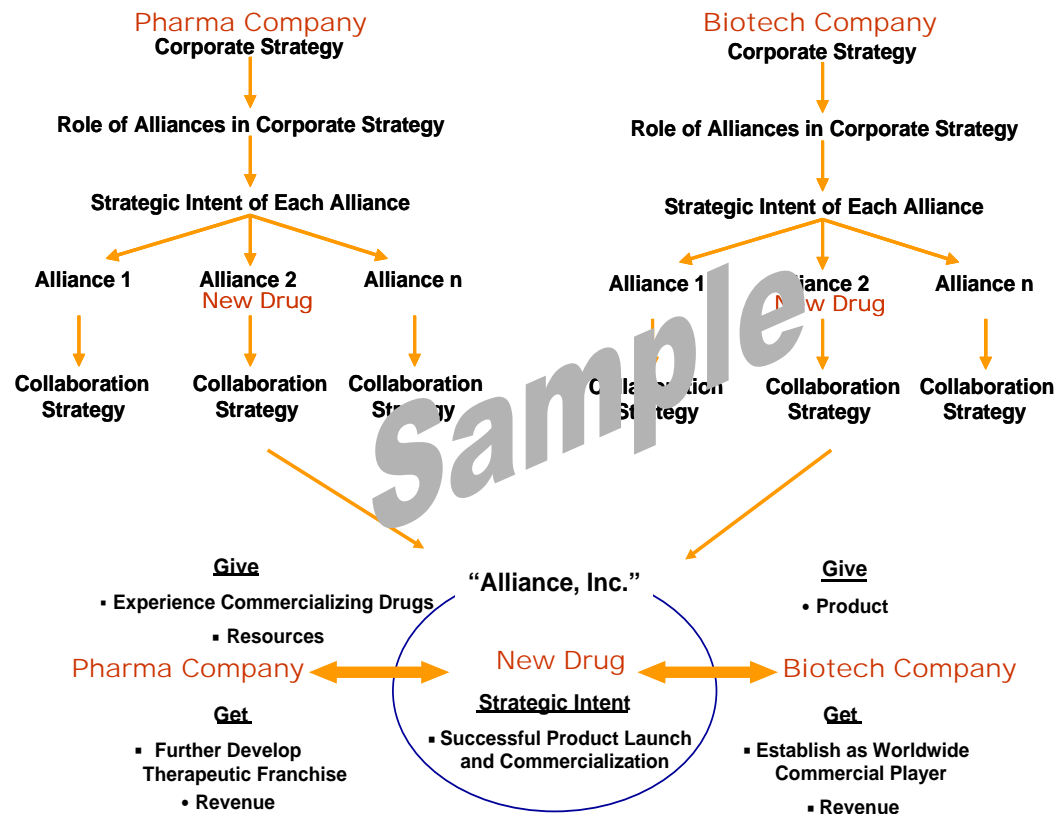
vital**signs** measures effectiveness across a framework for high performing alliances



- ▶ Questions in each area represented on the above diagram are customized based on background interviews with key alliance personnel from each partner
- ▶ Takes an entity view of the alliance
- ▶ Does not ask participants to evaluate each partner
- ▶ Used across multiple industries

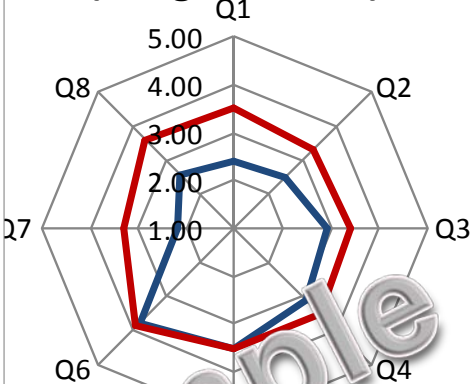
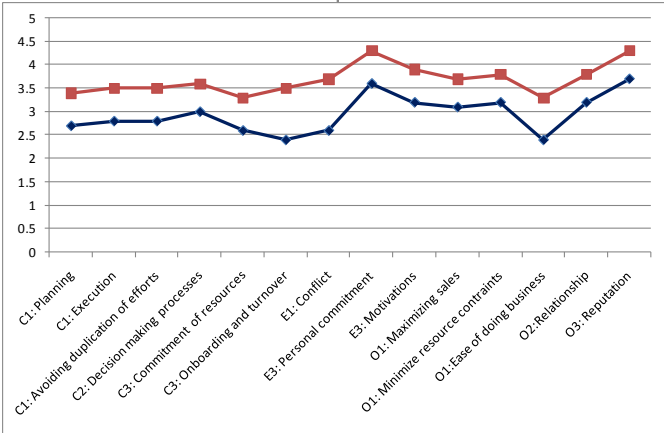
vitalsigns is designed to highlight opportunities to improve the efficiency and effectiveness of alliance operations, to better leverage alliance resources, and to identify gaps in the perceptions of members about the operations and outcomes of the alliance

- ▶ Provides quantitative and qualitative data to assess the effectiveness of alliance operations through a collaborative lens
- ▶ Provides specific, actionable insights into how to improve operations and outcomes
- ▶ Identifies specific opportunities for collaborative skill development amongst alliance team members

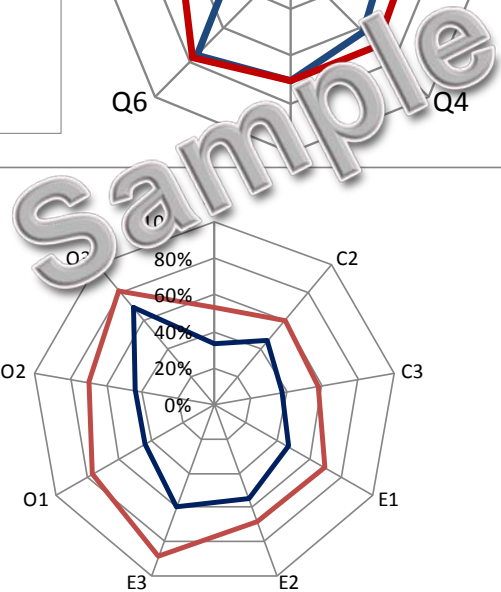


vital**signs** produces a set of metrics that can be tracked and compared over time

Leverage Resources - Scores (Range 1.0 - 5.0)



	P1	P2
C1 - Coordinate Activities	33%	53%
C2 - Communicate Information	44%	60%
C3 - Leverage Resources	37%	58%
E1 - Governance	47%	70%
E2 - Accountability	55%	68%
E3 - Trust & transparency	60%	89%
O1 - Commercial success	44%	76%
O2 - Relationship	44%	69%
O3 - Reputation	68%	81%




- Outcomes can include:**
- ▶ **Clarity and enhanced focus on common objectives and individual roles & responsibilities**
 - ▶ **Better understanding of each partner's and team member's interests**
 - ▶ **Improved communication and decision making**
 - ▶ **Streamlined processes/protocols designed and implemented**
 - ▶ **Greater transparency and trust**

Assessing the alliance is simple and impactful

- ▶ **Interview selected executives and alliance team members to gain background**
- ▶ **Survey instruments customized and approved; communication plan implemented**
- ▶ **Invitees complete a 15 minute online survey during a specified two week period. Ample opportunity for participants thoughts and comments are provided**
- ▶ **Results calculated and analyzed**
 - **Reviewed individually with alliance leadership from each partner**
- ▶ **Workshop for alliance leadership to discuss survey results produces a focused plan of action based on assessment findings**

Management workshop outline

- ▶ **Understand what the data says**
- ▶ **Evaluate it within the context of the overall strategic plan for the alliance**
- ▶ **Gain alignment among alliance leadership as to actions that should be taken, if any**
- ▶ **Develop and implement an action plan**



If you can walk
You can dance
If you can talk
You can sing

– African Proverb

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