

# Role Modeling: A Structured Approach to Developing Great Alliance Managers

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While the origins of effective individual leadership can be a source of lively debate, our experience has made it clear that great alliance managers are made, not born. This conclusion is inevitable due in large part to the unique nature of alliance management—a composite discipline that requires skills from a range of functions, including project management, human resources, finance, engineering, IT, and business development. Along with experience in these areas, successful alliance managers must possess—and learn to apply strategically—a comprehensive combination of interpersonal, professional, and alliance-specific competencies.



For new and seasoned practitioners alike, the good news is that these skills can be acquired, applied, and enhanced over time to achieve the alliance manager’s ultimate goal: superior business results for the partnership.

**Model Good Behavior**

In many cases, alliance managers first join the profession with a wealth of expertise in a specific function or discipline. While valuable, this experience must be augmented with additional alliance management–focused competencies for it to be useful in managing a business partnership. This process can be compared to creating an alloy, in which certain elements are combined to form a substance more useful than the primary components. Pure silver is soft and pliable, for example, but adding copper produces sterling silver, a stronger compound better suited for jewelry making. Likewise, if an alliance manager’s business background and expertise is alloyed with alliance management competencies, the result will be a more durable, professional alliance manager who can maximize alliance value and minimize alliance risk.

With this in mind, we have observed and documented what we believe to be the essential knowledge,

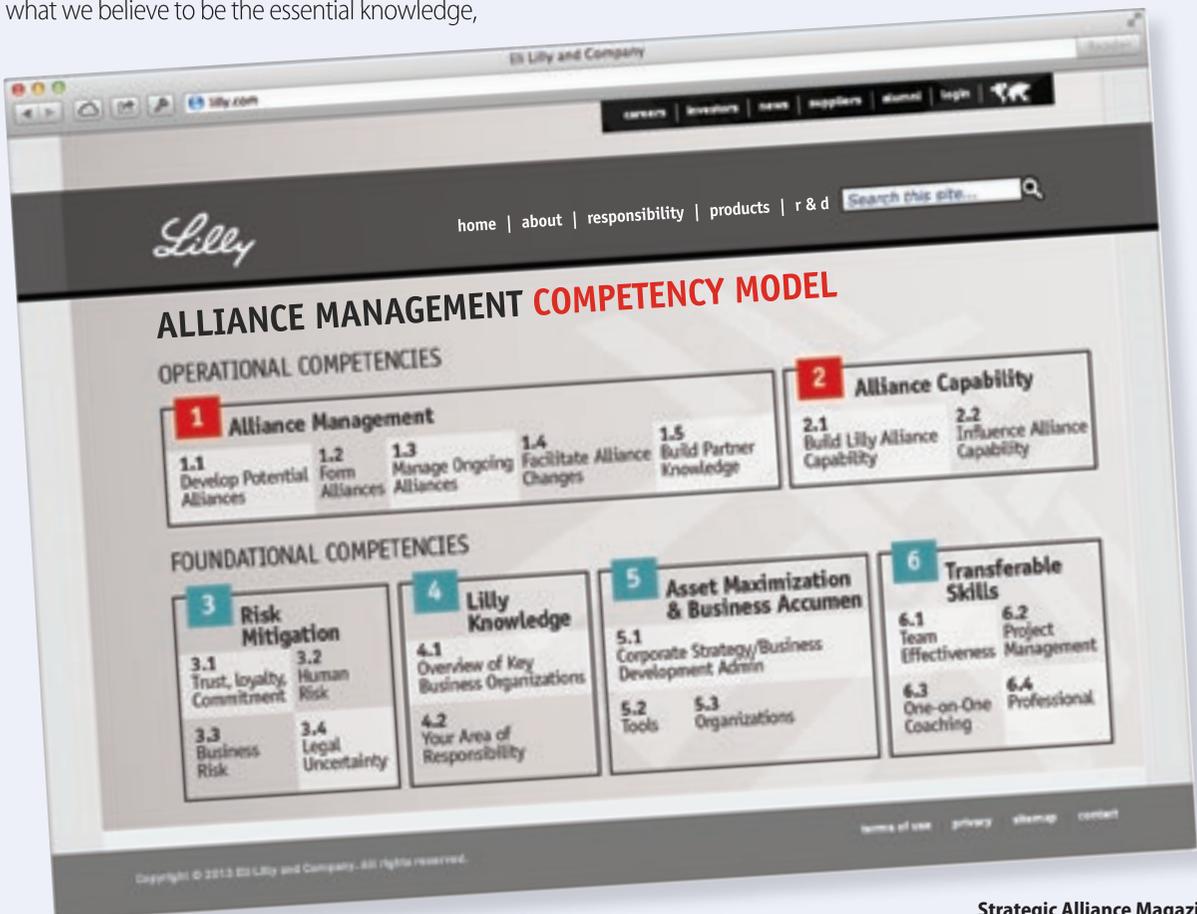
skills, and capabilities necessary to be successful in an alliance management role. Over time, we have structured this information into the Alliance Management Competency Model (AMCM), which we use to provide an orientation and roadmap for individuals new to our group. The AMCM, described in the following paragraphs, also is useful for annual competency planning and staff development for more experienced alliance managers.

As you can see in the figure below, alliance management competencies can be divided into two key categories: operational and foundational. Operational competencies focus on what needs to be accomplished; foundational competencies encompass how an alliance manager can best carry out the responsibilities of the role.

**Deliver the Basics Well**

Our key operational competencies define what an alliance manager needs to do—and do well—to manage an alliance or collaboration.

Operational competencies often result in a discrete deliverable such as an alliance start-up meeting agenda or governance meeting record. The alliance



## KEY OPERATIONAL COMPETENCIES

**Develop Potential Alliances** – Advise the deal team and leadership on potential risks and opportunities, assess a potential partner during the due diligence process, advise on contract development, and design governance for new alliances. (See “Governance by Design: How Well-Established Principles and Practices Set the Stage for Alliance Success,” *Strategic Alliance Magazine*, Q3, 2012.)

**Form Alliances** – Facilitate planning meetings during alliance organization and orchestrate kickoff activities. (See “Good to Go: How Setting the Right Tone, Goals, and Expectations Gets a Great Alliance Going,” *Strategic Alliance Magazine*, Q4 2012.)

**Manage Ongoing Alliances** – Monitor alliance value proposition, implement alliance governance, formally and informally monitor and manage alliance health, and execute interventions to support any alliance transitions. (See “Steady as She Goes: How Focus, Discipline Help an Alliance Stay on Course,” *Strategic Alliance Magazine*, Q1 2013.)

**Facilitate Alliance Changes** – Identify and implement any alliance restructuring and manage corresponding contract modifications, including terminations.

**Build Partner Knowledge** – Understand the alliance partner’s business, articulate the partner’s needs, serve as an internal advocate when appropriate, and use lessons learned to improve alliance performance and health.

manager must learn to anticipate decision points and plan for all aspects of developing, forming, managing, and if necessary, restructuring or terminating alliances. Additionally, it is critical to learn the alliance partner’s business, articulate the partner’s needs, and serve as an advocate for your company’s internal needs when appropriate.

### Move from Average to Exceptional

Foundational competencies define how an alliance manager executes operational competencies. Although this is a more difficult category to structure, especially given the wide range of personalities and experiences involved, it is possible to frame a discussion that describes the approaches and professional qualities that most often result in a successful alliance management effort.

Simply stated, a mastery of foundational competencies will elevate an alliance manager from average to exceptional. For example, a great alliance manager will go beyond identifying a particular task to be accomplished and will:

- Demonstrate enhanced vision, judgment, and influence

to evaluate a task in the context of human and business risk as well as legal uncertainty

- Identify potential outcomes
- Achieve a result that balances maximizing alliance value with minimizing alliance risk

This approach also cultivates trust, loyalty, and commitment between alliance managers and their clients, helping to achieve positive alliance outcomes time and time again.

Throughout the alliance life cycle, foundational competencies enable an alliance manager to identify, prevent, and mitigate risk. Competencies that will reduce the three basic categories associated with an alliance—human risk, business risk, and legal uncertainty—are described below.

### Competencies that reduce human risk:

- Working knowledge of basic human psychology, including character traits of various personalities, types of



misinterpretations that are common in alliances, and conflict management skills and techniques (see “For Better or Worse: How Understanding Personality Traits Can Help You Effectively Mitigate and Manage Alliance Conflict,” *Strategic Alliance Magazine*, Q2 2012)

- Deep understanding of how to provide coaching and feedback to peers, subordinates, and superiors
- Ability to conduct an alliance health survey and to design meaningful interventions that address identified issues
- Working knowledge of basic consulting skills
- Continued investigation of organizational psychology surrounding the design of alliance and company incentives

**Competencies that reduce business risk:**

- Deep knowledge of key business organizations within both partner companies
- Understanding of the allied product’s strategy, tactics, and life cycle plan
- Deep understanding of how the organizations set strategy, find and license new products, and manage relationships
- Knowledge of basic types and structures of contracts, terms, negotiations, and commercialization archetypes

**Competencies that reduce legal uncertainty:**

- Ability to take effective meeting minutes (see “Making the Minutes Count: The Critical Importance of Accurately Documenting Alliance Meetings,” *Strategic Alliance Magazine*, Q3 2013)
- Knowledge of the pathways to deal with legal disputes (e.g., government court systems, mediations, arbitration)
- Knowledge of the common types of legal uncertainties associated with the alliance business model

With these competencies as a base, an alliance manager can move on to tackle one of the most challenging responsibilities in the field: transitioning from an alliance nurturer—with a focus on supporting the alliance’s health—to an alliance advocate. As an advocate, an alliance professional takes a strong position on a topic and leverages her relationships, understanding of company cultures, and mastery of corporate and alliance processes to drive to an outcome that she has championed.

Striking the appropriate balance between these two

roles—nurturer and advocate—is at the core of great alliance management, and thus requires a significant level of vision, judgment, and influence on the part of the alliance manager. An inability to maintain this balance is often at the root of failure.

What characteristics are required to make this transition? In our experience, success hinges on one’s ability to demonstrate vision, judgment, and influence within the alliance and among alliance colleagues. Most people intuitively understand the importance of these traits but may have difficulty defining them as actionable and measurable. We use the following descriptions:

**Vision**

- Being able to clearly see the full potential of an alliance from the outset
- Leveraging personal experiences or know-how to anticipate alliance issues before they occur— this can be achieved by learning from other alliance managers or by documenting significant issues for future reference
- Cultivating and leveraging professional networks and reaching out to others for consultation and coaching when needed—alliance managers should understand the pressures that leaders at their own and partner companies are facing; these might come from inside or outside the company and may be specific to a single leader or common to an entire unit

**Judgment**

- Identifying when an alliance issue warrants watchful waiting or intervention—be aware of critical upcoming decision points in the alliance or at either company, because sometimes small decisions lay the foundation for larger decisions down the road; also, be aware of interpersonal or cultural issues that may require proactive management
- Planning and executing the most appropriate interventions—many factors should be considered, such as the individuals involved, the financial or other business impact to the companies, or timing of other significant business decisions; it may be helpful to collaborate with other alliance managers or leaders to evaluate several options with associated benefits and risks prior to implementation or intervention
- Applying knowledge and experience to navigate cor-

porate politics within both companies—get to know the leaders and other stakeholders; understand their professional and personal priorities and any defining experiences they will draw upon to make decisions; network with others for a broader perspective on stakeholders

**Influence**

- Convincing others to embrace the vision of the alliance—identify the decision makers early and get updates on current priorities; whenever possible, bring data into the discussion, share which options have been weighed, and be prepared with a recommendation; gain support as needed from others, such as legal, finance, and operations
- Leveraging trust, loyalty, and commitment to effect change with internal clients and partner company clients—consistently demonstrate diligence in managing decisions and issues; when delivering difficult messages, do so sensitively and explain all the factors that were considered

Like the copper that is added to pure silver to make it stronger, these characteristics of vision, judgment, and influence serve to make an alliance manager much more useful—and much more valuable—in the context of the partnership.

**Coach with Competencies**

To assess strengths, weaknesses, and experience gaps, alliance managers at all levels can work with their supervisors or coaches to develop an action plan for improvement. When evaluating an alliance manager’s competency level, you should always take into account current assignments. If an alliance manager has worked on several long-standing alliances, for example, and is assigned a new partnership to manage, teaching that person skills to support alliance start-up should be an area of focus.

It’s important to remember that not every competency applies to every member of the alliance management team. Some skills are component or function specific; others may not fit the exact role of the individual. Discussions between the alliance manager and the supervisor can better define the competencies most relevant to current roles and responsibilities.

With the competencies needed to succeed in mind, an alliance manager should:

- Assess knowledge and capability levels
- Meet with his or her supervisor to review assessments

- Agree on the current skill level and target level to be reached
- Prioritize competencies to be mastered
- Identify the top three areas and commit those to writing
- Implement the development plan

**Leverage the Model**

The alliance manager is at the heart of any business alliance. Like a base metal, the alliance manager brings to the job a set of skills, perhaps from a previous role in project management, human resources, finance, legal, engineering, IT, business development, or another industry-specific function. Any of these disciplines provides an excellent base; however, an effective alliance manager grows from that base of knowledge and experience by mastering specific operational and functional competencies. As the alliance manager alloys her skill set with additional competencies—and is able to consistently demonstrate vision, judgment, and influence—a stronger and more stable alliance manager emerges, helping the partnership achieve superior business results.

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