iGra
building trust

The hard and soft side

of building partnerships

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Key takeouts interaction

Think about what the risks are in your case and take the appropriate measures

Make the distinction between ability and trust
Work on your ability and trust will emerge in the process

Start practising constructive conflict. This ability will help you to grow your relations, sows the seeds of trust to be harvested later on in a partnership and grows your reputation as a good partner.

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What are <u>in your experience</u> the most important risks to failure of your partnership(s)?

Please put your answer in the chat including a little bit of context about your own partnership(s)

Risks to failure participants:

- Cultural differences
- Lack of communications
- Lack of common ground (even though partners are communicating)
- Different interests (competition for resources)
- Lack of complementarity (strength of partner do not compensate your weaknesses)
- Different purpose (different or conflicting values)

Think about what the risks are in your case and take the appropriate measures

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AlliantiePartners; our vision

- We believe that collaboration becomes a core competence

- Professional collaboration does not happen automatically, it requires skills and the right mindset

- Research shows that 50% of all collaborations fail

- We talk about value chains, ecosystems and the importance of collaboration but the question HOW to successfully collaborate is often unanswered

- Despite all of the above, not many people are educated in collaboration skills

We want to empower organisation in their collabortions and position alliance management as a profession within organisations

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A definition for collaboration

Collaboration happens under many names;

... a coalition , a partnership, a multi-stakeholder collaboration

or, as we like to call it,...an **alliance.**

We use the following definition for an alliance.

An alliance is….

…… a collaboration in a specific domain between two or more independent organisations

…… that independantly strive for individual goals

…… and in addition aspire to achieve common goals

…… or objectives that are in line with each other

…… who share some degree of return and / or risk

…… that aim for long-term success

**Collaborating by definition means
giving up some of your own autonomy**

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A few more insights………
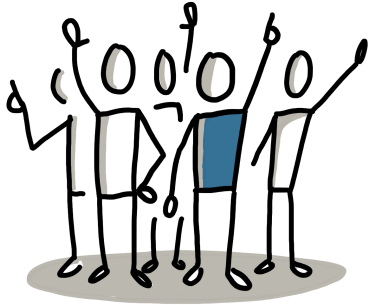
An alliance is….

...... a collaboration in a specific domain between two or more independent organisations
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- **Collaborating with other parties by definition means giving up some of your own autonomy**
- **There does not necessarily have to be a common goal**
- **There may be asynchronous reciprocity**

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Alliances; an organisational issue

Competences

Tooling

Mentality

Culture

Alliance management

Interests

Context

Trust

Convictions

I'm more than happy to collaborate; just tell me what to do.

The 7 drivers for success for alliances

1. Experience with alliances

2. Management maturity

3. Strategic fit (strengths eliminate weaknesses)

4. Selection of the right partner with a compatible culture

5. Creating the most value in the eyes of the customer

6. Commitment to long term win-win

7. Evaluation and adjustment of hard and soft factors

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Why do alliances fail…..
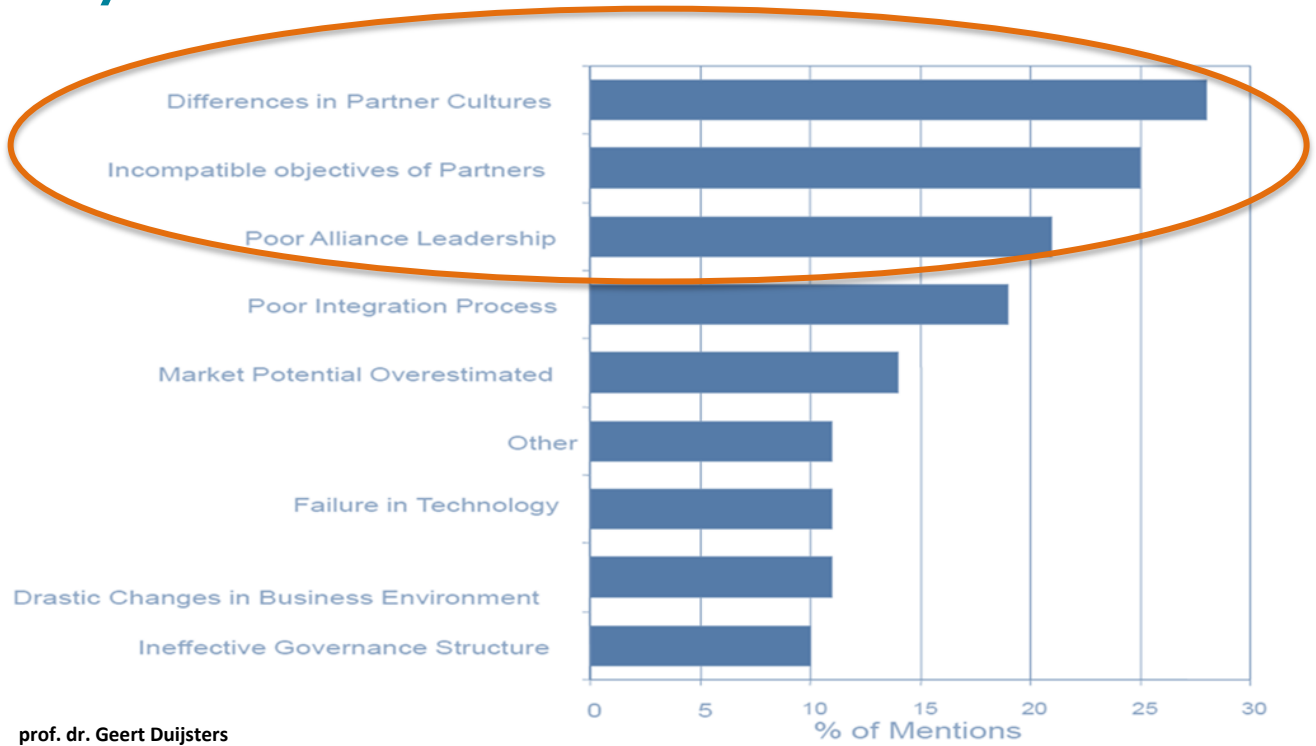
prof. dr. Geert Duijsters

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Trust is not explicitly listed in academic research on partnerships as one of the drivers for succes in nor as a fail factor

Why do you think this is the case?

Discuss for 5 minutes in pairs using break-out rooms, formulate an answer together and put it in the chat again

Reflections role of trust by participants:

- Most partnerships are designed without much attention for the relationship or the topic of trust (such as goals and principles)
- Trust is something you develop together over time (it's a feeling)
- Different cultures are dealing with trust in a different way
- Partners (e.g. big and small) have different ideas about the (role of trust within) the partnership
- Trust is something which is bigger than individuals or organizations, it is also present on the level of communities (and nations)
- Trust has to do with (the lack of ability for) speaking each other language
- The life cycle of a partnership might not be long enough to develop trust
- If you have the same goal trust might be less important than when you help each other achieve the individual goals of the partners (also because one might get the results/benefit from the partnership earlier then the other partner)
- If partners already know each other from former a partnership trust is there already
- It might be overlooked by academics because the topic of trust has to do more with lived experience and experiencing the partnership than analyzing a partnership

→ Make the distinction between ability and trust
Work on your ability and trust will emerge in the process

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The role of trust in partnerships

- Ability (rational):
  - Easier to observe explicitly (knowledge, patents, market position)
  - Important in the beginning of the relation (partner-selection, formation, beginning)
- Integrity, Benevolence (emotional):
  - Harder to observe explicitly (only in interaction with the partner)
  - Later on in the development of the relation
  - Needs to be developed in the evolution of the partnership
  - Or, previous experiences of the partner and/or reputation in the ecosystem
- Reliability =/= trust
  - Actions do not fully align with intentions
  - Assumes risk and vulnerability in the relation with the partner

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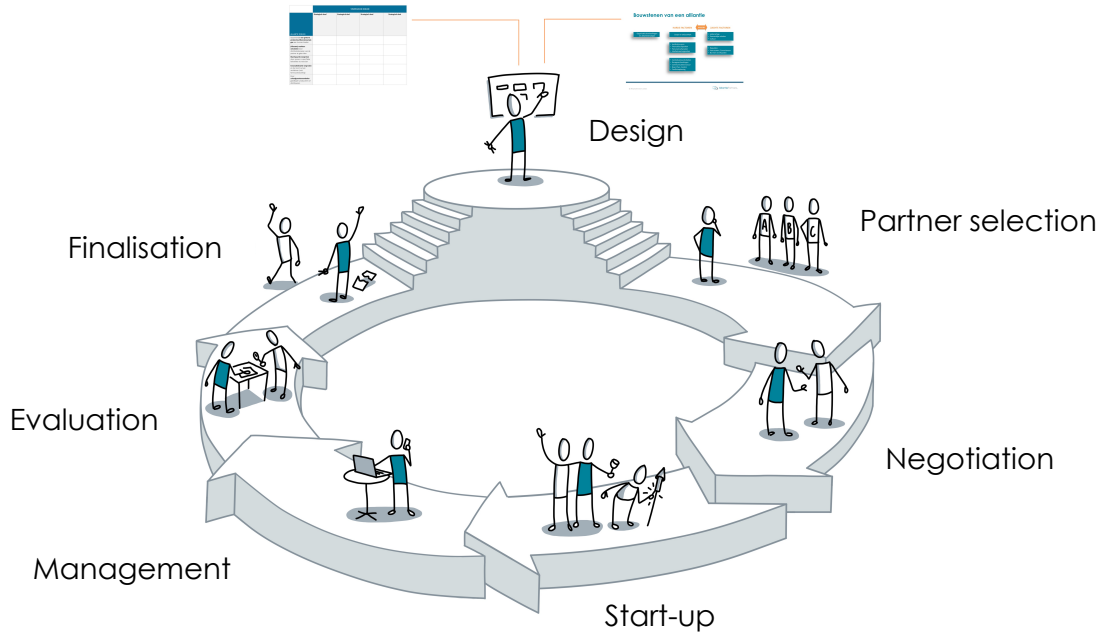# Three crucial questions in collaborating

Why collaborate?

Collaborate **in what**?

How collaborate?

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Phasing

Design

Partner selection

Finalisation

Negotiation

Evaluation

Management

Start-up

Negotiation

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Buiding blocks of a alliance

HARD FACTORS

Influence

SOFT FACTORS

Organisation goals

Scope en exclusivity

- Leadership
- Personal relationships
- Culture

- Legal form
- Financial agreements
- Staff agreements
- IP and Customer ownership

- Reputation
- Trust, Commitment
- Norms and values

- Centralization of activities
- Decision-making authority
- Communication structure
- Goal, Plan, Control
- Conflict resolution

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5 levels of responsibility

Moral responsibility

Rapprochement responsibility

Operational responsibility

Development responsibility

Functional responsibility

Formal responsibility

Good cooperation requires that responsibility is taken at all five levels

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Building relationships:
From what paradigm do we start?

Starting from a service oriented, harmony focussed paradigm

Rapprochement responsibility

Operational responsibility

Development responsibility

Functional responsibility

Formal responsibility

Starting from a from a management and control paradigm

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The types of responsiblity mapped on the undercurrent and the upstream

Upstream

Formal responsibility

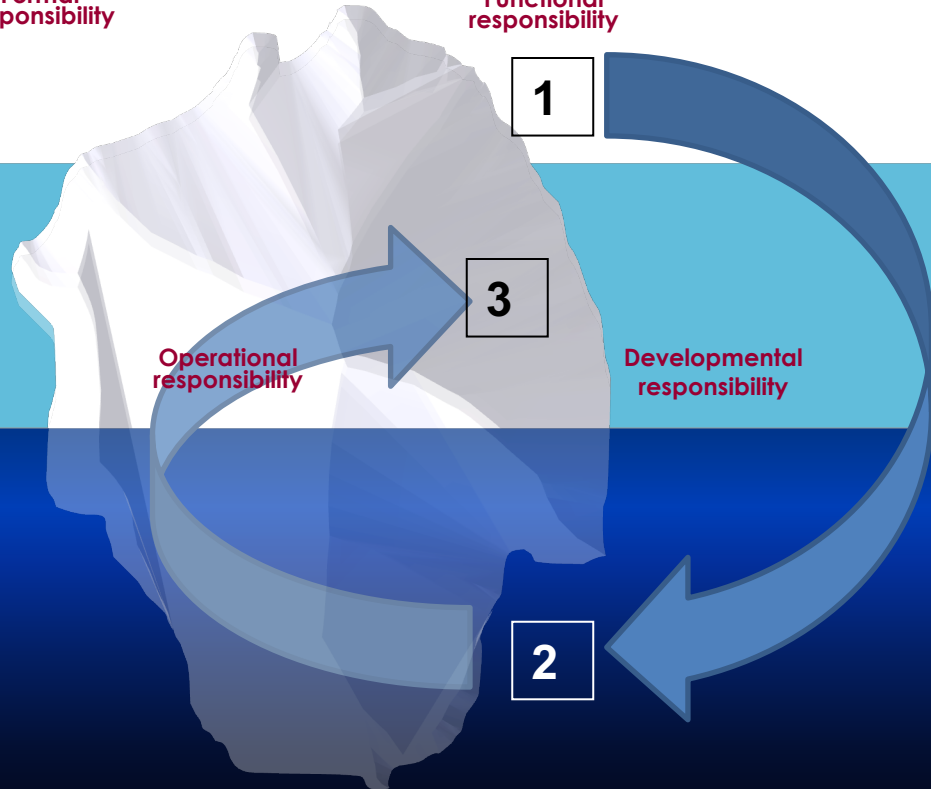Functional responsibility

1

Practice

3

Rapprochement responsibility

Operational responsibility

Developmental responsibility

2

Undercurrent

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Alliance competence capability scan

- Bonding
  - Constructive confict
  - Solidarity, attention, empathy
- Communication
  - Win-win is always clear
  - Customer needs, positioning and shared offering proactively shared
  - Organisation changes proactively managed
- Coördination
  - Processes for managing the partnership internal and with partner
  - Evolution of processes and support through incentives
- Joint action
  - Effect on customer experience
  - Projects and program development
  - Shared learning and development
  - Measurable improvement of the partnership
  - Information about new opportunities and (new) customer insights

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Do you have a <u>best practise</u> or a <u>challange</u>
in one of your partnerships
on one of these 4 competencies?

Please put it in the chat

We will ask some people to share

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Most important challenge mentioned: *constructive conflict*

- The capacity to initiate constructive conflict should be developed (we are inherently conflict avoidant / we as humans in general like harmony)
- Importance to pay attention to values in the design phase and determining and talking openly about what (ethical) lines of your partners not to cross
- This lowers the threshold to have open conversations about the undercurrent/feelings/emotons/values later on in the alliance process
- Make an escalation ladder together; what to do when you have the feeling that (latent) conflicts are not proactively tackled
- Importance to evaluate periodically, first evaluate internally with colleagues to be able to be frank and have consensus internally about the evaluation and to take into account all internal perspectives
  - First evaluate if organizational goals and alliance strategy have shifted; this has an impact on the relevance of the partnership and feelings about (lack of) commitment by one of both partners
  - Second, also take into account shifts in the environment; ; this also has an impact on the relevance of the partnership
  - Thid, evaluate on the goals and processes (hard side) but also on behavior and values (soft side).
- Taking into account all of the above; you have to be able to take on the role of criticus
  - *It helps to explain what you are doing and why (being a critic) using the Kantor 4 player model; initiator, follower, critic, bystander*

Start practising constructive conflict. This ability will help you to grow your relations, sows the seeds of trust to be harvested later on in a partnership and grows your reputation as a good partner.

Discussion