



Making Alliances Work

Conventional advice about alliances hasn't reduced their dismal failure rate. Success requires shifting your focus to a complementary set of principles

Alliances have become an essential tool of corporate strategy. They are a flexible alternative to acquisition, relying solely on internal expertise and capabilities. With the growing number and complexity of alliances, however, companies are finding it increasingly difficult to capture the full value of their partnerships.

By working with Vantage, companies can maximize the performance of individual alliances, put under-performing alliances back on track, and ensure coordination and optimization of their entire alliance portfolio.



The number of corporate alliances soars 25% a year. And those partnerships account for nearly 33% of many companies' revenue and market value. Yet the failure rate for alliances continues to hover at about 60% – 70%.

The reason: Too many firms rely too heavily on conventional advice for managing alliances — such as “Focus on defining a business plan” or “Minimize conflict.”

Alliances pose special challenges that make traditional management practices inadequate. Consider: Alliances require two (sometimes more) companies to collaborate closely with one another while simultaneously remaining independent and pursuing their own individual strategies and objectives. Moreover, partners must navigate difficult-to-understand and often frustrating differences in culture, management systems, and expertise.

Through our client work and extensive research over the past twenty years, Vantage Partners has found two root causes of alliance failure: insufficient attention to the working relationship between partners, and a lack of alliance management competencies.

To help companies address and find solutions to their specific alliance challenges, Vantage Partners offers a broad range of services:

Alliance Strategy Development

Vantage works with clients to clearly define (or refine) an alliance strategy that is fully aligned with overall corporate strategy and business unit objectives. The result is clarity on when to enter into alliances (versus making acquisitions, or pursuing objectives with internal resources), greater focus within alliances on clearly defined goals, and the restructuring of, or exit from, alliances that do not support a company's business strategy.

Alliance Management Capability Benchmarking

We help companies benchmark their alliance management capabilities, and analyze the way in which their partners (and sometimes potential partners) perceive them relative to their competitors. We go beyond typical “best practice” benchmarking to assess the practices that are most likely to drive improved alliance results for each particular client, and what needs to be done to actually implement improved approaches to alliance formation and management. The result is a clear roadmap to enhancing alliance capabilities and building a reputation as a partner of choice.

Alliance Management Program Design and Implementation

We help companies create an alliance program blueprint that defines key processes and activities across the alliance lifecycle, and specifies roles and responsibilities across the enterprise for execution of alliance activities. We employ an iterative, consultative process that builds buy-in among stakeholders and maximizes the odds of successful implementation. We then work closely with our clients to implement the blueprint: helping to staff and launch new alliance management groups; providing training, coaching, and change management assistance; and creating and implementing specific tools and job aids for alliance managers and alliance teams. The result is a true organizational competency for alliance formation and management, improved alliance success rates, and better business results.

New Alliance Launch

We facilitate a carefully designed set of activities between partners to ensure clarity and alignment around alliance goals and strategy, build understanding and trust, and develop guidelines for working effectively together. The result is a reduction in the time from contract signature to value delivered by alliances and a foundation for collaboration that maximizes the odds of long-term success.

Relationship Remediation and Re-launch

We conduct assessments of alliance performance and perform root-cause diagnosis of under-performing alliances or damaged relationships between alliance partners. We then develop practical recommendations and concrete action plans to put at-risk or failing alliances back on track. The result is not only an alliance that delivers more value, but also a set of lessons that can be applied by partners to their other alliances as well.

Alliance Training

We design and deliver a range of alliance training programs (including training on critical skills essential to effective alliance formation and management: negotiation, influence, conflict management, and communication). Given our extensive experience, we are able to rapidly and efficiently configure training programs that are highly customized to each individual client's specific needs and context. The result is training that goes beyond simply providing people with new skills or ideas, and actually transforms the way they do their jobs.

About Vantage Partners

Vantage Partners, a spin-off of the Harvard Negotiation Project, is a management consulting firm that specializes in helping companies achieve breakthrough business results by transforming the way they manage their most important relationships. To learn more about Vantage Partners or to access our online library of research and white papers, please visit www.vantagepartners.com.

For more information on Vantage Partners contact: Claude Castracane | +1 617 354 6090 x450 | ccastracane@vantagepartners.com