

ALLIANCE MANAGEMENT; A PROGRESSION TOWARDS SUSTAINABLE HIGH PERFORMANCE PARTNERSHIPS

CONCORD UNIVERSITY

AUTHOR: JEREMIAH NELSON, 102 SUTTON AVENUE, PRINCETON, WV 24740
TEL: 304-887-5930

Email: jeremiah.nelson5@gmail.com

Faculty Research Advisor: John Fazio M.B.A., A.B.D (Concord University D.O.B. Professor of Management, Tel: 304-384-5392)

Designation: Faculty Sponsored Undergraduate Research

Word Count¹: 6,453

ABSTRACT

The current state of business partnerships leaves something to be desired with numbers topping 70% failure rates, it would make one wonder why a successful organization would want to partner up with others, for fear of failure. The research covered in this report is comprised of one main area, which is Organizational Behaviour. That of High-Performance Organizations and their business process and the partnering and partnership management element found in the area of Strategic Alliances, known as Alliance Management. Recently the areas of High-Performance Organization have formed their own strategic alliances known as High-Performance Partnerships (HPP's). The proposition of this paper is to support the creation of an alliance management function in High Performance Partnerships to form Sustainable High Performance Partnerships or a (SHPP) "Ship".

¹ Word Count is of all pages, including Title Page, Abstract, References, Figures and Tables

ALLIANCE MANAGEMENT; A PROGRESSION TOWARDS SUSTAINABLE HIGH PERFORMANCE PARTNERSHIPS..... 1

Author: Jeremiah Nelson, 102 Sutton Avenue, Princeton, WV 24740 Tel: 304-887-5930 1

Abstract 1

Overview 3

Introduction and Background to the Topic: 5

High performance organizations (hpo’s) 5

Partnering 5

Partner management 6

The Current State of Partnerships 7

Partnerships that have developed too quickly 8

Secret agendas or conflicts of interest 8

Power struggle 8

High expectations and unfulfilled promises 8

Lack of communication 8

Lack of leadership 8

Methods: The Forming of the SHPP 9

HPO’s 10

Forming a strategic alliance 11

Forming the alliance management function 12

Data Analyzed 14

Limitations & further directions for proposed research 16

Implications / significance of the study 16

Conclusion: Why the need for an Alliance Management function 17

Acknowledgements 19

References 20

OVERVIEW

Business organization trends of the late twentieth century and the current twenty first century have seen a move towards High Performance Organizations (HPO's). HPO's are organizations that have been modified to deliver superior results i.e. longevity and revenue, compared to their competitors. Total Quality Management (TQM) seems to lie at its core, dedicated to improving long term success through customer satisfaction. Even though there are many structures and or processes developed recognizing elements and characteristics of HPO's all seem to agree that people (employees) are their greatest asset or element. One of the best definitions of what an HPO is provided by, Dr. André A. de Waal MBA, "A High Performance Organization is an organization that achieves financial results that are better than those of its peer group over a longer period of time, by being able to adapt well to changes and react to these quickly, by managing for the long term, by setting up an integrated and aligned management structure, by continuously improving its core capabilities, and by truly treating the employees as its main asset." (de Waal, 2007) Dr. André A. de Waal is also attributed to being the creator of the "HPO framework" and "The 5 HPO Success Factors", with its' "35 HPO aspects", (hpocenter.com, n.d.) outlined and referenced later in this paper. "An HPO is an organization that concentrates on bringing out the best in people... HPOs give employees the tools to empower themselves and make valuable contributions to the organization. Organizations who strive to maintain being an HPO also respect and encourage diversity. They recognize diversity is also an asset and the differences in backgrounds foster innovation and creativity, adding value." (Goessl, 2008).

Another emerging trend in today's tough economic times is a partnership, which is the partnering up of two or more organizations as allies to form a common goal. This partnering is generally known as a Strategic Alliance (SA). Strategic Alliances typically have 4 to 5 stages; "Selection, Negotiation, Implementation, and Evaluation (Jiang, Li, & Gao, 2008)with termination as a possible fifth stage, this is when the strategic alliances have met their objectives or goals or are no longer able to meet them. SAs are also classified in to four types these are; Joint ventures, equity strategic alliance, non-equity strategic alliance and global strategic alliances. In this study we will be looking all the types with the exception of the non-equity strategic alliance. Since revenue will be the key factor used to determine success and to save time this will be limited to publicly traded companies.

As more HPOs emerge some have recognized the need and profitability of forming partnerships in what is known as a High Performance Partnership (HPP)," it is not enough if the individual chains become HPOs, but that the links between the chains must also be HPOs. In other words, a High Performance Partnership (HPP) must be created." (HPO Center, 2012)This could be considered a form of Strategic Alliance (SA). The problem with SAs is that according to studies their failure rate is somewhere in between 30% and 70% (Bamford & Gomes-Casseres, 2002) and termination rates around 50% (Lunnan & Haugland, 2008). This leads us to a seemingly paradoxical situation, if the intentions of the partnerships or alliances are formed with success in mind, why do so many fail?

This is where we have to look at the most obvious area of the partnership and that is the management of said alliance. This is covered in an element of Strategic Alliances known as Alliance Management (AM) and is the focus of this paper, specifically forming a dedicated alliance management function, either individual or group that maintains its focus on the operations and success of the partnership. With this function in mind we will venture to posit the following propositions.

Proposition 1: Both High Performance Partnerships and Strategic Alliances that maintain a dedicated Alliance Management Function will outperform financially and have a longer lifecycle than those that do not have a dedicated AM Function over time.

Proposition 2: That the formation of a True Sustainable High Performance Partnership (SHPP) will need to establish the following life evolution or progression:

1. All partners must be recognized or characterized as High Performance Organizations.
2. These partnerships must also be considered Strategic Alliances; Complimentary, Compatible and Committed.
3. They must establish a Dedicated Alliance Management Function either individual or group that is dedicated to the partnership and unbiased in its management decisions, not showing preference to any particular partner in the alliance.

INTRODUCTION AND BACKGROUND TO THE TOPIC:

The background for this research is comprised of, one main organizational behaviour, that of High-Performance Organizations and two business processes, partnering and partnership management as found in the areas of Alliance Management stemming from Strategic Alliances and High-Performance partnerships stemming from High-Performance Organizations. The Table found at the bottom of this introduction has separated the literature for this report and citations for ease in separation of the information presented.

High performance organizations (hpo's)

The best way to introduce this topic and its theoretical design is to look at its background which receives its roots from research in High Performance Organizations that is a Performance driven organization. HPO's are generally recognized by their characteristics rather than self-proclamation it is an organization built by focusing on the people (employees) rather than the processes. "High-performance companies are the role models of the organizational world. They represent real-world versions of a modern managerial ideal: the organization that is so excellent in so many areas that it consistently outperforms most of its competitors for extended periods of time." (Overholt, Dennis, Lee, Morrison, & Vickers, 2007) HPO's are the centrepiece and driving factor behind the literature and research outlined and entailed in this report.

Partnering

The next area of research moves in to the partnership phase of organizations for the purpose of this paper the focus is on two main areas, Strategic Alliances and High-Performance Partnerships. "Strategic Alliances are groups of organizations—non-profit, for-profit, and public—voluntarily working together to solve problems that are too large for any one organization to solve on its own." (Wohlstetter, Smith, & Malloy, 2005) SA's usually collaborate to create a need or service in a particular industry. They form these alliances when they know that it may not be too great of a risk to attempt these projects alone. More often than not these are cross-sector strategic alliances where a company or organization may not have the experience, know how or ability to promote or provide a particular product or service they want to offer. For example "In February 2001, The Coca-Cola Company and Procter & Gamble announced a \$4.2-billion (all currency in U.S. dollars) joint venture to use Coca-Cola's huge distribution system to increase reach and reduce time to market for the P&G products Pringles and Sunny Delight." (Gonzalez, 2001) "Alliances are widespread in today's business landscape. In the face of growing competition, the high rate of technological change and discontinuities within most industries, firms pursue a large number of alliances to access new resources, enter new markets or arenas, or minimize their risk. Yet there is a paradox: They frequently fail to reap the anticipated benefits of most of their alliances." (Kale & Singh, 2009). The reason that they fail to reap these benefits concerns the alignment of the parties. It is not "if" this alignment will break

down but more about “when” it breaks down and having a strategy in place to correct this alignment. If this is not corrected this is what causes the termination of the alliance and contributes to the overall staggering percentage of failure previously mentioned.

Another area of partnership and could be considered a form of Strategic Alliance is the High-Performance Partnership (HPP). An HPP is a partnership that is formed from two or more HPOs. “When an organization is hard at work transforming into a High Performance Organization (HPO), sooner or later the time will come when the quality of the value chain in which the organization operates will become important. After all, if the suppliers and buyers are not HPOs, the quality of the organization will be offset in full or in part by the poorer quality of the other partners in the chain. The result is that the end buyers (consumers) can never be served as effectively as possible. That is why it is important that not only the organization, but also its value chain, operate integrally at a higher level. This means that it is not enough if the individual chains become HPOs, but that the links between the chains must also be HPOs. In other words, a High Performance Partnership (HPP) must be created.” (HPO Center, 2012) In order to be considered an HPP the organizations must first meet the requirements and elements ascribed to being an HPO by achieving performance driven results and placing people first. “A high-performance partnership has two essential dimensions. First, it must have a structure for the individual organizations to share authority, resources, and accountability for achieving a mutually decided goal. Some reorganization, merger, or redefinition of authority and responsibility takes place when the partnership is formed. Second, it must produce significant results. So, the second dimension takes the partnership to a higher level. A partnership is defined by its organizational structure and approach, while a high-performance one is defined by what it produces. A high-performance partnership does not necessarily begin as a sophisticated operation. It can develop incrementally from less intensive forms of collaboration.” (Barnett, Becker, Goldberg, Hale, Melendez, & Rogers, 2003)

Partner management

The next and most critical area of the partnership is the management of the partnership. It is both the key driver to success and the largest element of failure. “Conflict in any alliance is inevitable. It is not the fact that it occurs that is a problem, but rather how it is dealt with and resolved. A conflict-management process is an important element of alliance management.” (Gonzalez, 2001) This strategic alignment within conflict management of the partners is one of the most difficult areas to overcome.

In an HPP the necessity is that the management of the partnership must be high performance as well, but it does not necessarily elaborate or designate, other than attributes as to how this will be achieved. “The following HPP factors determine whether that the collaboration is high performing:

- **Control:** supervising one another openly and honestly and confronting each other regarding performance.
- **Trust:** the expectation that the other will not behave opportunistically but will continuously consider mutual interest.

- **Involvement:** the interest and willingness to develop a long-term relationship.
- **Coordination:** tailoring one's processes to those of the other in order to improve joint performance.
- **Dependence:** mutual dependency that occurs when both parties invest an equal amount of time and money in the relationship.
- **Communication:** continuous and effective communication to ensure that both parties are always informed.
- **Conflict handling:** quickly and adequately resolving conflicts that can and do occur in any type of relationship.
- **Diversity:** recognizing and appreciating the uniqueness of the other party."

(HPO Center, 2012)

While these "factors" are crucial to overall success a strategy or formal outline as to how this will be achieved during the life of the partnership must be formed to ensure that these are met.

In the area Strategic Alliance a possible solution to this "critical area" may have been found in the form of an Alliance Management Function (AMF) that is formed from either individuals or teams from each organization, from a completely separate third party organization that manages the alliance or both. The advantage of having a third party management is that they approach this partnership as a dedicated and unbiased function allowing the other organizations to focus on their particular goals while the AMF is allowed to dedicate itself to the success of the partnership. One of the greatest assets of this third party AMF is that it approaches this partnership with everyone in mind and without any presupposed positions or agendas other than making the partnership work. The only possible downfall to third party AMF is the cost and how that is distributed among the partners involved. However, this may be a necessity cost to ensure the long term success of the overall Partnership. Research would also seem to support this statement which will be elaborated on in the body of this paper. "An alliance strategy is most effectively developed jointly by the business team and an objective third party, whether the latter is an external consultant or part of the organization." (Gonzalez, 2001)

THE CURRENT STATE OF PARTNERSHIPS

The current state of partnerships leaves something to be desired with numbers topping 70% failure rate. It would make one wonder why an organization would want to partner up with others in the first place simply because of the fear of failure. So the next logical question or step is to look at the percentage or the sample of those who do succeed and find out what it is that makes their partnership successful. In the next area of this article we look at some of the reasons why partnerships fail. While there is no cure all or exact recipe for success it is likely by sampling and identifying the characteristics of failures and success it will lead to a greater understanding and set a foundation for those looking to succeed as partners in the future.

First to look at the reasons partnerships fail, in my studies I have identified a few key areas that can be identified as;

Partnerships that have developed too quickly

This problem can be identified when two heads of organizations cross paths and after meeting at a conference or playing a round of golf have decided to partner up in a venture with no clear direction or strategic plan. Just because you both run very successful organizations does not mean that you should partner up, there should always be an end goal in mind or purpose for the partnership.

Secret agendas or conflicts of interest

Some organizations will partner up with others to build their reputation or clean up a tarnished one. Others may do so to obtain proprietary information such as technologies, patents, processes or client information. Either way these partnerships do not usually end a good note and usually end in some type of legal conflict.

Power struggle

This is another toxic mix to look out for when there is no balance of power. One organization may feel that they are the reason for the partnerships existence and may feel because of the reputation or name associated with their organization that they should lead the partnership. Organizations should strive to have all parties and interests represented, with a fair and balanced approach to conflict resolution.

High expectations and unfulfilled promises

Difficulties arise when one organization expects too much out of another, and of course the flip side of this coin, don't promise more than you can deliver. In order to keep this from happening guidelines must be set as to the expectations of each partner with periodic updates to ensure that goals are being met.

Lack of communication

This by far is the underlying theme and possibly the biggest threat to a partnership. If partners are not kept current on the state of the relationship this is where the partnership starts to fall apart. Communication with trust is the glue that will hold a partnership together, without these two essential elements a partnership will never succeed.

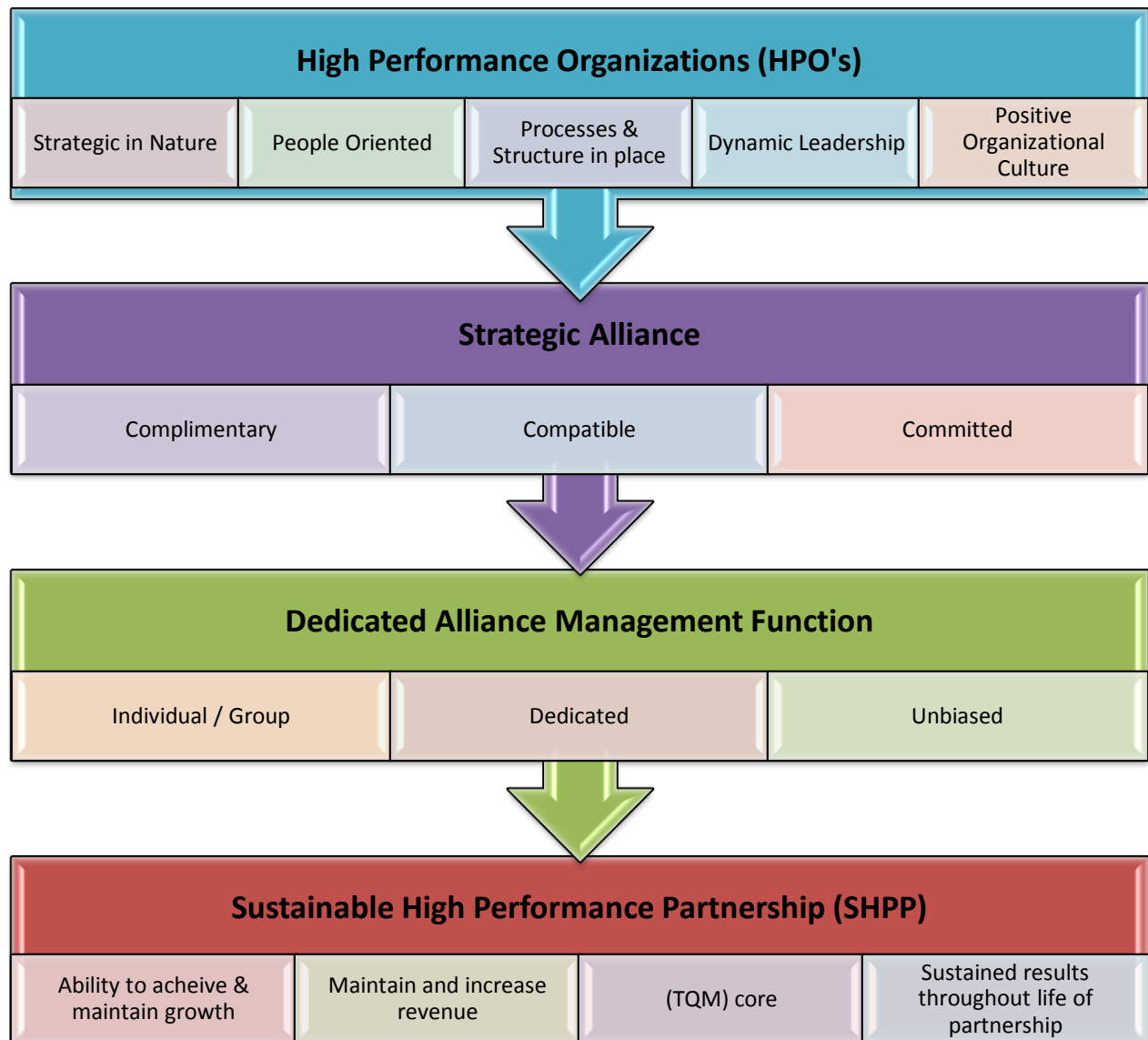
Lack of leadership

This is probably the most detrimental flaw it falls on the heels of lack of communication and is strongly related to the power struggle. Since most of the people involved with the partnership or at least at the high levels are managers they sometimes form an elitist mind-set. This mind-set as a manager is the "I know what's best!" syndrome, and creates "glass doors" for those involved. "And in most cases, these managers will really believe what they are saying. What they don't realize, however, are the many invisible barriers — the "glass doors" — they put in place. Leaders remove these barriers and that is part of what separates them from managers... Leaders put a real effort into listening to and learning from people throughout their organization. Listening is the clearest way we can show respect and build trust." (Clemmer) Leadership of the partnership is key and the main reason for the need or creation of an alliance management function.

METHODS: THE FORMING OF THE SHPP

The next logical step is to look at how this Sustainable High Performance Partnership might possibly be formed. The accompanying progression attached will also serve as a simpler means of explanation.

FIGURE 1: THE PROGRESSION TO AN SHPP



HPO'S

To begin with all parties involved in the alliance must be recognized as HPO's. In order for an organization to meet this standard they must meet the five factor test as outlined by one of the leading authorities in the field, PhD. André A. De'Waal and the founder of the HPO Center. The five factors also recognize 35 characteristics intertwined throughout.

The five HPO factors are:

1. **Management Quality.** In an HPO, belief and trust in others and fair treatment are encouraged. Managers are trustworthy, live with integrity, show commitment, enthusiasm, and respect, and have a decisive, action-focused decision-making style. Management holds people accountable for their results by maintaining clear accountability for performance. Values and strategy are communicated throughout the organisation, so everyone knows and embraces these.
2. **Openness and Action-Orientation.** HPOs have an open culture, which means that management values the opinions of employees and involves them in important organizational processes. Making mistakes is allowed and is regarded as an opportunity to learn. Employees spend a lot of time on dialogue, knowledge exchange, and learning, to develop new ideas aimed at increasing their performance and make the organization performance-driven. Managers are personally involved in experimenting thereby fostering an environment of change in the organization.
3. **Long-term Orientation.** An HPO grows through partnerships with suppliers and customers, so long-term commitment is extended to all stakeholders. Vacancies are filled by high-potential internal candidates, and people are encouraged to become leaders. The HPO creates a safe and secure workplace (both physical and mental), and lays-off people only as a last resort.
4. **Continuous Improvement and Renewal.** An HPO compensates for dying strategies by renewing them and making them unique. The organization continuously improves, simplifies and aligns its processes and innovates' its products and services, creating new sources of competitive advantage to respond to market changes. Furthermore, the HPO manages its core competences efficiently, and sources out non-core competences.
5. **Workforce Quality.** An HPO assembles and recruits a diverse and complementary management team and workforce with maximum work flexibility. The workforce is trained to be resilient and flexible. They are encouraged to develop their skills to accomplish extraordinary results and are hold responsible for their performance, as a result of which creativity is increased, leading to better results.

(Orii, van der Veer, & de Waal, 2010)

Once the factors have been recognized and an organization can be classified as a high-performer it is understandable why these positive results can be sustainable. “High-performance companies are the role models of the organizational world. They represent real-world versions of a modern managerial ideal: the organization that is so excellent in so many areas that it consistently outperforms most of its competitors for extended periods of time.” (Overholt, Dennis, Lee, Morrison, & Vickers, 2007)

Some other areas that I have observed in my research, would be that these organizations must also be;

- **Strategic in Nature-** Organization’s must have a strategy in place and “walk the talk”. This should be evident in their vision and mission statements.
- **People Oriented-** focused on the most important people in the organization the customer and the employees that interact with them. Remembering that even if you are not a service oriented business your employees may still have networked interaction with potential customers
- **Processes & Structure in place-** Having a written plan and outlined guide for different levels of the organization to maintain the continuity of their objectives.
- **Dynamic Leadership-** Effective leaders that motivate and positively affect the organization and those they work with.
- **Positive Organizational Culture-** Values & beliefs of the employees align with those of the strategic mission set in place by the organization.

Forming a strategic alliance

The next phase of the partnership is to form strategic alliances with a partner or partners. These strategic alliances are generally formed when an organization has reached a point in their process that they cannot undertake without significant investment. Rather than invest heavily in time and resources they will tend to partner up with another organization(s) that may be better suited for this process or next step. “Strategic alliances are groups of organizations—nonprofit, for-profit, and public—voluntarily working together to solve problems that are too large for any one organization to solve on its own.” (Wohlstetter, Smith, & Malloy, 2005)

Three factors seem to be prevalent in the forming of these alliances, those involved must be;

- **Complimentary-** In other words you are both needed to make a particular project work, because your strengths make up for their weaknesses and vice versa. “Partners with available financial resources can help an organization begin, grow, or significantly innovate programs. They can also serve as coping mechanisms through which to forestall, predict, or absorb uncertainty and achieve reliable resource flow and exchange.” (Wohlstetter, Smith, & Malloy, 2005)
- **Compatible-** Compatibility will have more to do with organizational culture for this intended study all partners must be HPO’s. “The key is to determine if both

organizations are strategically aligned and culturally compatible. A Joint Strategy Session where both (or multiple) organizations articulate their vision and strategy will determine if the organizations are strategically aligned. It will also become clear whether all parties have like ambitions and are culturally compatible.” (Gonzalez, 2001)

- **Committed-** Probably the biggest factor in the alliance is that these partners must be committed in order for the alliance to be both sustainable and successful. “Firms are committed to an alliance relationship by contributing specific resources and capabilities. Commitment signals a firm's loyalty to the alliance as well as to the partners. It demonstrates a long-term orientation in maintaining the collaborative relationship long enough for partners to realize their benefits.... By contrast, if a firm is not committed to the alliance, it is less likely to cooperate closely with its partners. As a result, the lack of commitment on the part of either partner will become a destabilizing factor.” (Jiang, Li, & Gao, 2008)

The idea of being, complimentary, compatible and committed stems from the formation phase outlined by (Kale & Singh, 2009)

Forming the alliance management function

The next area we move to is the formation of the Alliance Management Function AMF. “The purpose of alliance management is to minimize the risk of failure of a partnership due to management complexity... Alliance Management is a philosophy – a way of thinking – enabled by a set of policies, processes, and tools. It is also a profession and a corporate function, requiring a defined vision and mission, structure, goals, and metrics.” (Twombly & Shuman, 2010) This role if correctly diagnosed is the main reason for success and supporting research associated with this project.

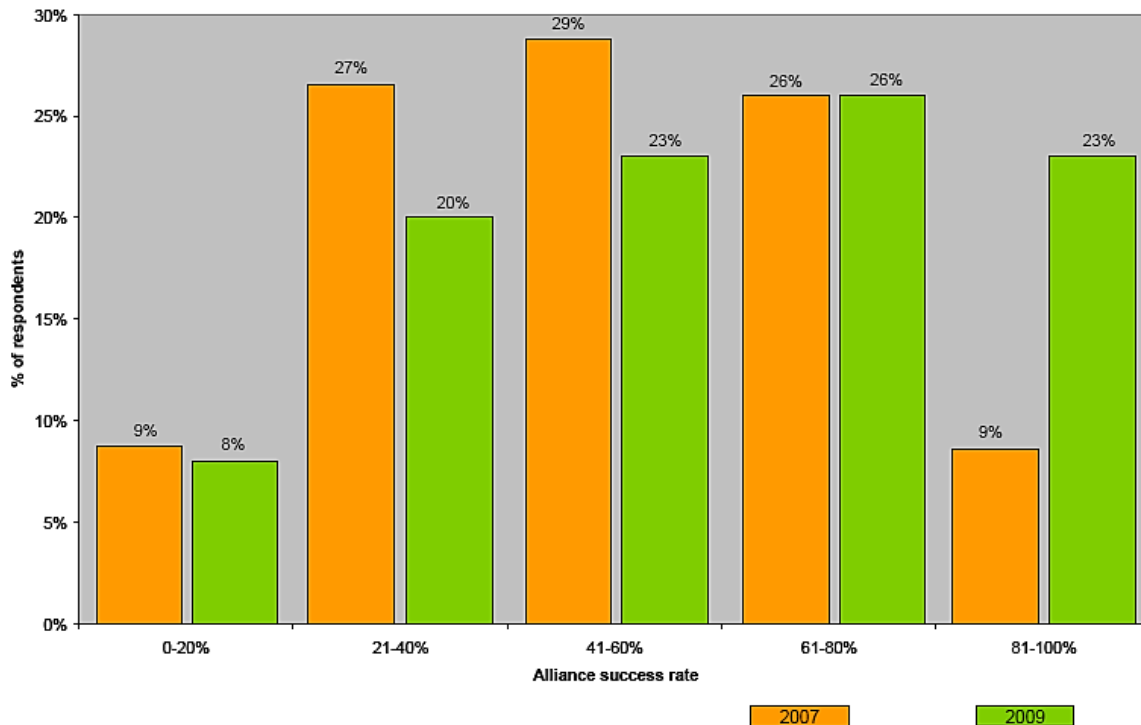
The Alliance Manager(s) represent the alliance itself. Their primary function is to support the alliance and ensure that it is successful. “The goal of the alliance manager is not to create harmony but to create a sense of dynamic tension... Think of the cathedral at Notre Dame with its flying buttresses. The equal and opposing pressure keeps it up. That is the basic architecture inside the alliance. An alliance manager must create a situation where all the different forces push inward and they are so strong that they create stability, provided, of course, they are all vectored in the right direction.” (Ranf & Todărița, 2009) They serve as an advocate for all those involved and are essentially the process through which the alliance operates. One of the unique features of the alliance manager is their impartial nature this needs to supplement their dedication to the partnership. As a third party they come into the alliance generally free of prejudices or biasness to a particular partner involved. A legal background is generally helpful tool but not necessary for the alliance manager, since most of his time will be spent in negotiation and is the instrument through which arbitration is achieved. The alliance manager should however have both experience and education in the particular field of which the alliance pertains. They will be the head diagnostician for the health of the alliance, they will know about problems or differences that may arise generally before anyone else in the partnership.

Open communication and interaction with all involved is a key area or function where the alliance manager must excel. This helps create the cohesive synergy the partnership will need to survive. Ranf & Todărița explain in their article how an alliance manager must be able to operate at three different levels, “These levels are inter-organizational, inter-organizational, and interpersonal. On the inter-organizational level, the alliance manager must balance the needs, resources, and desires of each of the partner companies. On the inter-organizational level, alliance managers must manage the needs, resources, and desires of each of their own company. On the interpersonal level, the alliance managers must manage relationships with superiors, peers, and subordinates, not only in their own firm, but also across boundaries of their various partner organizations.” (Ranf & Todărița, 2009)

DATA ANALYZED

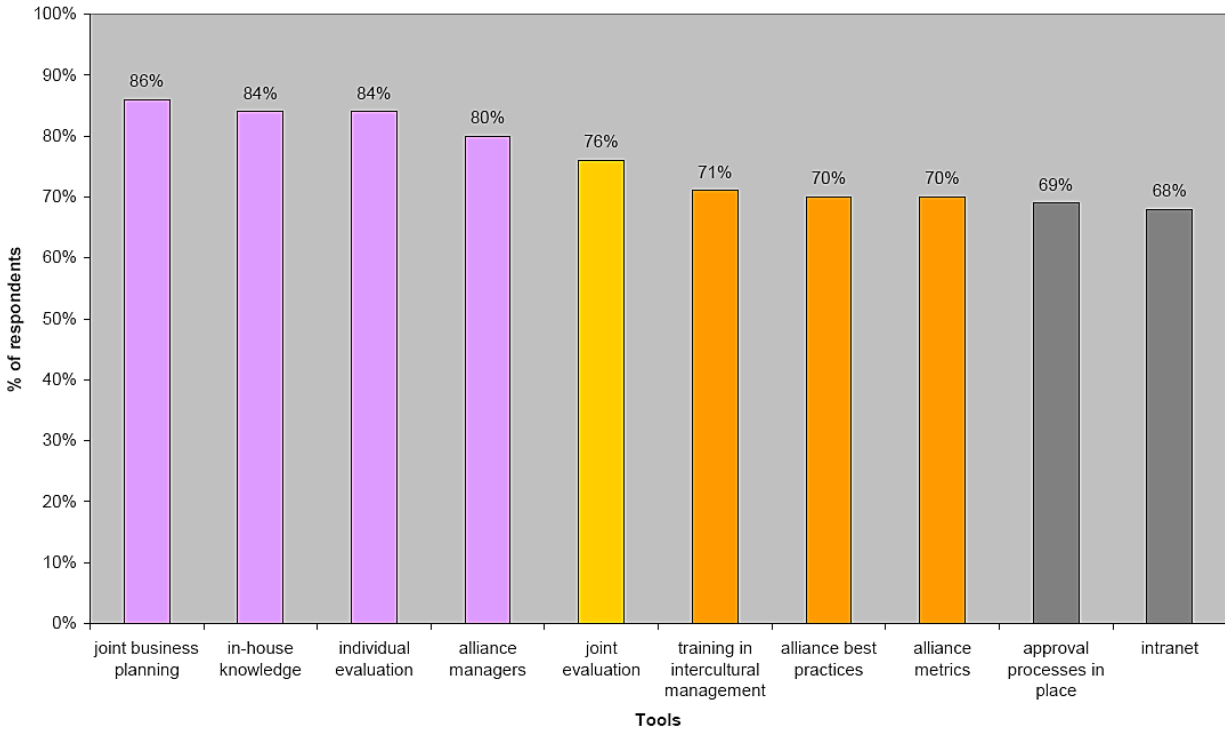
The Third State of Alliance Management Study | 2009, performed by Maastricht University has some of the most compelling evidence for the support of this theory that the secret to success and sustainability is the alliance management function.

FIGURE 2: ALLIANCE SUCCESS RATES IN 2007 AND 2009



(Figure 2) Shows that 23% of the companies now have alliance success rate of more than 80%, compared to 9% of the companies in 2007. However there remains a small group of companies (8% in 2009 versus 9% in 2007) that is unsuccessful. Their Alliance success rate lies below 20%. The Increase in success rate has mainly been achieved by companies moving through the successfully categories step-by-step, Rather than jumping at once from a low to a high success rate. Growing experience backed up by investments in alliance management tools (Figure 2) and processes make companies successful. The first important result of this study is that the alliance success rate has increased to 57%. In the earlier studies the success rate was around 50%. The increase could have been expected based on the previous study, which showed that investment in alliance management had increased substantially in 2007. In 2009 Companies are reaping the fruits of the investment. (NSI/Universiteit Maastricht, 2009)

FIGURE 3: THE TOP 10 MOST FREQUENTLY USED TOOLS



(Figure 3) shows which alliance management tools were the most implemented. Except for some minor differences, this list is the same as in 2007. This is an indication that companies have not radically changed their investment in the number and type of management tools and processes they invest in. The least used tools were: alliance management as a part of the management development program (36%), gatekeepers (35%), culture programs (30%), financial experts (27%), and mediators (13%) (NSI/Universiteit Maastricht, 2009)

Limitations & further directions for proposed research

There have been certain limitations or barriers in the research conducted. Mainly being that of time to compile sufficient organizational and financial data to prove a hypothesis hence the reason for propositions earlier in the paper.

The suggested route or experiment to prove or disprove these propositions would be to;

1. Research and find business partnerships or Strategic Alliances.
2. Of those samples, establish those that can be considered both High Performance Organizations & High Performance Partnerships.
3. Of those selected that would be considered High Performance Partnerships or HPPs, establish how the alliance was managed, particularly whether or not an Alliance Management Function (individual or group) was present.
4. Once the presence or non-presence of the AMF could be established test for:
 - a. Whether or not the partnership is on-going or has it been terminated?
 - i. If terminated or ended
 1. How long was its lifecycle?
 - ii. Did the partnership achieve its' end goal, mission?
 - b. Observe selected financial ratios.
 - i. Profitability
 - ii. Liquidity
 - iii. Debt
 - iv. Market (if publicly traded)
5. Determine statistical significance of whether or not the AMF played a key role in the success and sustainability of the partnership

Implications / significance of the study

It is my hope or belief in the implications and importance of this study to progress in the field of business research and attain a better understanding of organizational behaviour as it pertains to maintaining and establishing a successful and sustainable business partnership.

CONCLUSION: WHY THE NEED FOR AN ALLIANCE MANAGEMENT FUNCTION

The alliance manager may be more easily viewed as a coach that gets his team working together. “Attitudes and knowledge, while the foundation of effective alliance management, are not sufficient to guide alliances to consistent success. Top performing alliance managers also act as great coaches to all parties in the alliance.” (Seidman & McCauley, 2005)

As an analogy consider the coaches of the NFL all-star teams for the Pro-Bowl. Every person on their team is a leader hence their all-star status, most likely they have spent the entire season in the spotlight for their respective teams. Now in this final game of the season they are a star amongst stars and will need to work together with other “stars” in order to bring their side (AFC or NFC) the victory. I’m quite sure that most of these players, even though modest and humble in interviews have their own idea of how things should work, after all it was their “high performance” that got them where they are.

Now they must form new alliances and a team in order to achieve a common goal. However forming a team is not enough, someone must lead. As a team these guys could probably go out on the field and play football and possibly win, without the leadership and perspective of a coach, but the question would still remain, who leads? On the offensive side, is it the Quarterback, wide receiver, center or the tight end? Or how about on the defensive side one of the line-backers, defensive end, cornerback or how about defensive tackle? Any one of the players probably could take the leadership role but there is no doubt that this could result in some contention between players they only have a narrow view of the playing field and cannot focus simultaneously on all other positions, their main objective is to focus on the area where they excel. If this team were to take the field without a coach and only one of the players as a leader, and the other side did have a coach to guide and lead their team, then there would be no question that this would more than likely be a very one-sided football game.

The next scenario involves being able to manage all of these leaders to victory & deciding which ones will play as starters, reserves and alternates, because not everyone can be in the game at the same time. This is where the need for a coach comes in to play some one, who can see the entire field of play and see where strengths and weaknesses are on both sides, one who knows the strengths and weakness of the other team (competition) as well, either through observation or research.

Then comes the greatest challenge for the coach to decide who the best is and which of the players would he want on the field at a given time, considering whether the group that takes the field is offensive or defensive team? A great coach is a coordinator, an arbitrator and negotiator, he not only observes what is going on out on the field but also listens and takes suggestions from his players, after all they are the ones in the trenches. In the end the coach looks to his players and says, “Great job, YOU did it!” the team and the players receive the notoriety and honour of having won the game but in actuality this success would have

been very hard to accomplish were it not for the efforts and the coordination of the coach the “alliance manager”

So to explain the analogy is easy enough, the partner or partners that team up generally will have already formed a team of their top executives to work on the alliance their “stars” so to speak. As stars they were picked because they are leaders and experts in particular areas of their home organization. In the initial phases of the alliance it is very difficult to refrain from trying to “shine” or share ideas or best practices that may have worked in your organization, but may not work in this alliance. This is the creation of the need for an alliance management function AMF or a “coach” or “coaches” to oversee or direct the alliance, to make it their main priority so that the “stars” can focus on their areas of expertise. In the end if they successful in creating a sustainable partnership these alliance managers are able to look at those involved and say, “Great job everyone, YOU did it!”

Acknowledgements

I would like to thank the **McNair Scholars Program** for the opportunity, honour and privilege of being selected as a McNair Scholar

I would also like to give special thanks to Professor **John Fazio A.B.D.** for his time, patience and guidance throughout my research.

REFERENCES

High Performance Organizations	Strategic Alliances	Alliance Management	High Performance Partnerships
(Lear, 2009) (de Waal, 2007) (Walker, 2004) (Overholt, Dennis, Lee, Morrison, & Vickers, 2007) (Goessl, 2008) (Institute for Corporate Productivity, 2011) (Rigsbee) (Collins, 2001)	(University Of Pennsylvania, 2005) (Kale & Singh, 2009) (Bamford & Gomes-Casseres, 2002) (Lunnan & Haugland, 2008) (Wohlstetter, Smith, & Malloy, 2005) (Gonzalez, 2001)	(Ranf & Todărița, 2009) (Sims, Harrison, & Gueth, 2001) (Seidman & McCauley, 2005) (Seifert & Harmon, 2009) (Gonzalez, 2001)	(Barnett, Becker, Goldberg, Hale, Melendez, & Rogers, 2003) (Caudle, 2006) (Vink) (Orij, van der Veer, & de Waal, 2010) (Fry, 2006) (HPO Center, 2012)

- [1] Bamford, J. D., & Gomes-Casseres, B. (2002). *Mastering Alliance Strategy: A Comprehensive Guide to Design, Management, and Organization*. San Francisco: Jossey-Bass.
- [2] Barnett, C. C., Becker, C., Goldberg, P., Hale, S. J., Melendez, S. E., & Rogers, M. (2003). *Powering the Future: High-Performance Partnerships*. Washington D.C.: National Academy of Public Administration.
- [3] Caudle, S. (2006). *Basic Practices Aiding High-Performance Homeland Security Regional Partnerships*. Washington D.C.: Homeland Security Affairs.
- [4] Clemmer, J. (n.d.). *Stop Managing and Start leading*. Retrieved May 15, 2012, from clemmergroup.com: <http://www.clemmergroup.com/stop-managing-and-start-leading.php>
- [5] Collins, J. C. (2001). Good to Great. *Fast Company*, 1-9.
- [6] de Waal, A. A. (2007). The Characteristics of a High Performance Organization. *Business Strategy Series*, 1-10.
- [7] Fry, D. (2006). We Can Do It Ourselves, Thank You! Part II: DIY Investors Will Use ETFs to Develop Their Own Hedge Funds. *ETF's and Indexing*, 125-129.
- [8] Goessl, L. (2008, January 17). *What is a high-performance organization (HPO)?* Retrieved June 26, 2012, from helium.com: <http://www.helium.com/items/802036-what-is-a-high-performance-organization-hpo>
- [9] Gonzalez, M. (2001, September). STRATEGIC ALLIANCES, THE RIGHT WAY TO COMPETE IN THE 21ST CENTURY. *Ivey Business Journal*, 47-51.

- [10] Hopkins, T. (2012, February). The Great Basin Landscape Conservation Cooperative. *Great Basin NPSIP Meeting*.
- [11] HPO Center. (2012, June 18). *High Performance Partnerships (HPP)*. Retrieved from hpocenter.com: <http://www.hpocenter.com/index.asp?uid=4&sid=23&url=High-Performance-Partnerships-HPP>
- [12] Institute for Corporate Productivity. (2011). Five Domains of High-Performance (White Paper).
- [13] Jiang, X., Li, Y., & Gao, S. (2008). The stability of strategic alliances: Characteristics, factors and stages. *Journal of International Management*, 173-189.
- [14] Kale, P., & Singh, H. (2009). Managing Strategic Alliances: What Do We Know Now and Where Do We Go From Here? *Perspectives*, 45-61.
- [15] Lear, G. (2009). The Dynamics of High Performance Organizations. *Resource Development Systems*, 1-17.
- [16] Lunnan, R., & Haugland, S. A. (2008). Predicting and measuring alliance performance: a multidimensional analysis. *Strategic Management Journal*, 29(May), 545-556.
- [17] NSI/Universiteit Maastricht. (2009). *The Third State of Alliance Management Study*. Needham: Association of Strategic Alliance Professionals.
- [18] Orij, R., van der Veer, S., & de Waal, A. (2010). The High Performance Partnership framework as value chain enhancer. *HPP Atlas*, 1-30.
- [19] Overholt, M. H., Dennis, D. J., Lee, J. M., Morrison, C. L., & Vickers, M. (2007). HOW TO BUILD A HIGH-PERFORMANCE ORGANIZATION. *A Global Study of Current Trends and Future Possibilities 2007-2017*, 80.
- [20] Ranf, D. E., & Todărița, E. (2009). alliance Management. *Annales Universitatis Apulensis Series Oeconomica*, 788-795.
- [21] Rigsbee, E. (n.d.). *High Performance Teams Through Partnering; the Elements*. Retrieved June 19, 2012, from Rigsbee.com: <http://www.rigsbee.com/ma10.htm>
- [22] Seidman, W., & McCauley, M. (2005). Cerebyte Library. *Optimizing Alliance Management*. Cerebyte.com.
- [23] Seifert, M., & Harmon, T. (2009). Driving Winning Partnerships: Principles & Practices. *Specialty Pharma*, 1-4.
- [24] Sims, N., Harrison, R., & Gueth, A. (2001). Managing Alliances at Lilly. *Windhover's "In Vivo" The Business and Medicine Report*, 1-14.
- [25] Twombly, J., & Shuman, J. (2010). An Introduction to Strategic Alliance Management. *Effective Executive*, 20-27.
- [26] University Of Pennsylvania. (2005, August 10). *Three Reasons Why Good Strategies Fail: Execution, Execution...* Retrieved June 5, 2012, from Knoledge @ Wharton: <http://knowledge.wharton.upenn.edu/article.cfm?articleid=1252>

- [27] Vink, C. (n.d.). *High Performance Partnership Research*. Retrieved June 07, 2012, from hpocenter.com: High Performance Partnership Research
- [28] Walker, D. M. (2004). High-Performing Organizations: Highlights of Forum Discussion. *High-Performing Organizations Forum*, 1-29.
- [29] Wohlstetter, P., Smith, J., & Malloy, C. L. (2005). Strategic Alliances in Action: Toward a Theory of Evolution. *The Policy Studies Journal*, 419-442.