



How Alliance Managers Power BioPharma Collaborations

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Pharmaceutical and biotechnology companies form alliances to accelerate new drug development and commercialization. These collaborations let companies share financial and operational risks while they leverage each other's strengths, resources, expertise, and experience. The ideal result: increasing successful innovations, accelerating drug development, and getting new therapeutics to market faster for patients.

But bringing two or more entities together means aligning different corporate cultures, governance structures, decision-making processes, goals and priorities, risk tolerances, and more. Those differences should be hammered out in the planning and contracting stages, but often they are left to the working teams to figure out. And even when details are clear up front, keeping everyone moving in the same direction takes proactive management and engagement of the teams and stakeholders.

Alliance managers are responsible for “herding the cats.” Depending on the deal, the individual roles and scope of responsibilities may vary. They may lead the entire alliance, one party's side, or programs and/or projects within the collaboration. This requires **flexibility and adaptability** to right-size one's leadership capabilities and **change management** techniques to meet the needs of the organization(s). Whatever the scale of the role, alliance managers must drive cross-functional teamwork to enable success.

This article highlights the activities and cross-functional team leadership skills that alliance managers need to bring to the table. Based on experiences from Integrated Project Management Company, Inc. (IPM) consultants, it includes real-world case studies for examples of what to do—and sometimes what not to do—to drive alliance success.

Bold type indicates relevant capabilities, which are defined in a glossary in each section of the article.

Get on the Same Page

To accomplish the goals of the alliance, you first have to make sure these are clearly defined, understood, and agreed upon. What is the vision and strategy behind the alliance? Understand and articulate the objectives, benefits, and long-term goals of the alliance collectively and of each individual party.

The strategy and objectives inform the alliance contract, and they should drive the alliance team's tactical activities. Make sure you understand what the contract states before developing project charters and outlining the work ahead. Spend time helping each of the working teams to **translate the strategy**, objectives, and tactical needs to detailed plans. Clearly define roles and responsibilities. Start broadly with the roles of each company in the alliance. And, importantly, ensure the project teams detail their responsibilities and level of decision-making authority as well. This will not only help in resource planning, but it will also set appropriate expectations and help avoid future conflicts and misunderstandings.

IPM has seen alliances where the contract clearly detailed who would do what on each workstream. On the flip side, in some contracts, the roles and responsibilities were vague at best. Dealing with a detailed contract, the manager for one alliance simply followed the plan. However, the preset formal meeting agendas left no room to address unexpected roadblocks. In a case where

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roles weren't clearly predefined in the contract, the companies ended up forming a lot of committees to deal with things as they arose. The alliance managers of both companies found themselves juggling multiple ad hoc meetings, which delayed progress. Ideally, the contract defines roles and responsibilities but alliance managers have flexibility to adapt as necessary.

Many alliances suffer (and sometimes fail) due to **cultural differences**. So, identify potential cultural obstacles and determine

how these may impact alliance success. It is important to address critical differences and achieve some level of alignment. Cultural differences that may impact alliance performance should never be ignored or downplayed.

If **conflicts** arise, address them promptly and without bias. Whether you're leading the alliance or a member of one of the parties involved, it's important to be **objective** yet **empathetic**. Demonstrate and demand open, honest **communication** and fairness.



CASE STUDY

Aligning Cultures and Expectations

An IPM consultant was brought on as an alliance manager for an international collaboration between an American and a Japanese company. While the American teams worked diligently, the Japanese teams displayed a much higher level of dedication to their work. The Japanese company's leadership had promised the country's people that they wouldn't stop until they found a cure to this particular disease. Their commitment meant dedicating all of their time and resources to this program. While IPM's consultant represented the American company, he remained **objective** as he tried to balance the effort by both parties. He **built personal relationships** across both companies. On one hand, he worked to elevate the commitment and passion of the American teams. At the same time, he managed the expectations of their Japanese counterparts about the budget and resource constraints they needed to adhere to.

GLOSSARY OF RELEVANT CAPABILITIES

Adaptability/flexibility • Responding in a controlled manner to new or changing environments or requirements.

Change management • Preparing, supporting, and helping people and organizations through transitions using structured processes.

Communication • Understanding the audience, tailoring messaging, and identifying delivery methods and timing to meet their information needs. Presenting information clearly, concisely, and openly, and listening and actively responding.

Conflict resolution • Addressing and resolving disagreements or opposing views promptly and constructively.

Cultural understanding • Understanding and communicating with people with other backgrounds and experiences.

Empathy • Understanding, being aware of, being sensitive to, and vicariously experiencing the feelings, thoughts, and experience of another.

Objectivity • Having a lack of favoritism or bias toward one side or another.

Relationship building • Developing genuine connections with colleagues, teammates, or others through open communication and exploration of common bonds.

Strategic thinking • Considering and analyzing a range of potential factors that might affect the long-term results of an action or plan.

Communicate with Each Other

As in any relationship, **communication** is key in all alliances. The alliance manager can promote good communication through both official and unofficial means.

Official channels of communication include regularly scheduled meetings with agendas and status reports. Establishing shared dashboards and online workspaces will provide team members, their superiors, and other stakeholders with a common source of information.

Effective communication also includes informal interactions. Alliance managers should set the stage for team members to be open, **honest**, and **respectful** with each other at all times. And they must lead by example. People should feel comfortable disagreeing, bringing up concerns, or asking for clarification. Working to learn each party's jargon and acronyms will help you clear up or avoid misunderstandings.



CASE STUDY

Building Transparency to Align an Alliance

When IPM was hired to manage an alliance on behalf of a small biopharma startup partnering with a large pharmaceutical company, the consultant uncovered a severe lack of **transparency**. The companies' leaders didn't want each other to know how much they were investing, what their priorities were, or who else they were working with. The attitude trickled down to the team level; for example, the person leading the clinical studies didn't share when studies would begin or when the data would become available. IPM's consultant convinced the alliance governance body that it was essential for the parties to understand and agree to the budgets and timelines. She and the alliance manager for the large company worked to build trust with teams at both companies. It didn't happen overnight, but as time went on, transparency grew. Today, the two companies communicate openly and are meeting the objectives of the alliance.

GLOSSARY OF RELEVANT CAPABILITIES

Communication • Understanding the audience, tailoring messaging, and identifying delivery methods and timing to meet their information needs. Presenting information clearly, concisely, and openly, and listening and actively responding.

Honesty/candor • Being truthful, fair, and straightforward.

Respect • Providing consideration and esteem to others.

Transparency • Enabling open and accessible information that is free from pretense and readily understood.

Work with One Another

Successfully working together requires understanding the roles and responsibilities of each team and its individual members. Because the teams are often cross-functional and cross-company, it's critical to define and detail both the overall alliance goals and the scope of each project. Develop a shared operations plan with milestones, responsibilities, and interdependencies to keep everyone on the same page. It will not only illustrate how their work affects the project, but it will also explain how one person's delay impacts another person's ability to deliver on time.

Tracking milestones will allow you to celebrate and communicate successes along the way. It will also anticipate potential future delays, allowing you address them quickly by adjusting prioritization or allocating additional resources.



CASE STUDY

A Shared Operations Plan Reveals—and Helps Prevent—Problems

An IPM program management consultant served as an alliance manager for a small biopharma company. When the IPM consultant helped them develop a detailed alliance operations plan, it revealed gaps in resourcing and milestones that would not enable them to meet the regulatory requirements. The cross-functional plan helped them see how all the pieces fit together, share information, make decisions quickly, and meet their target milestones. It also helped keep the work focused by avoiding distracting activities that were beyond scope. For example, the larger company saw an opportunity to use the small company's molecule for a different indication and proposed adding it to the alliance to test the hypothesis. It was a promising idea, but the small company turned the offer down due to resource constraints. Also, the intended indication was outside the goals of the alliance and beyond the smaller company's strategic vision.

Make Decisions Together

In the prior case study, the alliance was able to decide how to handle the proposed but beyond-scope opportunity because they had clear governance in place. The processes for escalation, conflict resolution, and decision-making should be established and documented in the alliance contract. Those managing alliances should adhere to the agreed upon processes and try to improve them only if necessary.

Of course, alliance leadership and executive sponsors should not need to make every decision or manage every conflict. An IPM alliance manager reined in a cross-company team that disagreed about how to deal with coated tablets that were off-color and wanted to escalate the problem. The alliance manager brought the technical team together and worked with them to fully understand the problem and agree on a solution, so they could move forward without waiting for direction from the governance team.

Interacting with working teams, alliance counterparts, executive leaders, and other stakeholders requires a deep skills toolbox. **Influencing** without authority, **negotiating**, **executive presence** and persuasion, **business acumen**, and **emotional intelligence** all come into play. Alliance managers who aim to consider the point of view of each **stakeholder**, communicate in a way they will understand, and provide the appropriate context will likely drive effective interactions.



CASE STUDY

Improving and Simplifying Governance

An IPM consultant who managed the alliance of two biopharma companies helped to improve governance in two ways. First, she installed regular risk assessments and scenario planning. Some of the working teams had done ad hoc **risk management**. However, regular, program-level planning through cross-functional collaboration and executive involvement expanded the team's risk perspective. And it enabled the alliance to mitigate issues it hadn't considered before.

The other way she influenced governance improvement was to be **candid** about a layer of bureaucracy that was frustrating teams. Decisions often required approval from senior leadership at both companies. Ultimately, the companies agreed to one governance committee with full authority.

GLOSSARY OF RELEVANT CAPABILITIES

Business acumen • Understanding the complex functional responsibilities of an organization, including financial, and how its roles, tasks, and objectives are connected.

Conflict resolution • Addressing and resolving disagreements or opposing views promptly and constructively.

Emotional intelligence • Considering and responding appropriately to the needs and feelings of others and understanding one's own behavior and its impact.

Executive presence • Projecting professional maturity, confidence, poise, self-awareness, and a strategic perspective among higher-ranking professionals.

Honesty/candor • Being truthful, fair, and straightforward.

Influence • Causing an effect in an indirect or intangible way.

Negotiation • Working with another to arrive at the settlement of some matter.

Risk management • Identifying, analyzing, controlling, communicating, and planning responses to risk to avoid negative impacts.

Stakeholder management • Understanding stakeholder needs, interests, and motivations to satisfy their objectives and gain their buy-in and approval.

Leverage Each Other's Strengths

As mentioned above, it's important to identify mutual benefits and steer the alliance toward achieving their shared goals and objectives. However, it's also important to recognize and leverage each party's beneficial differences. After all, if the two companies have the same strengths, they don't need each other. Each brings something unique to the table.

Differences can lead to perceptions of inequality, however. Watch for **cultural conflicts**, "us vs. them" thinking, or anyone prioritizing their company's goals above those of the alliance. **Respectful** and open **communication**, and **mediation**, if necessary, will help to bridge differences and focus the team on the vision and goals of the alliance.



CASE STUDY

Keeping Priorities in Balance

When an IPM consultant led an alliance on behalf of a small company partnered with a much larger one, she found that team members from the large company were also working on other big projects, so they didn't always prioritize the work of the alliance. Others felt their company was the "leader" because they were larger. She **collaborated** with the alliance manager at the larger company to come up with a solution. Together, they communicated the "why" of the alliance to show that both parties were equally important. They also convinced executive leaders to prioritize the alliance projects, so members of teams at both companies had time to focus on achieving alliance goals.

GLOSSARY OF RELEVANT CAPABILITIES

Collaboration • Working jointly with others in an intellectual endeavor.

Communication • Understanding the audience, tailoring messaging, and identifying delivery methods and timing to meet their information needs. Presenting information clearly, concisely, and openly, and listening and actively responding.

Conflict resolution • Addressing and resolving disagreements or opposing views promptly and constructively.

Cultural understanding • Understanding and communicating with people with other backgrounds and experiences.

Mediation • Intervening between conflicting parties to promote reconciliation, settlement, or compromise.

Respect • Providing consideration and esteem to others.

Succeed Together

The point of any pharmaceutical alliance is to create business value. Success measurements are often—but not always—part of the alliance contract. These may include financial performance metrics, like revenue growth, cost savings, return on investment, or market share gains. Operational measurements may be faster time to market or efficiency gains. When product development is the primary goal, success metrics might be faster regulatory submissions, increased likelihood of approval, new product launches, or an expanded pipeline.

While alliance metrics should be clearly set and pursued, it's important to recognize that internal strategies, market conditions, and competitive landscapes change. When these happen, alliance managers are on the front lines adjusting plans. **Change management**—and the **emotional intelligence** and engagement skills that go along with it—will help project teams adapt.



CASE STUDY

Lack of Metrics Can Put an Alliance at Risk

An IPM consultant led projects within a product development alliance between two companies. The agreement stated the alliance would achieve success when the product met target specifications. However, the agreement did not detail financial budgets. One company frequently asked for more funding, causing discord between the partners. Ultimately, the alliance failed.

Conclusion

Alliances are a powerful way to accelerate new drug development and address unmet medical needs. While there are often challenges along the way, alliance managers who proactively address them with effective **communication**, **cultural understanding**, **stakeholder management**, and **adaptable** approaches can help drive cross-functional and cross-company teams to accomplish their goals.

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Emotional intelligence • Considering and responding appropriately to the needs and feelings of others and understanding one's own behavior and its impact.

Stakeholder management • Understanding stakeholder needs, interests, and motivations to satisfy their objectives and gain their buy-in and approval.



Integrated Project Management Company, Inc. is a business consulting firm focused on planning and implementing strategically critical initiatives across multiple industries, including life sciences, healthcare, consumer products, and industrial products. Since its inception in 1988, IPM has served more than 500 clients and completed more than 5,000 projects. Headquartered in Chicago, IPM has regional offices in Boston, St. Louis, Los Angeles, San Francisco, Minneapolis, and Parsippany. IPM was a recipient of the 2018 Malcolm Baldrige National Quality Award. To learn more about IPM and its services, visit www.ipmcinc.com or call 630-789-8600.