

# Run Alliances Like Businesses – Not Like Appendages

## How Business Cases are Developed and Applied in the Management of Alliances

### EXECUTIVE SUMMARY

Many of the most successful alliances manage their initiatives like businesses, applying the best practices of running a business and integrating alliance operations into the core of their enterprise. A business case is fundamental to knowing what factors contribute to alliance success.

During July 2015, a survey with 20 alliance professionals from primarily Fortune 50 firms investigated the role of business cases in the lifecycle of alliance-partnerships. Research highlights include:

- Business “case” and “plan” are often undifferentiated
- Business cases are widely used but inconsistently
- There are no industry standards to guide case development
- Business objective/investment decisions are made high in the organization
- Last century technology/tools are relied upon...in the 21<sup>st</sup> century!

What’s working well:

- The Alliance business model is mature; processes/practices are well tuned
- Alliance contributions to revenue and innovation on the rise
- Reliance on alliance professionals’ general management skills is expanding

Some of the challenges:

- Articulating alliance value hobbled by limited data access
- Inability to track incremental/influenced alliance revenue and expenses
- Absence of up-to-date tools stifles collaboration

Conclusions:

- Alliance business case development lags behind fact based decision making
- Lack of case standards holds back overall alliance portfolio performance
- The time has come for a system on par with CRM and PRM systems, purpose built for alliances: ARM – Alliance Relationship Management

Alliance performance is found in the confluence of qualified opportunity, standards, practices, tools and the ability to articulate and act upon a worthy business proposition – a business case.

Keith Gaylord  
CEO, Partner to Profit, LLC  
keith.gaylord@partnertoprofit.biz

Norma Watenpaugh  
CEO, Phoenix Consulting Group, LLC  
normaw@phoenixcg.com