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EXECUTIVE BRIEFING

A PROCESS FOR B2B PARTNERSHIPS: Designing to deliver capability across companies

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Acknowledgements

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Contents

Executive summary

Customers are demanding better services and solutions from their suppliers. These often include very different capabilities, and time to market is critical. In addition, low upfront investment to test innovations is seen as favourable. Many suppliers are delivering complex services with their partners. Sometimes these partnerships even include competitors. The partnerships are described as complex, as they combine multiple company cultures, and differing processes and expectations.

B2B partnerships create problems. The aim of this executive briefing is to provide a handrail process for consideration of a discussion on how to build a partnership and drive it towards delivery.

We have had multiple meetings with experienced partner companies to define case partnerships, how their design process works and where problems and barriers have arisen. Our researchers analysed the material gathered and organised a two-day meeting between specialists from the partnership companies.

We defined a four-stage process:

1. An internal company discussion defining the need for a partnership, strategy and capability.
2. The proposal must be announced to a potential partner company. The company must be updated on what needs to be done and cultural inclusion has to take place on its processes, as well as needs and worries. The outcome should be a future state vision for which the partnership should be aiming.
3. Both partners should then agree to enter into a partnership design stage, where the overall value exchange, commercial model and management and government structures are defined.
4. When the partnership is fully defined, the management and delivery phase begins, whereby the partnership is executed and starts delivering to the customer.

After the workshop, further analysis has led to the partnership process that is presented in this briefing.

Overall, the process should be reviewed and renewed at all times. One aspect that emerged from the research is that change needs to be implemented, monitored and managed stringently.

This paper has been deemed useful by practitioners as a handrail for the building of partnerships. Indeed, there are distinct differences between different industries and company cultures. However, as one of the participants stated: '***Add this to the memorandum of understanding and aid for communication with your future business partner.***'

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Introduction

Customers are increasingly demanding complex services and solutions from their suppliers. This is because purchasing expensive products and machinery has an impact on finances and carries risks, in addition to a decrease in product sales for many companies. Consequently, managers and organisations selling services and solutions or products are under pressure to deliver value to their customers in ever increasing speed to market.

When customers are buying expensive machinery, the purchase is listed in the finance books. This entails the provision of a return of investment calculation, as well as a business model behind the purchase. Usually several signatures and risk analyses have to be carried out by the purchasing company. This also means that throughout the lifetime of the machine, significant risk is transferred with ownership of the machine. The managers of the customer firm carry the risk of having to make the decision, putting together the documentation and managing the outcome over time. Indeed this is one example where entering a partnership with a supplier or service provider makes sense.

Another option where partnering makes sense for organisations and managers is where complex business value has to be delivered. Managers are under pressure to deliver higher business revenues and value faster than ever before. They may be the best in the market, but may, for example, have to include a capability into an offering. In this case, as well as partnering with a firm specialised in offering, the needed capability may make sense.

The above factors contribute to selling extra capability with an alliance. This could be with a partner to differentiate from an existing market or to a new market, to which the partner brings access. Another option is to partner with a customer to deliver capability in the form of a partnership alliance.

The result is that new services or capabilities should be delivered to a customer, but often the capability is not available in-house. The answer therefore is to invest in capability-building and defining new business models for the company. The risks are high if development of the capability will be a financial success and if it will still be interesting to the customer by the time it is ready and has been developed. Time to market can be critical in many instances.

Overall, we have to recognise that in today's complex world not everything can be delivered by one company, but increasingly a business model is developed across companies or even in collaboration with a customer.

Let us take the example of case 1 (at the end of this document), where two defence companies have been working together to develop a product. From this collaboration a service partnership has been evolving. Both parties bring strong market experience and engineering know-how. However, they differ in the markets for which they cater; hence, they can combine their capabilities and market reach to obtain more business. The example of case 2 is a large machine manufacturer, which in the past has left developing services to its regionally focused dealer network; however, in the face of a new global world, they see the need to partner with their dealers to develop worldwide service covers. case 3, similarly, involves a complex service network. Finally, case 4 is a systems integration company that is looking for the design and development of user-centric applications catering for large enterprises. This has been seen as neglected; however, the customers (the large enterprises) consuming such apps are demanding more usable and intuitive interfaces. Linking the capability of a B2C and B2B company enables better quality and better market reach for both companies.

All the examples have in common that the partnership contributes critical business value to each partner. The value is delivered to the customers through service and solutions contracts; hence, it becomes more important but is also more complex. Risk structures change and increase for the suppliers of service solutions. The capabilities delivered through the service provider are numerous, and often little experience and capability reside within firms. In many cases partnering with other companies on the delivery of capability to a customer is becoming a much-discussed

phenomenon in business. This is because partnering reduces risks and increases the ability of capability delivery. In the past mergers and acquisitions were considered to be the way to get capability in-house. Today, it is often acknowledged that mergers between two companies are expensive, risky and do not deliver.

Partnering brings the positive outcomes with less upfront investment. A competing firm can be used for the increase of revenue and capabilities, while it would take one company a long time to integrate or build the business. Therefore, companies and their competition can deliver integrated services and hence be aligned on one service or solution design within months rather than years.

This executive briefing offers a practical approach to organising partnering between companies. The authors involved in the research have been looking into the topic as either practitioners or researchers. Combining the discussion has led to a comprehensive practical framework for partnering between two organisations.

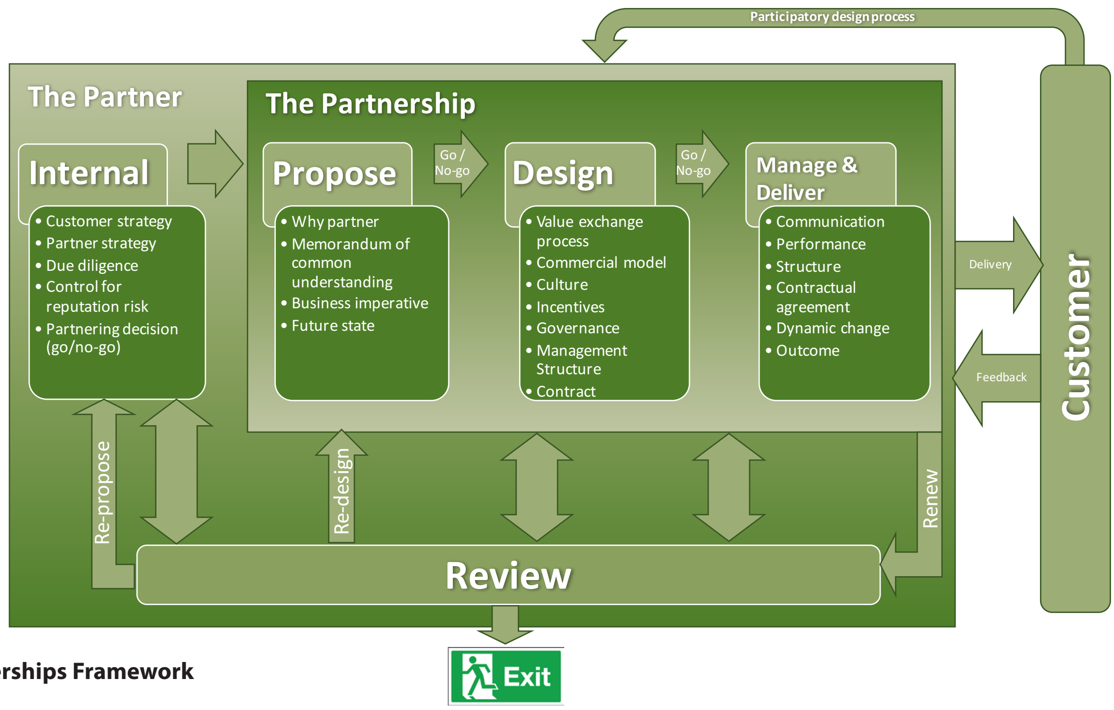
The document is split into three major parts. First, a research approach is outlined. Second, the framework is detailed in the form of a generic description, as well as a part of the steps to be considered. Finally, details of the case studies are provided, which have been described by the practitioners. These should act as learning cases for readers of the document.

Research approach

The research comprised three stages. First, five large industrial firms were studied for over a year, providing access to key personnel and projects for evaluation. The second stage has led towards a large workshop, including multiple stakeholders from each company involved in the wider research. The stakeholders were asked to provide a case study, which was drafted as a case report at the end of this briefing. Over a two-day workshop the cases were presented and discussed with the participants. The information unearthed during the discussion was gathered and later analysed. The participants of the workshop included vice presidents, directors, managers, supervisors and front-line service employees. Third, the model presented in this briefing was partly developed in the workshop and later verified with the participants and cross-referenced with information gathered in interviews.

The framework

The framework is split into the customer, the partner's internal actions and the actions that take place within the partnership. The next section elaborates upon the different sections and subsections in greater detail.



The Partnerships Framework

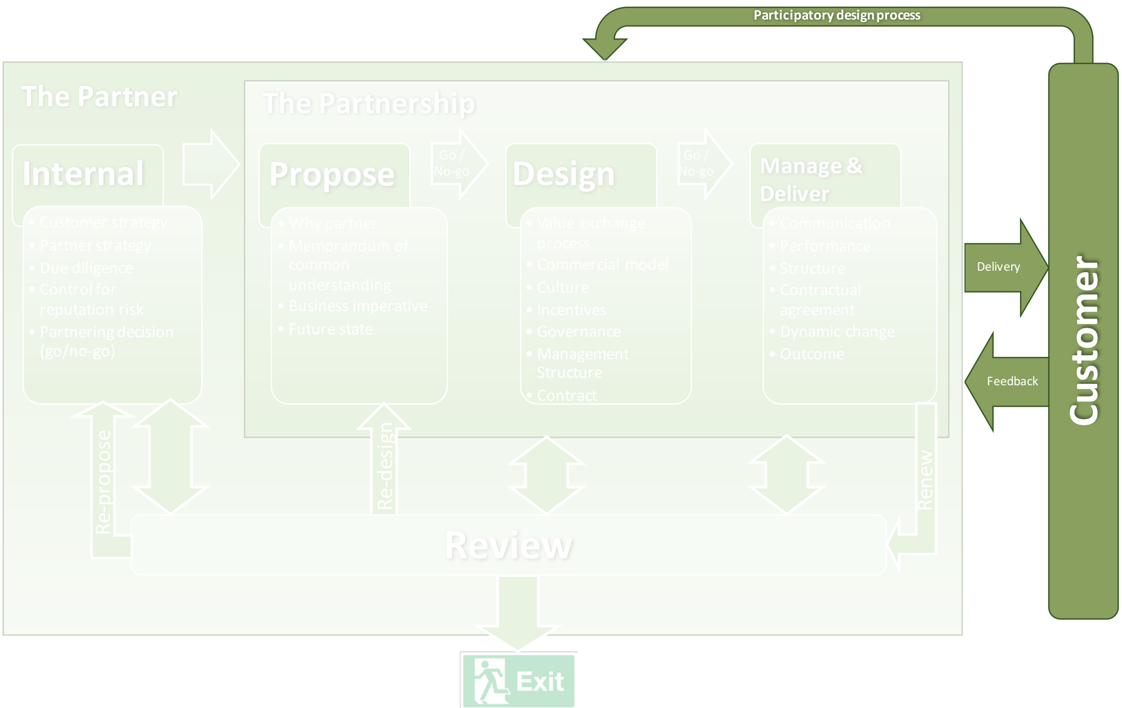
The partnership - customer

The customer and his or her needs should be the focus of attention throughout the process. Indeed, the partnership should serve the customer and, hence, build the delivery of value around his or her requirements.

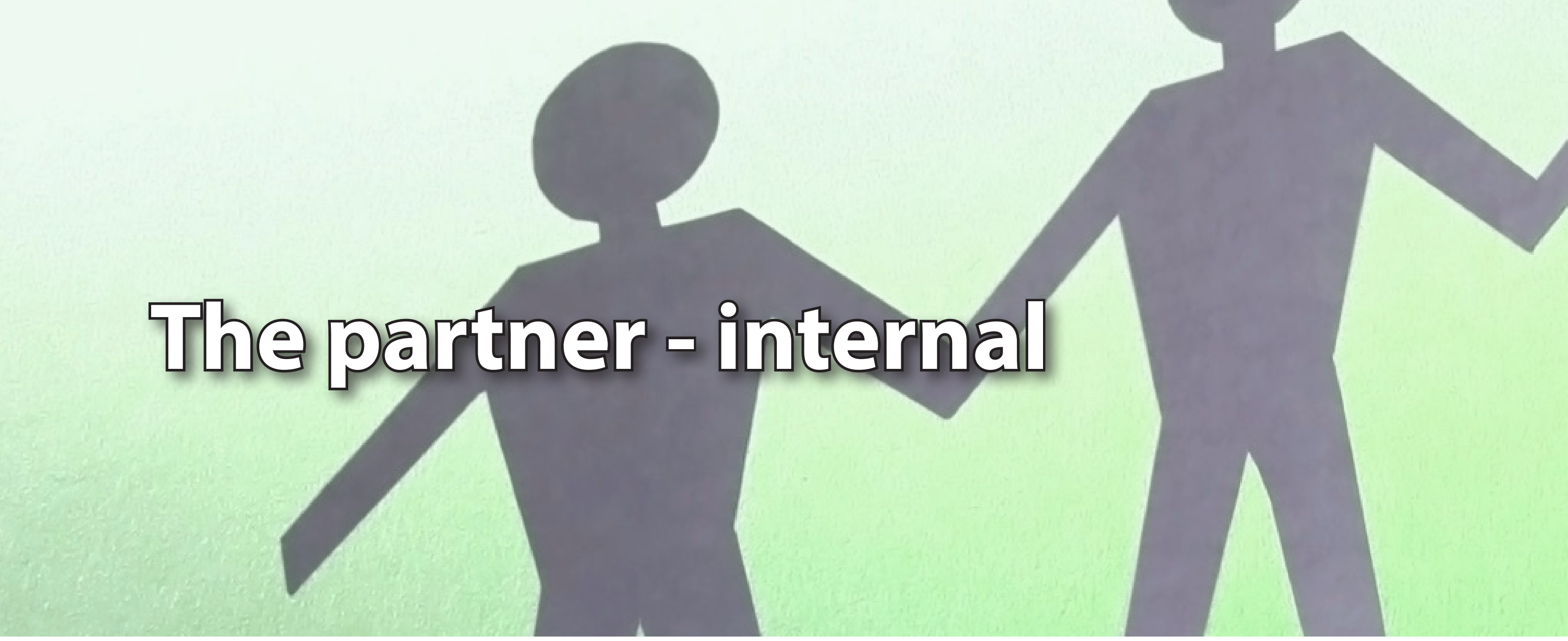
The aim of understanding the customer should be to deliver the value that he/she will need to fulfil his/her needs, thereby reducing the value slippage on the side of both the customer and the partnership.

Points to consider:

- **Meet the customer and clarify his/her needs and value delivery.**
- **Understand the customer's business model and integrate the processes in support of this.**
- **Define the precise delivery and feedback mechanisms.**
- **A detailed definition, including the customer, will prevent value slippage within the partnership and the customer.**



The Partnerships Framework: The Customer



The partner - internal

The internal partner process is the initiation process. Different to the other processes, this one is carried out by one partner, instead of being shared between the partners in the partnership. The single partner of the partnership should here be clarifying his/her internal strategy, as well as several other aspects discussed in this section. Additionally, the partner should be able to review his/her participation in the partnership at any given time and, if necessary, exit the partnership. The next section looks at these processes in more detail.

Client strategy

At this point the customer may already be involved in the process. Indeed, this involvement varies from industry to industry. However, what is important is to make decisions here about what the customer needs and wants (which may not be the same). The customer needs to provide a clear definition of what is needed, and the service provider needs to be able to build a delivery mechanism based on these requirements.

Points to consider:

- **From when, or at which points during the process, should the customer be involved?**
- **Who is, or who are, the customer/s?**
- **What is the base value to be created for the customer?**
- **What are the most important capabilities involved in the delivery?**
- **Make a decision about the type of activities: a) continuous; b) on demand; c) in request activities.**
- **The baseline value creation process should be clarified (e.g. price per use, pricing tables, fixed price or mixed with product sales or rental).**
- **Adjust expectations with your customers and avoid multilateral talks at this point.**

Partner strategy

The partnering company should be sketching a definition of why, from a strategic point of view, you would like to enter a partnership instead of building the capability in-house. The reasons are widespread and usually include risk-sharing and the length of time it would take to build the capability or business model or a burning platform; hence, the business needs to be changed. Capabilities that a partner may have include access to market, patents, experience or market reputation. Here it should also be defined if there is a long-term or one-off partnering decision to be made, which will have an impact later on in the process.

Points to consider:

- **Motivation for partnering for you:**
  o Why will you be prepared to partner with a potential competitor? (Important for later design/culture, and managing and delivering/communication.)
  o What is the value that you gain and what is the value that you capture?
  o Is there a long-term strategic vision that includes the partnership and, hence, is the partnership necessary for a greater goal?
- **Motivation for partnering for the other company:**
  o Why will they be prepared to partner with you?
  o What is the value they will capture from the partnership and create for the partnership?
  o What is the impact of the partnership with you, for example, SME (small/medium enterprise) with global company or global with global company?
- **Partnering takes time, both internally (aligning of resources) and also for the external partners (it takes time to understand the value proposition and to gain internal trust).**
- **Define an early leadership for the partnership. This may change in the design phase; however, it is important to provide a definition of who the drivers are behind building the partnership, who the decision-makers involved internally in go/no-go decisions are, and who is the face for approaching collaborators.**

Due diligence

Due diligence is mostly associated with understanding the details of an entity in a merger and acquisition decision. However, it is also seen as an important factor in controlling and collecting information about a potential partner. The information gathered needs to be updated and managed throughout the process of the partnership. This may be done in a risk management process, or similar. However, the importance is seen in controlling for the eventualities of, for example, the partner breaching contracts, having financial problems or risks.

Points to consider:

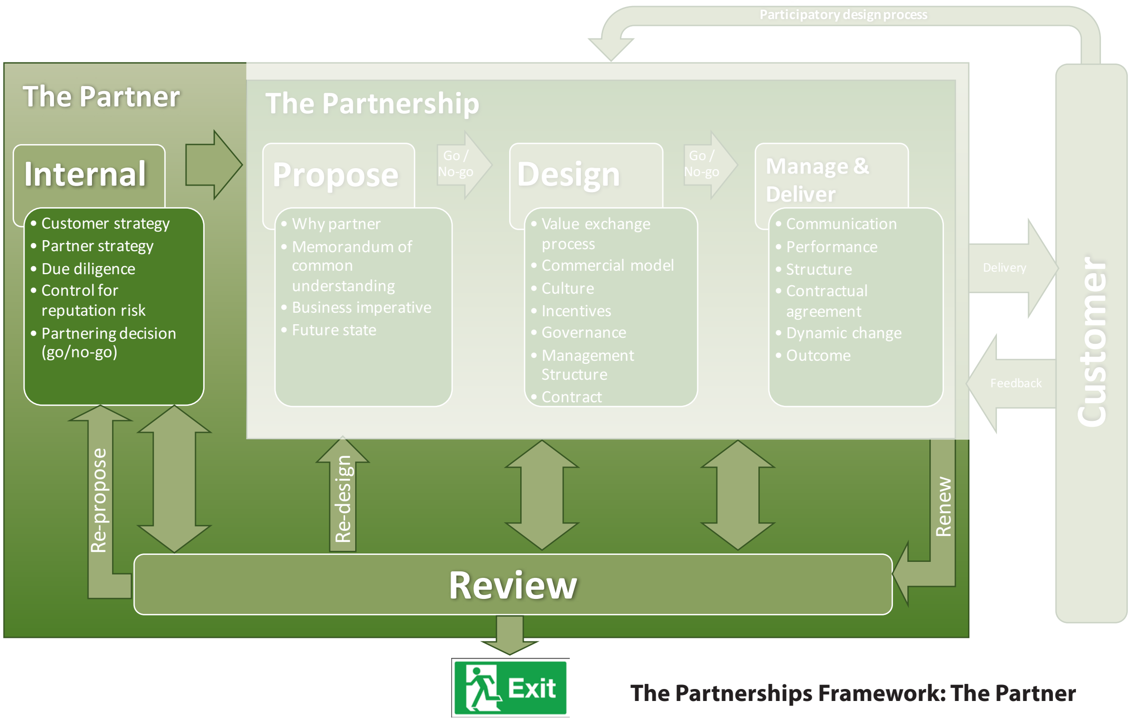
- **Understand who you want to partner with and what the reasons are to partner with them.**
- **Understand the risks associated with partnering with them.**
- **Confirm thoughts and assumptions about the partner (financial status, capabilities, etc.).**
- **Keep a record of your findings for future evaluation and later input to processes.**

Control for reputational risk

Reputational risk is significant in partnerships. There are multiple reputations to be considered. Reputation should be considered in relation to the market, to customers, partners and to competitors. This also means controlling this risk, which has to be identified and managed.

Points to consider:

- **Identify entities, which need to be controlled.**
- **Identify potential damage to reputation that could come out of the choice of partner.**
- **There may be a reason why two partners are within an ecosystem and competition (e.g. competition law).**
- **Control not to have the same workforce agreeing for partnering, but competing on another contract.**
- **Manage that the competing and partnering contracts are separated and seen as such.**



The Partnerships Framework: The Partner

Partnering decision (go/no-go)

The go/no-go decision is the point at which a decision about the execution of a partnership is made. The next stage begins with approaching a partner and asking them to take part in a partnership. This is the stage at which it is important to have an internal governance structure in place. Indeed, this is early on in the process; however, it is good to have someone who makes decisions and acts as an escalation point for the team in case of disagreements or the need for a decision to be made.

Points to consider:

- **This is a decision to approach another entity and hence potentially to put the word out on the market about a strategy.**
- **This is also a decision to lock time and resources to a project and for money to be spent, but also for risks to be taken.**
- **Define insights at this point about how to make this partnership happen (several factors). What to do and what not to do. Agree on important KPIs for the partnership to go ahead.**

Renew

Partnerships are constantly changing. This is on the micro level, as members of staff may be changing or the market may change. This is also related to the task of managing dynamic change. Indeed, a renewal of the partnership has more implications for scale and effort than dynamic change. The main difference is that dynamic change is driven by the partnership (meaning all partners together), while renewal of the partnership is driven by one partner. Renewal of a partnership may be motivated by different reasons than dynamic change. One would be the end of the lifetime of a partnership. Another would be that the partnership is not meeting the strategic intent of one of the partners. Importance should be given to the fact that there is a managerial process and definition in place whereby the renewal of the partnership can be defined and executed. The renewal enters either a re-design phase for the project or a re-proposal.

Points to consider:

Renewing the dialogue allowed the different parties to establish a common understanding of the terms and underlying activities, a point that had been lacking in previous discussions (see Case 3):

- **Create strong contractual ties, but loose operational workflows.**
- **Create clear and agreed-upon repartitioning of roles and responsibilities.**
- **Define common tools and processes.**

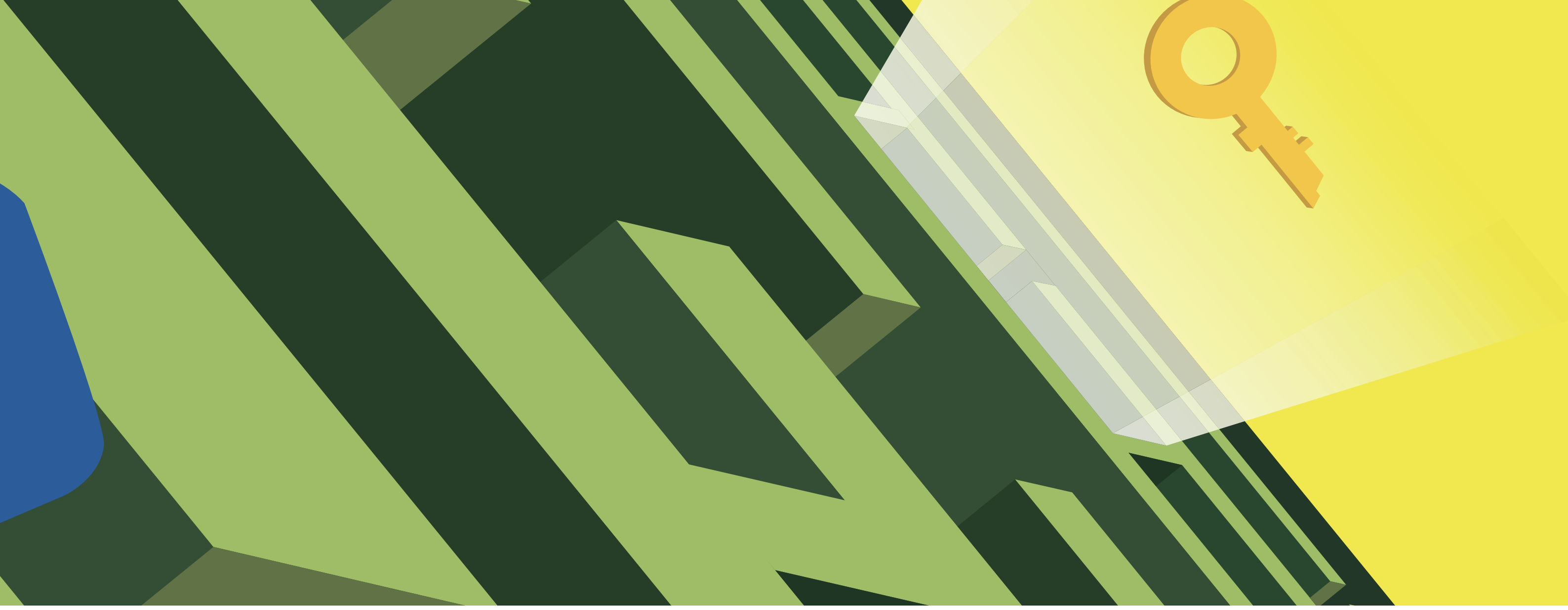
It is important to review the service offering after a predefined time or predefined machine usage and to set those as fixed dates (see case 2).

Re-negotiation was required periodically between the parties involved, which meant that delivering value and creating an understanding of what was delivered took more time than expected. Strong confidence-building was needed on the customer side, in the value that was delivered (see case 2).

In order to maintain an effective partnership, we need to provide added value to the customer and its customer (see case 1).

Over the time when the partnership is implemented, there must be reflection in the middle to check whether the partners are getting the value that has been promised and are managing the partnership implementation process, discovering opportunities missed, and so on.

Although the initial proposal proved to be a failure, it helped customers' expectations to be rendered explicit. This clarification process is as important from the provider's perspective (in order to adjust the commercial efforts) as it is from the customer's perspective (previously they had not given much thought to in-service support) (see case 3).



Review (or renew, re-design or re-propose)

The opportunity to review a partnership is operationally an important process. This function should enable partners to reflect regularly on how the partnership is progressing and whether it is still in accordance with their strategic plan or partnership intention. This process should be carried out partner internally, but also within the partnership. The body of reviewers (see governance structure) should manage both the interests within the partnership and the internal discussions. This enables the partners to determine whether the direction and strategy of the partnership are still valid. Change, however, is not always bad and may create innovation in the market (see manage dynamic change). The reviewers should have the power to influence both the direction of the partnership and its strategy.

Points to consider:

- **Have a review board, which includes the management team of the partnership, but also internal stakeholders.**
- **The review should be focused on whether both partners create the most value out of working with each other.**
- **The review team should have the authority to make decisions for the partnership, which includes exiting.**
- **Consider the risks taken by the partner when re-proposing or re-designing a partnership.**
- **There has to be a business case or innovation factor to agree on.**

Exit

Exiting a partnership can occur for several different reasons. There can be a financial need to do so if the survival of the company is at stake. Or less drastic, the strategy of the company may have changed and the collaboration may not be central to the needs of the company. Realistically there may be many reasons why the collaboration may be threatened. The important thing is to plan for these situations and have exit scenarios in place for the participants of the partnership.

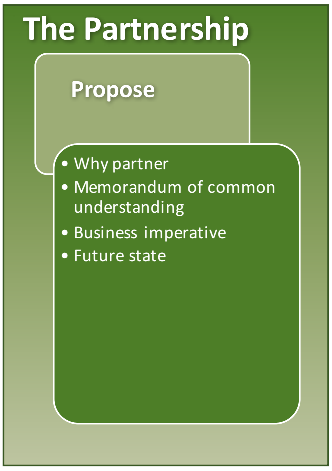
Points to consider:

- **Define exit scenarios for the partners.**
- **Define liabilities for the exiting partner:**
  - **There is a likelihood that liabilities have occurred throughout the project;**
  - **How are risks and future accountabilities handled?**
- **Transfer of IP generated to the project or separation of such.**
- **Handling of people who are seconded and may be considered core to the project.**
- **Under what circumstances can the partnership be broken immediately (e.g. fraud of a partner company).**

The partnership - propose

This section details the phases and actions that the partners have to go through together. Throughout the stages of propose, design, and manage and deliver the partners will act together with the final aim of delivering to the customer and hence creating shared value.

The propose phase is mainly about synchronising information between the partners and building the foundation for the partnership. Here the aim is for both partners to find their strategy in the partnership and to understand how business will function between the partners in the future.



The Partnerships Framework: Purpose

Why partnering

The 'why partnering' action point is the point of synchronising the baseline between the partners. At the moment the potential state is that one partner has thought about a value delivery with a partner. Now this partner is getting involved in the process. This means that the question of 'Why partnering?' needs to be answered and the details need to be understood by both parties.

Points to consider:

- **Understand and discuss the potential for both partners (e.g. win new business or description of burning platform) and how the partnership can enact this.**
- **Understand who to talk to in the other entity to be able to gain access to the organisation that is fruitful.**
- **Do not focus just on the direct financial value gained from partnering, but also on the indirect value (risk reduction, gained market reach, etc.)**
- **Includes business opportunity, market opportunity, burning platform, capability/resources, risk mitigation, common interest, innovation, reputation (increase or risk of decrease) lowering barriers to market, by choice.**
- **Focus on the intermediate relationship between the partners, where both party coordinators must have a clear mandate. This includes both parties conducting bilateral talks instead of multilateral negotiations (see case 3).**

Memorandum of common understanding

After the baseline of the partnership and business opportunity has been understood, there is a phase that leads to a memorandum of common understanding. The memo should have a common vision as a statement and should be as open as it can, in order to remove as many constraints as possible from the team that is doing the partnership design.

Indeed, depending on company culture or market, there may be a need to do non-disclosure agreements (NDA) between the partners.

Points to consider:

- **Contractual workflow, so that contracts are signed on both sides. On the contrary, ensure that a flexible operational flow is in place.**
- **In documents put the rules in the contracts. Define a pilot to test if these rules work.**
- **New conversations mean new stories and approaches and hence a certain flexibility. They change across industries and also with the drivers and stakeholders (see learning 4.5).**

Business imperative

The business imperative is the definition of the 'business model' between the partners. Here we find the base mechanics of what value will be delivered, who will be delivering which capability, who the customers are and what they will get in value. The exercise should be done to prepare for the next phases instead of answering all the questions. However, it is important to understand the expectations of both partners involved in the partnership. This is to understand whether these expectations can be met later on in the planning phase.

Points to consider:

- **Clarify expectations for the partnership from both sides.**
- **Implement a joint market planning effort (see case 4).**
- **The capability definition between the partners is important and more complex than expected. Sometimes partners overestimate what they are capable of. It is therefore important to define review dates for the service delivery and quality and also to ensure that there are clear action points and responsibilities and KPIs that show whether targets cannot or are not met (see case 2).**
- **Execute a territory analysis, which should indicate the scalability of the service and includes a realistic understanding of how much sales potential there is for the service; hence, one can plan for a realistic service size (see case 2).**
- **Understand how to protect and develop the workshare in the partnership, for example, by the use of IPR (see case 1).**
- **The expectations of the exercise need to be managed in two parts:**
  o The first proposal may be a failure; it will, however, help customers' expectations to be rendered explicit. This clarification process is as important from the provider's perspective (in order to adjust the commercial efforts) as it is from the customer's perspective (see case 3).
  o It is important to acknowledge that both the company and the partner have their own balance sheet. It is therefore important to define early on how financial gains will be shared, but also to manage return expectations (see case 2).
- **Design structure of partnership:**
  o Closed versus open partnership, initiate organisation, enable dialogues, bring entities of partners together, understand partners' internal functions and how they can work together, evolution of business and how far you will go (understand your history), start actively forming the partnership (co-locate teams, etc.), define and scope the model, governance, spiral structure and exit strategies.

Future state

The future state should define how the partnership will look in the future and how it could scale. This action should indicate how the partnership will grow; however, it should be built not on assumptions but on facts. It is therefore easier to work with partners who have a full vision of the industry. At this stage it is seen as dangerous to focus on financial returns alone. Indeed, they are important; however, there should also be a focus on other elements such as capability alignment, strategic assumptions and intents.

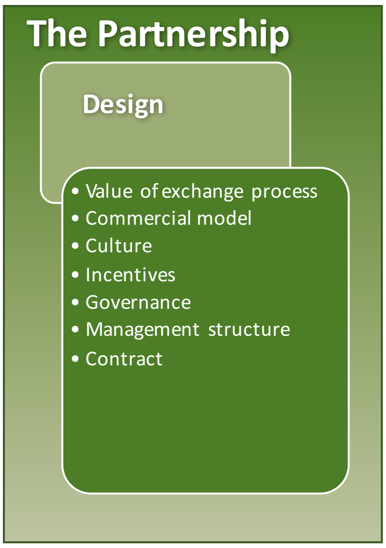
Points to consider:

- **Appreciate where the customer sees benefit in the service delivery and how it is possible to extract more value from it (see case 1).**
- **Do not make assumptions about sales opportunities. A strong partnership does not automatically lead to sales (see case 4).**
- **Establishing a longer-term partnering vision can be problematic because of market mechanics. On the one hand, this would prevent the project from running in yearly cycles, but, on the other, it would reduce overheads on both sides (see case 1).**

The partnership - design

The design process for the partnership can be considered a detailed planning process. While in the 'propose' process, before the focus is on establishing the collaboration, the decision will have been made by the partners to enter a detailed design phase. This will include planning exactly how the value exchange will take place between the partners and be delivered to the customer. In this research it was seen as important by the participants and interviewees to design a flexible structure, which could change with the markets, feedback and changing requirements, rather than a fixed value exchange that would be difficult to influence.

This section details the different steps involved in the design process.



The Partnerships Framework: Design

Value exchange process

The value exchange process defines how value is exchanged between partners and the customer. This includes the definition and thinking about the value that needs to be exchanged between delivering partners, as well as the value that has to be delivered to the customer. It should be a definition of who does what and when in the delivery. At this stage economic value plays a diminished role. The focus should rather be on the mechanics of how value is demonstrated and then delivered to the customer, but also how value is then captured back from the customer to improve the process.

Points to consider:

- **Define the process to demonstrate value to the customer in the sales phase and later; there is a danger of giving away too much so that the customer gets service value without paying for it. This also means that the potential gain share will be reduced (see case 2).**
- **A very clear view should be defined for:**
  - **the different activities in the service production and;**
  - **the people involved in the service delivery.**
- **Define management structure to manage and reduce risk.**
- **Define common tools and processes, which may mean taking the best tools from each partner and designing new ones to replace those that don't work. Ensure that the processes and tools work across the partners.**
- **The single partner can create value with low benefit by itself (an example: domain knowledge + data science knowledge + data = create information for decision-making and hence value). How is the partnership designed so that the most value is created out of the partners working together?**
- **Establish a common understanding of the terms and underlying activities.**
- **Clearly document the process, to be able to communicate it and hence speed up the next steps.**

Commercial model

The commercial model is based on the previous step, but focuses more on the wider economics of the value exchange. The focus here is to define all the commercial aspects of the partnership and define them in the model. This begins with understanding the commercial model of both the partners and the customers and ensuring that they can be combined. The outcome should be how the two partners work together to deliver to the customer, considering all the commercial aspects.

Points to consider:

- **Reflect the commercial model of both partners in the partnership (e.g. service versus product company).**
- **Think about the through-life accountability of the service delivered. What are the risks and who is accountable?**
- **What are the customer's drivers towards the commercial model? Is there a menu to price for the different needs of customers?**
- **There may be options to group customers into levels of engagement or needs to enable categorisation.**
- **Are there side effects of the service offering (e.g. lock-in of customer, lock-out of competition, marketing, showing market leadership)? Does the offering prevent competition from entering a market or getting stronger?**

Culture

Cultural aspects should not be neglected, but rather defined and fostered later by the partnership's management. These are based not just on the obvious country or regional culture, but also on the company's culture. Every company has a culture of what should or could be done (see case 4). Examples include companies driven by hierarchies versus flat hierarchies, or product-driven versus service-driven companies. The definition of the partner's own culture and the definition of an approach on how to harmonise them over time should feed into the task of management and design – communication. In this task communication influences and bridges the cultures of the partners.

Points to consider:

- **Every company has an internal culture. Understand and reflect on both the partners' and customers' culture. What are the differences, what will and will not work?**
- **The result of the culture in the collaboration should not be a black market or a hidden factory, which makes things work, or a policing structure, but a supporting structure that addresses problems. There should not be too much 'value slippage' as a result of cultural differences.**
- **The common culture across the partners is aiming to make the people work together and collaborate instead of being contractors.**
- **Specifically, multinational negotiations are difficult to achieve and often end in suboptimal compromises. The recommendation is 'as much as possible: one person's face to the customer and one person's face to the provider' (see case 2).**
- **Build strong principles for the partnership. Examples are: 'We care about the things that matter to the end customer'; 'We share in the improvements'; or any general principles of management.**
- **Recognise risk and publicise and manage it as a partnership.**

Incentives

After considering the value exchange process, the commercial model and the differences in culture between the partners and the customer, an incentives system can be defined. The important factors are to define incentives for providing value to the customer and enable working across companies. The result should be an incentive system that is aligned across partners and increases delivery and outcomes.

Points to consider:

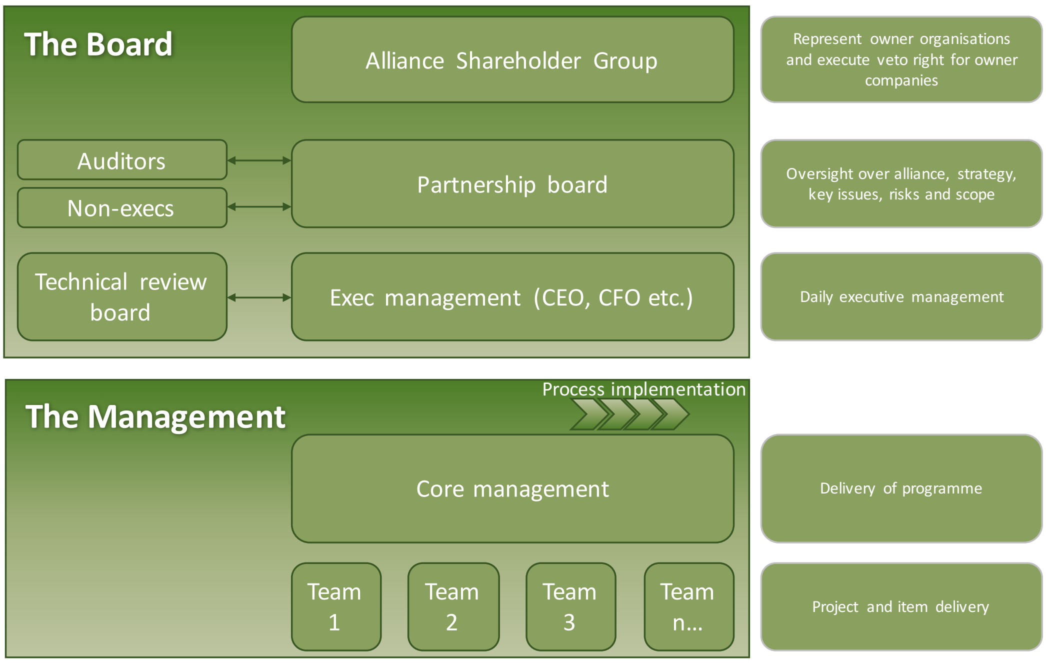
- **Incentivise collaboration**
- **Incentivise delivery of value to the customer**
- **Incentivise destruction of value slippage**
- **Incentivise outcome instead of progress**

Governance

Here the government structure for the 'manage and deliver' stage should be designed. In this study, for the design of the partnership itself, a team was enabled by the leadership of both companies. Now a delivery team must be built as a management team and they must be supported through a governance structure that enables them to deliver to the customer. This should include all functions enabling the governance board to test and check the delivery and also to obtain insights. Hence, for example, access to specialists is seen as an important factor; therefore, there is the need for a technical review board.

Points to consider:

- **See governance model below: there is a distinct difference between governance and management.**
- **Consider if there is the need to second staff to the partnership or to recruit externally. Consider also labour regulations, such as pension funds, which may be needed when the partnership is run through a new legal entity.**
- **It is important to have a function like a technical review board. The board's role is to review progress and processes on a monthly basis, as well as performing tasks such as issue and risk management communication and setting a direction for the project (see case 1).**
- **Design principles, namely, guidelines to navigate issues, for example, value mismatch.**
- **Control and test for hidden rules (see culture: hidden factories) within the partnership. Test and pilot rules and change them if necessary before they are fully implemented.**



Governance: Board and Management

Management structure

The management structure is the execution layer of the partnership. It defines all the core management and project delivery teams, as well as ensuring daily execution. These structures can be shared and defined between the partners and should be geared and defined towards delivering value to the customer. Indeed, there are vital questions here for the partnership, including which functions should be shared in close proximity and which, conversely, should be separated. What will be the impact on the partnership? Close proximity may mean having one sales team or one execution team. On the contrary it may be good to keep the sales teams separate if they have to sell in different markets.

Points to consider:

- **Share responsibility and risks where necessary.**
- **Ensure that all management functions are accounted and billed for.**
- **Share management functions in important areas that are trust-related, such as finances.**
- **Create clear and agreed-upon roles and responsibility. They should be ARCI (accountable, responsible, contributing and informing) (see case 3).**
- **Aim to address derailment risk ahead of time.**
- **Think, do, fix: the first crisis can facilitate a good learning process. Do not deliberately engineer a crisis. Managing a crisis by simply fixing is dangerous and develops wrong behaviours and may lead to the end of a good relationship.**

Contract

Contracts are used to define value exchange in business. This does not mean that every contract is the same; indeed, some contracts need a long time to be defined. This mostly depends on the complexity of the value exchange. Contracts in these partnerships are described as complex. The contract has to cater for the flexibility to change and optimise the process, but at the same time to define the collaboration. It should focus on outcomes and delivery rather than describing the business process.

Points to consider:

- **Start early on contractual discussions and think which hindering points you will have in your organisation. Share them with your partner so that they understand the contractual process.**
- **Anticipate that your contracting department or lawyer may not be able to draft the right contract.**
- **Create strong contractual ties but loose operational workflows:**
  - **o Create KPI and scaling process;**
  - **o What is important to your party and to the other party?**
  - **o Maturity on the capabilities share (not five from day one);**
  - **o Define a revision process for progress and change.**
- **Include an exit strategy in the contract detailing the following:**
  - **o What happens to through-life accountability?**
  - **o What happens to intellectual property?**
  - **o What happens to future investments?**
  - **o What happens in the case of a dispute; who will be a third-party mediator in this case?**
- **Consider the contract to be a constitution or a charter.**

The partnership - manage and deliver

The manage and deliver process for the partnership can be considered the execution phase. While in the design process mentioned previously, the focus is on the planning and design of the processes, the decision has to be made by the partners to create the first value delivery outcome of the partnership. This includes running the execution and delivery in all structures. There may be an in-between phase, in which the delivery may be tested with customers or the operations may be scaled. These types of mechanism do not belong to this briefing; however, they can be considered by the partners involved.

This section details the different steps involved in the execution of the collaboration; hence, the manage and deliver phase.

The Partnerships Framework: Manage and Deliver

Communication

Communication in a partnership is important in two areas: first, internal and then external communication. Internal communication is communication between the people working together and the wider team. There should be a form of sharing of best practice implementation and communication of success stories. The communication should take into consideration that both companies have different cultures and that competition between them should be prevented. The cultures should be combined and the designed culture (defined in the design process) should be formed and implemented during this stage.

Points to consider:

- **Invest in the communication of successes and delivery of solutions.**
- **Understanding and respecting the company dynamics, cultures and relationships; with their customers (see case 1).**
- **The company DNA within the partnership, but also in the customer, makes a significant difference and needs to be included in the discussion and the partnership. The different DNAs should be used for mutual learning and not to frustrate and provide friction (see case 4).**
- **Prevent rumours spreading within the single organisations.**

Performance

The performance task is mainly about organising an outcome-focused organisation across multiple partners and, hence, the prevention of value slippage. The aim should be to prevent confusion and mistrust, which leads to a waste of resources and energy. On the contrary, a good performance system should enable and incentivise results and not just progress.

In partnerships there are often discussions about not being enabled to do something, as the others are not delivering. This is sometimes the result of trust issues or misunderstandings. These problems have to be identified and resolved quickly to enable performance. The performance and incentive system should aim to enable collaboration and hence incentivise across the organisations.

Points to consider:

- **There have been, and will be, tensions between the companies, because of differing interests and potentially different balance sheets. This requires careful management, incentives, control and sometimes goodwill by all parties involved (see case 2).**
- **Need to know how to leverage the resources to better provide services, and how to manage the challenges brought about by that (scaling services) (see case 1).**
- **The personnel involved in the service delivery need to have a thorough understanding of the end value delivered both to the customer and by the customer. This will enable value to be gained where it matters for the customer and not just to the KPIs (see lesson learnt 2.5).**
- **Anticipate that there will be some touchpoints involved in organisations, which will have to be responded to and will not be due to trust issues. This will have an impact on performance.**

Structure

This section is all about running the system and implementing the structure according to plan. Indeed, it is also important to change the plan as a result of learning and experiences, but this must be coordinated. The two issues that need to be addressed are (1) where close ties are needed between collaborators and (2) where separation makes sense. Examples would be to have a combined delivery team or a combined sales team. However, there are also examples where this does not make sense, for example, where both partners work in distinctly different markets.

Points to consider

- **Where are the risks in the partnership and within the model? How can we drive different behaviours in the relationship?**
- **There are situations in which it is important for one of the companies to be in the lead coordinating, rather than the partner doing so. This can be the case with some customers. These customers need to be identified early on and a separate process needs to be set up.**
- **Joint market planning is considered key (see case 4):**
  a. Who is approaching whom, and coordination of the effort is the main aspect.
  b. Define which department of the customer enterprise is involved, in which stage and who you know within the touchpoint.
  c. Think about the people (personality, accountability, KPIs, emotions, budget availability).
- **The process of demonstrating value to the customer during sales must be defined extremely clearly; there is a danger of giving away too much and the customer receiving service value without paying for it. This also means that the potential gain share will be reduced.**
- **One option is to provide a more modular framework. As described in case 3, this 'new approach' allowed expectations to be adjusted together with the customer and the partnership. This is to be understood as opposed to the previously implemented process, where both parties tried to minimise their risks at the expense of the other parties, while remaining at a constant (sometimes unrealistic) service perimeter.**
- **Consider that both partners have to change to get the capacity right for a successful partnership. This means workforce, but also process.**

Contractual agreement

Different to the design phase contract, here the management and delivery of contracts are the focus. This includes the partnership contract, but also the contracts between the partnership and the customer. Both are distinctly different, but potentially interconnected. The partnership agreement may need to be updated as a result of dynamic change, and this process needs to be managed. Indeed, the focus of the partnership agreement also needs to be on closing deals and delivering to customers. Hence, it should enable contractual agreements to be closed between the partnership and its customers.

Points to consider:

- **Who are you contracting with; do you deal with outcome-based contractors?**
- **Phrase the customer contract on the basis of the viewpoint of the customer. He or she may view the partnership as one organisation and not be focused on separation within a contract, for example, who is delivering what. Ensure, however, that the agreement will be used to drive behaviours in the partnership.**
- **Consider that your contracting entity may not have the capability to phrase contracts in the right way or have the understanding to phrase, for example, outcome-based contracts.**
- **Ensure clarity over the definition of who owns the IP and how the IP is potentially shared (see case 4).**

Dynamic change

Throughout the research there was one dominant thread. There will be change: embrace it and manage it! There will be learning on how to do things more effectively and change must be implemented accordingly. This learning needs to be found, assessed and then defined and implemented. There is the need for a shared management process, which is managed through the hierarchy and agreed across the partners. On agreement they have to be implemented.

Points to consider:

- **Define clear mechanisms for change (internal change and external change).**
- **Have different levels of change defined for internal change that adapts processes, the partnership and the contract according to the impact.**
- **Anticipate change according to the life cycle of the partnership and build joint review points that make sense. For example, after the first contract sales and the first completed delivery.**
- **Define positive processes and also parts of the partnership that are running well.**
- **Define external change to the partnership. For example, define the business landscape and the wider ecosystem and their change impact on the partnership.**

Outcome

Finally, we come to the topic upon which everything should be focused: namely, outcome. Every process, every engagement, every meeting, every measurement should be focused on outcome for the customer. In partnerships, as shown in the research, it is easy to be focused internally; however, there is a strong need to be focused externally.

Points to consider:

- **Phrase all aspects of the partnership around outcome to the customer.**
- **Define in processes and engagement what the outcome to the customer will be.**

CASE EXAMPLES for partnering and learning

CASE 1

The background to the collaboration presented here is that there is a defence product design contract between multiple countries and their industries. This means that there is the company of focus, which supplies a service to a large engineering company in another country where the contract is executed.

Both companies have been involved in designing a defence product in the past and are now involved in a partnership. This partnership is being extended to provide a service contract, and rolled out to align with the product produced in collaboration. The focus company is subcontracted throughout the process to the large engineering company.

In order to better provide this service (as the large engineering company is based in another country), the focus company has leveraged its resources to establish a presence within the country to overcome restrictions based on nationality. However, the development, capability provision and management of this contract are still the responsibility of the UK.

While this has obvious benefits, it also creates complications, as the focus company is now effectively partnering with two companies (albeit that one is another arm of the same multinational organisation).

The customers and background

The end customer to the service is composed of multiple countries, which purchase the defence product. The countries are also likely to purchase the service, but with probable differences over which service level they will purchase, as well as the service configuration.

This is the result of a number of factors, including national sovereignty interests, levels of capability possessed within that country, political interests/relationships and national operator philosophy. For example, a country might not choose to give work out of country to protect national interests and to enable the development of capability within country.

The two organisations have a vested interest in partnering, which is built on capability and also on political grounds. In terms of capability, as well as specific capability and knowledge developed during the design phase of the defence product, the focus company also brings depth of experience and knowledge to such contract execution, specifically in lean management and sustainment. Politically, the focus company is able to cover some markets in the service delivery, where the partnering company encounters some problems.

Service partnering

The focus company originally established a role within the partnership on the product development by providing specific capability and knowledge. On this basis of partnering, the two companies agreed to build a contract based on a specific percentage workshare split. It has been agreed to split the service contract in a similar manner, but this is not as well defined.

From a political viewpoint, this ensures that spending on development of the defence product and service will ensure re-investment into the economy and sustain the capability and workforce in the nation's country.

In terms of partnering agreement, the large engineering company is prime and the focus company a sub-contractor. This brings obvious challenges in that, even though the collaboration between both companies is very close and there is generally a good relationship, there are potential trust issues, as both companies wish to establish greater positions of influence. For example, both companies wish to drive greater returns on investment made in internal capability development.

In order to maintain a significant role within the programme, the focus company has to consistently display added value to the prime, displaying that it can bring capability, knowledge and experience that is of significant advantage to the engineering company.

Process followed

While a common understanding provides the focus company with a specific percentage workshare of the contract, in order to develop and maintain this partnership the focus company has implemented a number of things:

- It has established a UK presence that is integrated within the prime engineering company. This provides greater levels of communication, understanding of culture and the means to influence decisions.
- It has established both working groups and a technical review board, with representation from both companies. This enables the efficient management of tasks, effective communication between companies, higher management and customers, and the ability to react rapidly to emerging issues. (Note: This is not currently charged as an overhead as it was borne out of need, but is recommended to be in future contracts.)

Lessons learnt

- **Establishing a longer-term partnering vision can be problematic because of market mechanics. On the one hand, this would prevent the project running in yearly cycles, but on the other, it would reduce overheads on both sides.**
- **It is important to have a function like a technical review board. The board's role is to review progress and processes on a monthly basis, as well as performing tasks such as issue and risk management communication and setting direction for the project. The focus company currently has this function specified; hence, the large engineering company is presently updated on a monthly basis. The board is staffed with system architects, software architects and quality and risk managers. The board is also making investment decisions, helping to focus spending on important issues.**
- **In order to maintain an effective partnership, we need to provide added value to the customer and its customer.**
- **Understanding and respecting the company dynamics, cultures and relationships; with their customers.**
- **Appreciating where the customer sees benefit in the service delivery and how it is possible to extract more value from that.**
- **Needing to know how to leverage the resources to better provide those services – and how to manage the challenges created by that (scaling services).**
- **Understanding how to protect and develop the workshare in the partnership, for example, by use of IPR.**

CASE EXAMPLES for partnering and learning

CASE 2

The company in question is a large international machine manufacturer, which has a large international dealer network. The company mostly works through dealers and does not often work directly with customers. In a newer development the company has partnered with its dealers to deliver services together to the customers.

The following details such a collaboration, the value created for the end customer and the way the operations are organised, with some lessons learnt.

The customers and background

The end customer for the services are larger customers who have an installed base of multiple machines and products of the company (ranging from single sites and machine numbers in their tens, to multiple customer sites managing machines in their hundreds). In the past decade there has been a move to maintenance and repair contracts, but ownership and management have typically remained with the customer. Once described in recent years as the sell and forget approach, dealers have worked hard to ensure that the customer is supported with parts and labour through a number of methods, but typically this has still left the customer deciding when and how to maintain the machines and who to work with when it comes to maintenance and buying spare parts. The efforts of the company, the dealer and the customer were neither organised nor coordinated.

The customers have shown great potential to be 'optimised' and to get more value out of the lifetime of machines they have purchased; the outcome of the service offering is to get better utilisation. This is possible, as all machines collect data (the latest machines have this capability as standard and it is possible to retro-fit basic telematics to older machines) and the data can be analysed for optimisation.

Service partnering

The company and the dealer are now partnering on the delivery of a service, which looks at optimising the use of the machines by the customer. The delivery includes multiple options, which can be chosen from the following:

- Delivery of reports on the use of machines, specifically around quality and fuel burn;
- Active optimisation on utilisation and availability of machines;
- Decreasing failures by preventing wrong use and predicting failures;
- Controlling the sizing of the machine fleet and ensuring that the right-sized machines are used. This can be achieved by exchanging equipment that is too large or small when necessary;
- Contract for guaranteed uptime of machinery;
- Retiring machinery depending on the market and company needs. For example, if the finances are available, sell machinery when it still achieves returns on the second-hand market, or rebuild and refurbish the machine in time for higher utilisation when financial optimisation is needed;
- Optimising the whole fleet of machines, including ensuring their best working conditions (e.g. training operators);
- Results include longer-term support contracts;
- The above services are delivered in a collaboration between the company and its dealer to the end customer. The delivery responsibility and capability share depend on the individual agreement between the company and the dealer.

Process followed

The process followed to initiate and set up the delivery of the service commonly begins with a memorandum of understanding between the company and the dealer. This is typically used to describe how the dealer and the company will work together across the dealers' jurisdiction and what is expected in terms of effort and people. The second step is to set up and define a customer pool to be approached about the service. The choice will depend on, for example, machine install base and size of operations. The partners then agree on a communication plan, which describes who says what to a specific customer and how the customer will be approached. Additionally, the support functions for the sales process of each party are defined at this point. This enables financial tracking and expectation management on both sides of the business development costs and effort. The leads on sales are carefully managed and shared between the company and the distributor, which includes reporting line implementation and risk assessment.

In the sales process the service capability sold to the customer is shown in the form of a value demonstration. Here it is seen as important that both parties are clearly aligned, as giving away too much at this stage may result in a 'giving service for free' situation. It is important that the value gain and value gaining process is not given away and can be used afterwards by the customer without a purchase. The resulting process is then a benchmark for the existing situation of the customer, on which a gain share contract or other KPIs (key performance indicators) for future work can be defined.

The outcome of the service contract is often a gain share between the company, the distributor and the customer. The other options of outcomes are guarantees, such as the reduction of fuel or operation costs by a defined percentage. The benchmark is gained in the first few months of monitoring the customer utilisation of the equipment.

Lessons learnt

The lessons learnt include the following:

- **Capability definition between the partners (the company and the distributor) is important and more complex than expected. Sometimes partners overestimate what they are capable of. It is therefore important to define review dates for the service delivery and quality and also to ensure that there are clear action points, responsibilities and KPIs that show if targets cannot be, or are not, met.**
- **The process of demonstrating value to the customer must be defined very clearly; there is a danger of giving away too much and the customer gets service value without paying for it. This also means that the potential gain share will be reduced.**
- **There are situations in which it is important for the company to be in the lead, coordinating multiple distributors rather than one distributor. This should be the case with large multinational companies, who normally purchase from multiple distributors. These customers need to be identified early on and a separate process needs to be set up.**
- **It is important to acknowledge that both the company and the distributor have their own balance sheet. It is therefore important to define early on how financial gains are shared.**
- **The personnel involved in the service delivery need to have a thorough understanding of the end value delivered to the customer and by the customer. This will enable value to be gained where it matters for the customer and not just to the KPIs.**
- **Scalability of the service, and hence the collaboration, need to be understood and reviewed regularly (service territory analysis). This includes a realistic understanding of how much sales potential there is for the service and hence planning for a realistic service size.**
- **Re-negotiation was necessary periodically between the parties involved, which meant that value delivered and creating the understanding of what was delivered took longer than expected. Strong confidence-building was needed, on the customer side, in the value that was delivered.**
- **It is important to review the service offering after some defined timeline or machine usage time / e.g. fuel burned, and to set those as fixed dates.**
- **There have been, and will be, tensions between the companies because of differing interests and balance sheets. This requires careful management, control and goodwill by all parties involved.**

CASE EXAMPLES for partnering and learning

CASE 3

The service follows the development, by several European nations, of a defence system in different versions. It aims to provide all the necessary in-service support to the systems, notably including:

- Technical assistance (resolution of 'technical facts' and answers to queries);
- Spares, repairs and overhaul;
- Configuration management;
- Obsolescence management;
- Technical publication delivery and update;
- Assistance to testing and training.

Altogether, when conducted throughout its life cycle, these activities make for a system that is 'ready to use' for the armed forces.

Provider and customer complexity

The service is characterised by a highly complex ecosystem on both the customer and provider sides. On the provider side, the complexity arises from the nature of the supported object. Indeed, even though some core parts of the systems are common, other critical sub-systems differ vastly among the different versions and customers. This obviously leads to a complex set of industrial partners, each retaining technical authority, and therefore in-service support capacity, over the sub-system they have developed.

On the customer side, the service gathers no fewer than five different customers in three partnering nations: three European navies, one air force and one army. Obviously, each customer has particular requirements and constraints, ranging from budgetary limitations, security requirements or existing industrial apparel, all the way to operational (military) traditions and organisations.

Last but not least, each country has different cultural mindsets and negotiation styles.

Intermediated relationships

As a result of the high complexity of its ecosystem (multinational project), coordination entities were put in place from the beginning of the development of the project.

On the customer side, the project was placed under a European intergovernmental organisation. In the rest of this case study we will name it C/INT (for customers' intermediary). Its role is mainly to facilitate and manage collaborative armament programmes between its member states. C/INT's mandate covers the entire life cycle of the projects, from development to in-service support and demilitarisation.

On the provider side, the industrial partners teamed up in an 'Economic Interest Grouping' (IEG or GIE Groupement d'Intérêt Economique in French). In the rest of the case study we will name it P/INT (for providers' intermediary). The purpose of an IEG is to provide a light legal structure for two or more entities (companies, foundations, organisations, institutes…) and to pool their resources for competitive advantage. All participating entities remain entirely autonomous but are collectively accountable for all debts.

This intermediated relationship, as long as the coordination entities have a clear mandate, has proven to be a strong facilitator for the project. Indeed, instead of multilateral negotiations, the two intermediaries have been able to conduct bilateral talks.

The lessons learnt include the following.

Contracting process and chronology

The process, from initial service offer to contract notification, covered a period of roughly four years. We divide it into three phases: (1) initial proposal; (2) straight into a wall; and (3) new approach.

Initial proposal

At the very beginning, P/INT submitted an initial service proposal to C/INT. The offer followed an outcome-based model, with bundling of activities, pooling of industrial resources and a flat-rate pricing method.

The initial offer was strongly rejected by the customers. Following this rejection, the different nations engaged in a service specification process, which lasted approximately a year, as a result of difficulties coordinating the specific requirements of the different end-users.

At the reception of these specifications, three major expectations were identified:

- The requirement is an in-service contract for end-users' support only; there should be no redundancy and clear separation with development and production contracts. The consequence of service conception and partnering is the need to define in detail the perimeter of work to be performed within the service contract, as well as the interfaces with the still ongoing development contracts.
- Management is an industrial matter: nations buy not management activities but concrete end-users' services. This demand requires close cooperation between the industrial partners even though coordination efforts are not recognised by the customer.
- Limited budgets apply: each euro spent has to be justified. As a consequence, all activities are to be detailed in the service conception phase.

Although the initial proposal proved to be a failure, it helped customers' expectations to be rendered explicit. This clarification process is as important from the provider's perspective (in order to adjust the commercial efforts) as it is from the customer's perspective (previously they had not given much thought to in-service support).

Quality of specification

Following the reception of C/INT's specification, the industrial partners decided to address the different customers' demands. However, the very structure of the specifications rendered this process difficult. Indeed, as a result of the aforementioned coordination difficulties, the specifications were more an activity-based aggregation of all demands than a coherent body of outcome requirements.

Answering all of the demands forced the industry partners to include high provisions on certain activities that were deemed either very risky or outside the existing competencies. The end result was a very high-priced offer.

Following a series of joint industry – P/INT, C/INT – and armed forces seminars, during which the industrial partners were asked to provide clarification of their offer, the negotiations reached a stalemate.

Indeed, as the result of an inability to adjust and synthesise customers' expectations and sharing of responsibilities, the offer was deemed to be incompatible with budget constraints and not sufficiently user-oriented.

New approach

Around a month after the negotiations were halted, P/INT came back to C/INT with a 'new approach'. This approach was characterised by a modular architecture in order to accommodate national specificities, budget constraints and country-specific requirements in terms of industrial organisation. In this respect, all 'unrealistic' activities were dropped, and the other was ventilated between:

- 'Type A' – continuous activities: prepaid services with established prices;
- 'Type B' – on-demand activities with established prices based on price tables;
- 'Type C' – on-request activities with open prices.

This new approach created opportunities for renewed dialogue between the two intermediaries. Such a discussion sought to establish the general principles of the service:

- a common understanding of the different service activities;
- ventilation between the different 'types'; and
- the modalities of the service.

By providing a more modular framework this 'new approach' allowed expectations to be adjusted together with the customer. This is to be understood as contrary to the previous process, where both parties tried to minimise their risks at the expense of the other parties while remaining at a constant (sometimes unrealistic) service perimeter.

The renewed dialogue allowed the different parties to establish a common understanding of the terms and underlying activities, a point that had been lacking in previous discussions.

Following a stage at which C/INT had to confirm its mandate to negotiate and the issuing of a new offer by P/INT, the service moved to a detailed design phase.

In order to achieve collaboration, detailed design focused on defining the following three building blocks:

- Precise perimeter of work (nature of the activities);
- Roles and responsibilities; and
- Modalities of the collaborations to deliver the service.

In this respect, in addition to the critical role of a common set of definitions, we identified the three main building blocks above.

Lessons learnt

The lessons learnt include:

- **As much as possible: one face to the customer, one face to the provider (avoid multilateral negotiations);**
- **Clarify expectations;**
- **Adjust expectations WITH CUSTOMERS;**
- **Build a common understanding of the terms and underlying activities;**
- **Create strong contractual ties but loose operational flows;**
- **Create clear and agreed-upon repartition of roles and responsibilities;**
- **Define common tools and processes.**

CASE EXAMPLES for partnering and learning

CASE 4

The focus company is a large system integrator and provides services to large enterprises. The company partners with many larger companies, and often also with competitors. When the company partners it usually focuses on getting capability to the service delivery of the company and sometimes around customer or market development in general. The company normally helps the partners on digital integration work within enterprises, which includes the structuring of data and making it accessible for use.

The customers and background

The customers of both partnering companies are in need of new user-centric applications for multi-platform devices. This means that data should be available not just on laptops and PCs, but also on mobile phones and tablets. Here the company is partnering with an organisation that has great capability in terms of user experience and displaying complex information on users' screens. The partner organisation was lacking experience in selling to larger enterprises and engaging with them.

Service partnering

The aim of partnering between the two companies was to solve industry challenges and problems in the form of applications provided to the industry customers. The first step was to recruit a foundation client, which is a client with which a digital solution would be built and tested. The foundation client brings the industry challenge (pain point) and the two partner companies define the solution in close collaboration with the foundation client.

The two partner companies define foundation clients out of the different industries together and approach these following an agreed process. The process includes the definition of a client lead, which belongs to one of the partnering companies. There is usually also a client lead defined in the other company, and the approaching of the customer is planned in the form of a joint market strategy. This defines both how to approach the customer and routes into the business. For example, it may mean that the company knows the technology department of the company well and the partnering company has good access to the business department. When these touchpoints to the company can be used in a systematic way, they can be very powerful. However, if the message is not coherent and differentiates, this can become confusing to the customer and hinder the process.

In addition, the geography of the engagement has a large impact, and not just on culture. If one of the organisations has few or no personnel in one geographic area and the other is well represented, this can lead to frustration, as the underrepresented company may not be able to handle the support needed by the other. The result is the need to look at both organisations and align them to be able to support and work collaboratively across the organisations.

Process followed

First, both companies have defined that they would like to partner on a market offering and also how this would look. They have defined the value created and captured by both sides, as well as a separation of capabilities given to the partnership. Additionally, the partners have defined a common sales and implementation cycle. Both organisations have defined handover points and who provides what in the implementation cycle.

Lessons learnt

- **Clear definition of who owns the IP and how the IP is potentially shared.**
- **Joint market planning is considered key:**
  a. **Who is approaching whom and the coordination of the effort is the main aspect.**
  b. **Define which department of the customer enterprise is involved in which stage and who you know within the touchpoint.**
  c. **Think about the people (personality, accountability, KPIs, emotions, budget availability).**
- **Both partners have to change to get the capacity right for a successful partnership. This means the workforce, but also processes.**
- **Do not make assumptions about sales opportunities. A strong partnership does not automatically lead to sales.**
- **New conversations mean new stories and approaches; hence, there is a certain flexibility. They change across industries and also with the drivers and stakeholders.**
- **The company DNA within the partnership, but also in the customer, makes a significant difference and needs to be included in both the discussion and the partnership. The different DNAs should be used for mutual learning and not to frustrate or provide friction.**

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