Strategic Relationships

Executive Capability Building Program

Thinking, Leading, & Negotiating in Complex Organizations

Presented by Robert Porter Lynch

Capability Building OBJECTIVES

❶ **Provide Best Practices & Process Map**
   for Establishing Strategic Relationships with High Chances of Success

❷ **Create an Action-Plan:**
   Practical and Directly Applicable to My Situation
   Can Use Immediately
   Produces High Performance & Competitive Advantage

❸ **Furnish a "Common Language & Architectural Framework"**
   Enabling Powerful Internal Teamwork, Alignment & Communication

❹ *Strategy or Concept*

   Best Practice

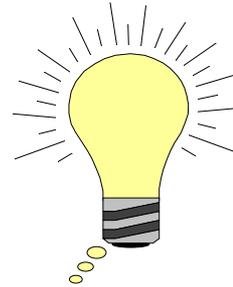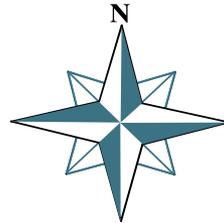   *Tool-Kit*

   Application

This Course is Designed to Build Capability,
Not Fill your Head with Knowledge.

Therefore, we may not present every overhead in the presentation packet!

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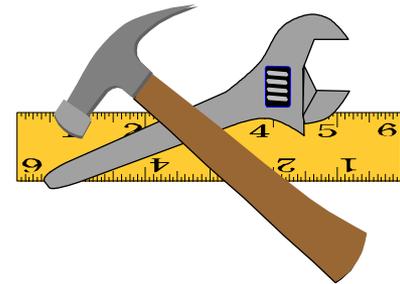# Strategic Relationship Architecture Language & Tool Kit

❖ **Architecture of Success**

➢ Critical Collaborative Strategies

➢ Best Practice Blue Prints

➢ Process Flow Diagrams

➢ Systems Frameworks

➢ Measurement Systems

❖ **Tool Kit**

➢ Useful Tips

➢ Handy Practices

➢ Measurement Tools

➢ Checklists

➢ Methods for Goal Achievement

➢ Navigational Aids

Program Structure

Executives, whether in Government or Business, are faced with an ever-increasing need to build relationships and negotiate in complex organizational situations across a multitude of organizations, both governmental, non-governmental, and private.

Key Decision Makers have Four Options:

1. **Strategic Relationships:**

   Create a new destiny -- a bold new future, or alter the paths of the expectations of their constituencies and stakeholders, while also changing the process of the journey, thus making our organizations more inter-connected and aligned both internally and externally

2. **Tactical/Transactional Relationships:**

   Create engagement or correctness (often bureaucratic) according to the structure of the legal, political, and social systems, and producing appropriate results within this framework
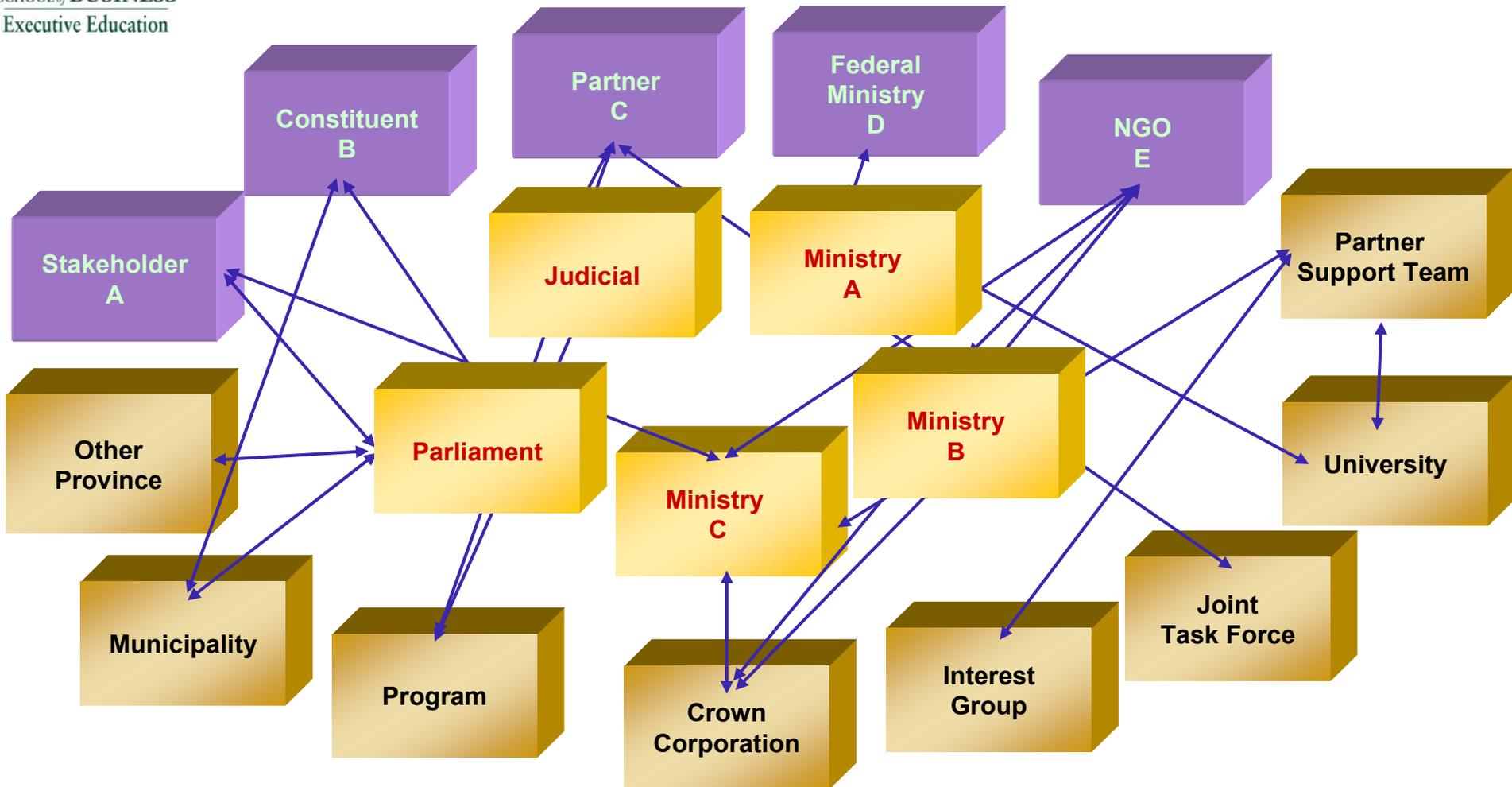
3. **Political Relationships:**

   Create alignments between power bases to enable positioning for advantage, continuity, or longevity in the most effective and expeditious manner.

4. **Personal Relationships**

   Create one-on-one trust between individuals to enable friendship and fellowship to build bonds that promotes mutual interests, facilitates trade-offs, and joint inclusion, often to the exclusion of others

While all leaders need to be adept at all three of these relationships, this course focuses on how to form and use *strategic* relationships, and how to transform other relationships into strategic ones. The course draws upon many of the best practices for building internal & external alliances

Interconnected Networks Need Alliances

Agenda

Day One: Analysis & Formation

1. Developing the Strategy of a Strategic Relationship
    - Analyzing a Relationship
        - Different Types of Relationships
            - Strategic
            - Tactical
            - Political Relationships
        - Optimizing the Relationship
            - Pros and Cons of Each Type
            - When to use each type of Relationship
            - Vision versus Efficiency versus Politics
    - Understanding Strategic Driving Forces
    - Value Migration and Value Building
    - Developing a Shared Vision
    - Creating a Breakthrough Value Proposition
    - The Power of Metrics to focus strategy

2. Critical Leadership Issues
    - Leadership versus Management
    - Essential Leadership Roles in a Strategic Relationship
        - Champions
        - Executive Support Roles
        - Integrator Roles
    - How to Handle Cynics and Skeptics
    - Building a Culture of Collaboration
        - Handling Differences
        - Creating Trust
        - Contract of Expectations
        - Key Principles of Cooperation

Day Two: Negotiations and Management

3. Negotiating a Strategic Relationship
    - Three Negotiations Options
        - Combative: Win-Lose
        - Cooperative: Win-Win
        - Co-Creative: Beyond Win-Win
    - Pros & Cons of Each Option and When to use
    - Mapping Positions, Interests, and Vision
    - Mastering Co-Creative/Synergistic Negotiations
    - Impact of Trust and Expectations on the Negotiations
        - Individual Trust
        - Institutional Trust
        - Managing Expectations
    - Working with Lawyers and Legislators
    - Negotiating in an Adverse Political Environment

4. Strategic Relationships in Complex Organizations
    - Influence Mapping
    - The Impact of Organizational Culture
    - Creating and Managing Alliances
    - How Organizations Change/Organizational Change Model
    - Managing Strategic Relationships in conditions of ambiguity and uncertainty

5. Managing the Strategic Relationships
    - Predicting and Handling Breakdowns
    - Maximizing High Performance Teamwork
    - The Magic of Integration
    - Managing Cross-Corporate Relations
    - Maintaining Top Level Support
    - Developing Competencies in Strategic Relationships

Strategic Relationships

1. Developing the Strategy of a Strategic Relationship

Analyzing a Relationship

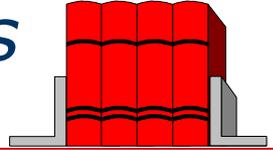*Understanding Strategic Driving Forces*

Value Migration and Value Building

Developing a Shared Vision

Creating a Breakthrough Value Proposition

*The Power of Metrics to Focus Strategy*

Different Types of Relationships

University of Alberta — School of Business — Executive Education

❖ **Functional Characteristics**

- ✓ Champion
  - ➢ Top Rank Support
  - ➢ Operational Unit Support
  - ➢ Champion of the Alliance
- ✓ Collaborative
  - ➢ Individual & Institutional Trust
  - ➢ Committed Win-Win
  - ➢ Compatible Business Models

- ✓ Strategic
  - ➢ Affects Long Term Destiny
  - ➢ Creates Competitive Advantage
- ✓ Synergistic (1+1>3)
  - ➢ Powerful Value Proposition
  - ➢ Mutually Aligned Goals
- ✓ Regenerative
  - ➢ Renewing & Innovative
  - ➢ Adapting Strategy to Competitive Environment

- ✓ Tight Operating Linkages
  - ➢ Governance Structure
  - ➢ Interaction at Multiple Levels
- ✓ Reciprocal Relationships
  - ➢ Shared Assets
  - ➢ Sharing Strengths & Information
  - ➢ Shared Risk & Reward
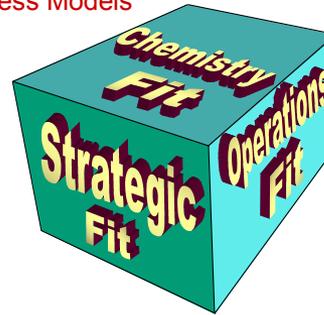
❖ **Political**
- ➢ Power/Control Driven
- ➢ Affects Office Holders
- ➢ Perceptions may be deceiving or illusive
- ➢ Focus on Maintaining a Power Base or Ideology

❖ **Tactical/Transactional**
- ➢ Opportunity Driven or Efficiency Driven
- ➢ "Get the Job Done"
- ➢ Affects Short Term or Day-to-day
- ➢ Focus on Stability or Incremental Adjustments

❖ **Personal**
- ➢ Based on Friendship, Personal Trust
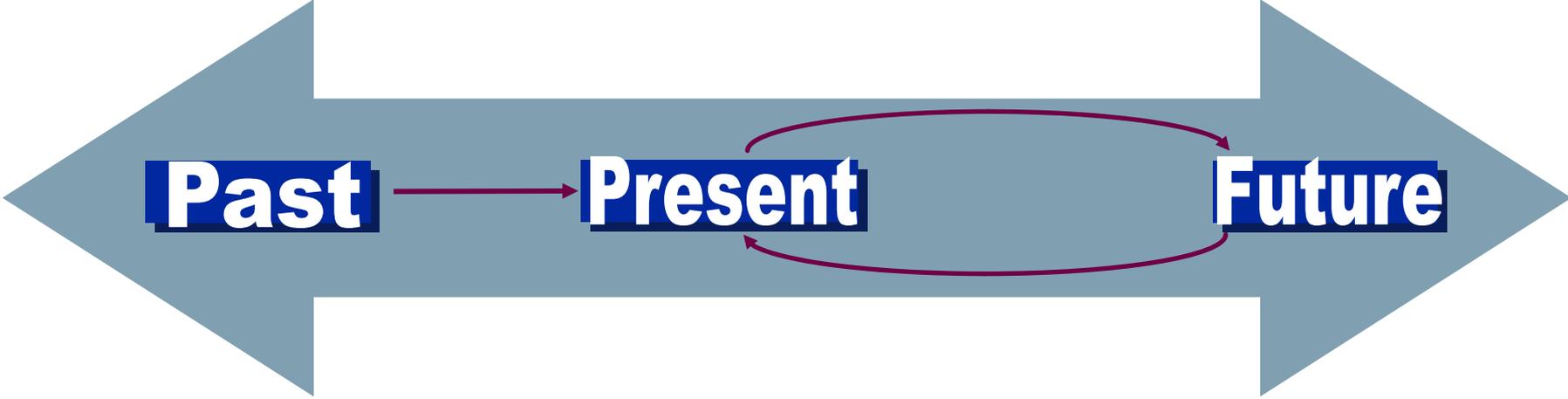- ➢ Dependent upon Maintaining Personality Compatibility

Cube: Chemistry Fit / Strategic Fit / Operations Fit

What best characterizes the Current State of the Relationship?

Strategy

Strategy In The Context Of Time

Creativity is More Important than Knowledge
Einstein

Past → **Present** **Future**

Inactive   **Reactive**   **Responsive**   **Proactive**   **Pre-active**

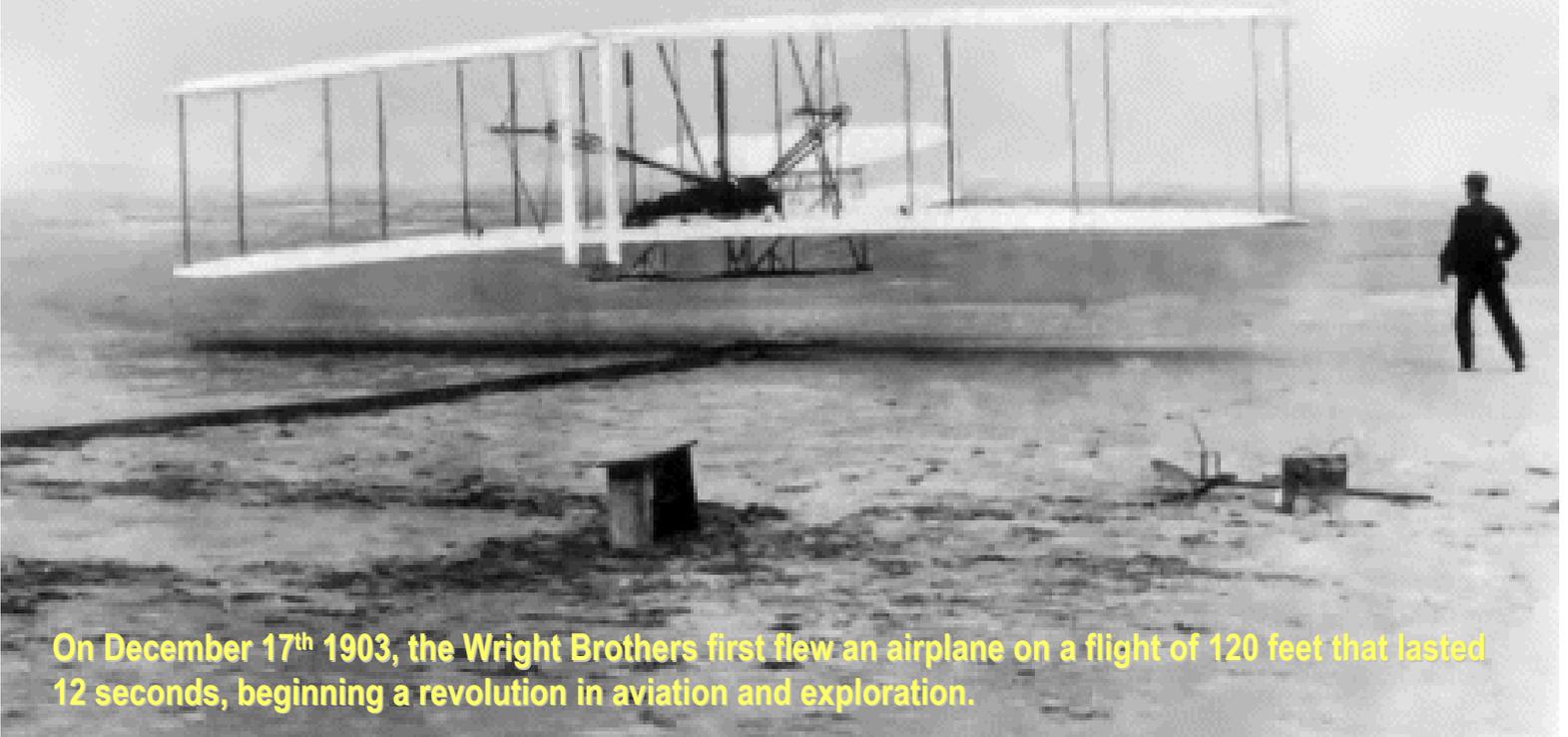**Political – Business- Operational -- Personal**   **Strategic**

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After the Flight, Orville Wright Commented:

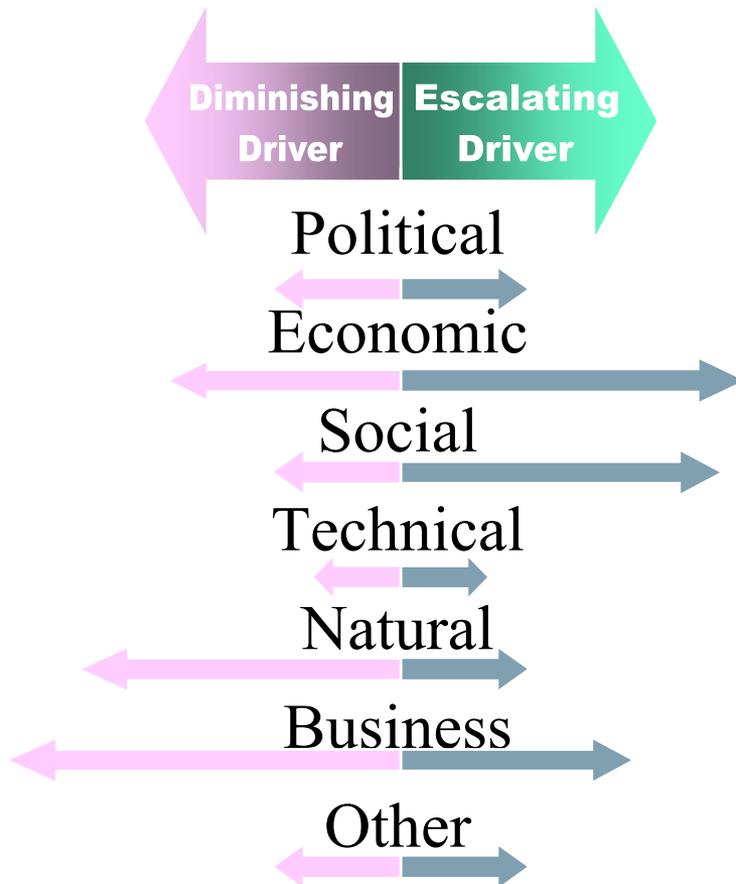*"Isn't it astonishing that all these secrets have been preserved for so many years, just so we could discover them!"*

On December 17th 1903, the Wright Brothers first flew an airplane on a flight of 120 feet that lasted 12 seconds, beginning a revolution in aviation and exploration.

Best Practice

Strategic Force Field Analysis

Diminishing Driver | **Escalating Driver**

Political

Economic

Social

Technical

Natural

Business

Other

Also Consider some other issues:

◆ **CONTINUITIES** – Things we assume will continue as they have:

1. Learning - Should we really expect there to be a continuation of learning? Will we really know more?
2. Population – Will we really see a continued increase in population? Will wealth continue to grow?
3. Environment – Will we see a continued degradation in the environment?
4. Society – Will society continue to become more and more complex, both socially and politically?
5. Connectivity – We have continued to be more and more connected, will this trend continue?

◆ **DISCONTINUITIES** -- Things that if they do or do not happen, will cause a very different future:

1. Will we develop a complete understanding of the human brain?
2. Will we develop a complete understanding of biology?
3. Is the speed of light a real limit?
4. Will we contact alien life?
5. Will nano-technology reach its expected potential?
6. Will zero-point energy, the energy that exists between atoms, become usable?

◆ **WILD CARDS** – Watch for these as they can modify ant combination of the factors noted above:

1. A looser social order, or a more connected one evolves
2. Reversals of order, women dominant vs. male, non-euro domination, etc.
3. Racial homogenization
4. If no nation states, then what? Is it hard to imagine an alternative? If not, then what?
5. Increased shift towards secularism or religion as predominate ordering factor
6. Everyone super rich, with no one acting out of concern with money
7. Poor dominates (definition of poor – poor in what way? Money? Information?, etc)
8. Ecology – another major plague
9. Climate change, another ice age, or worse, or, climate control? We like stable climates.
10. Restoration of environment – climate, plants, animals – cloned extinct species of both? Controlled, or, out of control?
11. Extinction Level Event – whether asteroid or comet, this could really give you a bad day.

Strategic Scenario Mapping
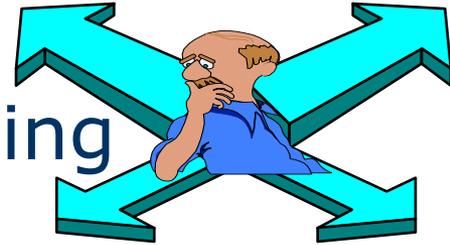
❖ Changing Forces Create Multiple Possible Strategic Scenarios

Here are just a few Examples of the Possibilities (consider others as well):

1. ***All the Best of What's New –*** **explosive growth, all under control, achieving best possible outcomes.**

2. ***Recognizable Incremental Change –*** **a slow and steady improvement of what is happening now.**

3. ***Cycles –*** **a roller coaster ride of ups and downs, advances and retreats, with nothing lasting very long before it is overcome by the next wave.**

4. ***Confusion & Difficulty –*** **No set of forces predominates, many forces out of alignment, causing mixed policy decisions**

5. ***Power Shift –*** **New forces change the power balance & focus energy on new issues, upsetting the status quo.**

6. ***Slow Decline –*** **Gradual decay that is nearly imperceptible in the short term.**

7. ***Stability –*** **Caused by offsetting forces of homeostasis**

8. ***Tragic –*** **Major Upsetting Force, such as a natural disaster or evil destruction.**

9. ***Divisive –*** **Splitting into two opposing entities, such as rich versus poor.**

10. ***Fragmentation –*** **Forces are not aligned, small vested interests act on their own creating splinter groups lobbying for their own cause.**

Strategic Driving Forces *Checklist*

(This is not intended to be a Comprehensive List, just a set of "triggers for your ideas)

Tool-Kit

◆ *Political*	◆ *Economic*	◆ *Social*
_ Parties	_ Wealth Creation/Distribution	_ Demographic Trends
_ Power	_ Taxation	_ Ethnicity
_ Elections	_ Investment	_ Health/Aging
_ Publicity	_ Expenditures	_ Crime
_ Control	_ Jobs	_ Community
_ Legislation	_ Economic Development	_ Family
_ Regulation	_ Shopping Centers	_ Education
_ Judicial-Legal	_ Industrial Attraction	_ Housing
_ Policy	_ Poverty	_ Abuse

◆ *Technical*	◆ *Natural*	◆ *Business*
_ New Technologies	_ Environmental Protection	_ Job Creation
_ Emerging Industries	_ Use/Preservation of Natural Resources	_ Competitive Advantage
_ Communications & Information	_ Disasters	_ Reinvestment
_ Medical Breakthroughs	_ Land Use	_ Retraining
_ Transportation	_ Global Warming	_ Unemployment
_ Building Materials	_ Water & Air Quality	_ Investment
_ Job Displacements	_ Weather Patterns	_ Taxation
		_ Tariffs & International Trade

Strategic Driving Forces
APPLICATION TASK

Action Plan

- ❖ **IDENTIFY THE STRATEGIC DRIVING FORCES FOR YOUR OWN ORGANIZATION.**

- ❖ **IDENTIFY THE STRATEGIC DRIVING FORCES FOR THE OTHER ORGANIZATION.**

- ❖ **WHAT IMPACT DO THESE DRIVING FORCES HAVE ON THE STRATEGIC RELATIONSHIP?**

- ❖ **WHAT WILL BE THE 2-3 MOST PROBABLE STRATEGIC SCENARIOS FOR THE FUTURE?**

- ❖ **WHAT SCENARIO WILL BE THE BEST FOR BOTH INTERESTS?**

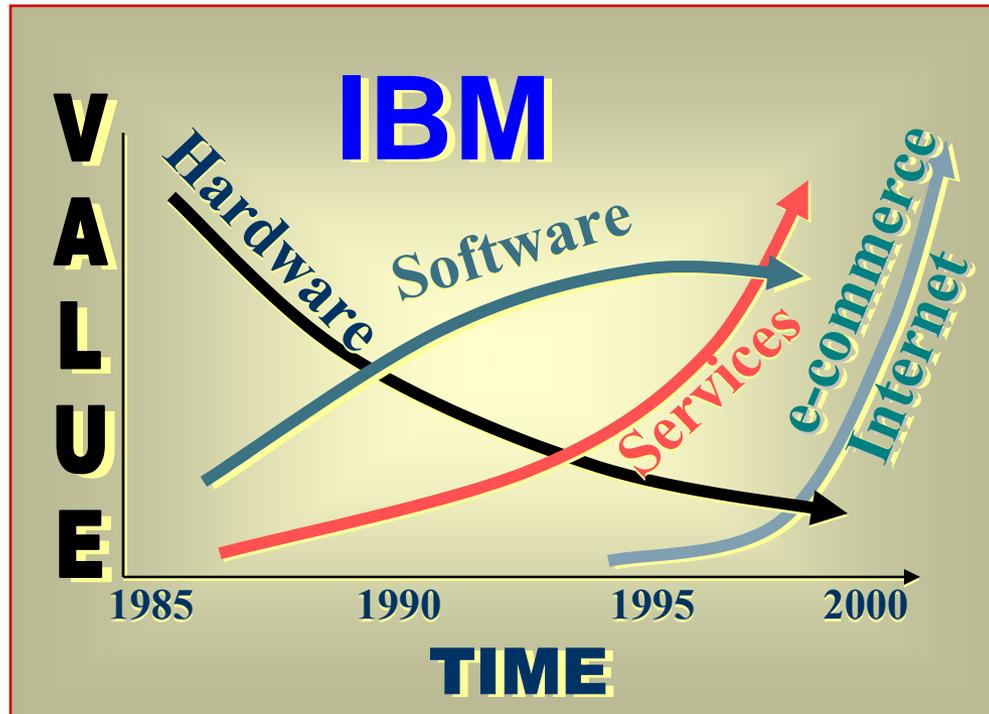## Value Migration
Example

Best Practice

❖ Value (and therefore Power) Migrates over Time

Value = (Profit/Unit) X (Volume)

WHY VALUE MIGRATES

- ◆ **Technology Changes**
- ◆ **Unmet Needs**
- ◆ **New Entrants with New Solutions**
- ◆ **External Environment Changes**
- ◆ **People with New Rules of the Game**
- ◆ **Cultural Differences**
- ◆ **Integrated Solutions**
- ◆ **Speed**

Managing Multiple Futures
Value Migration
Example

Best Practice

❖ *Ancillary Rule: Strategic Relationships are often unstable, because the Driving Forces upon which they are built may be changing, therefore frequent Realignment is Essential*
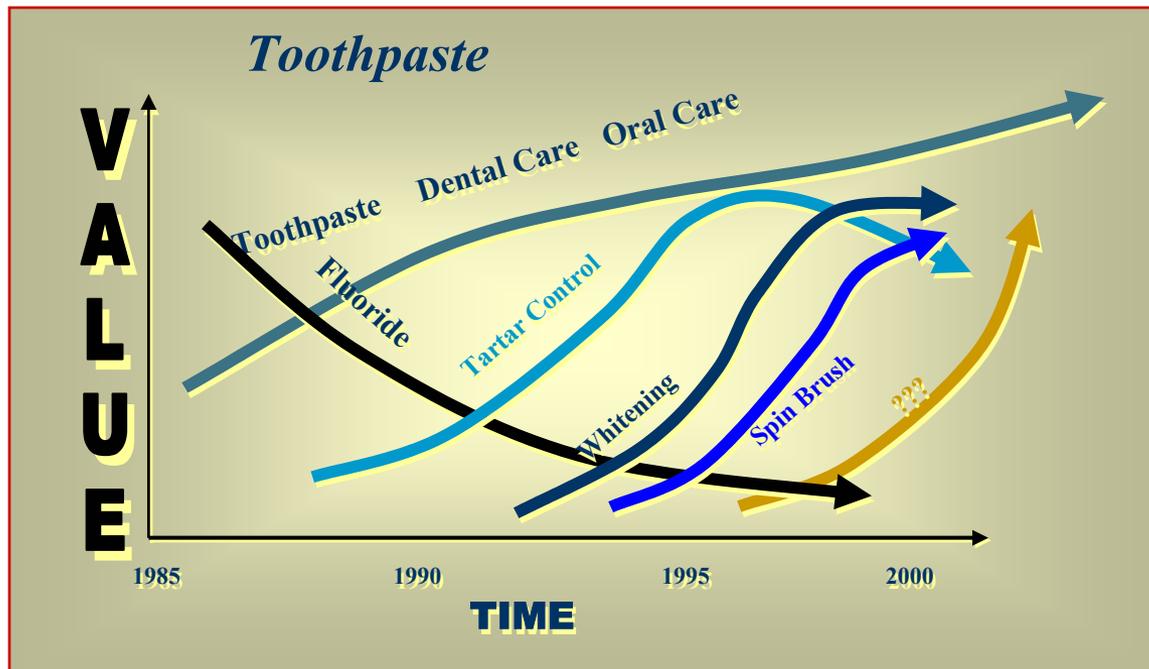
Key Questions:
- **Where is Value Migrating to Now and in the Future?**
- **What are the Shifts in Driving Forces?**

Value Migration
Example

Best Practice

Value = (# Employees) X (Average Salary)

Economic Impact for Alberta

VALUE

Hardware & Software

Oil & Gas

BioTech

SuperNet

Info & Comm Tech

1999

TIME

2009
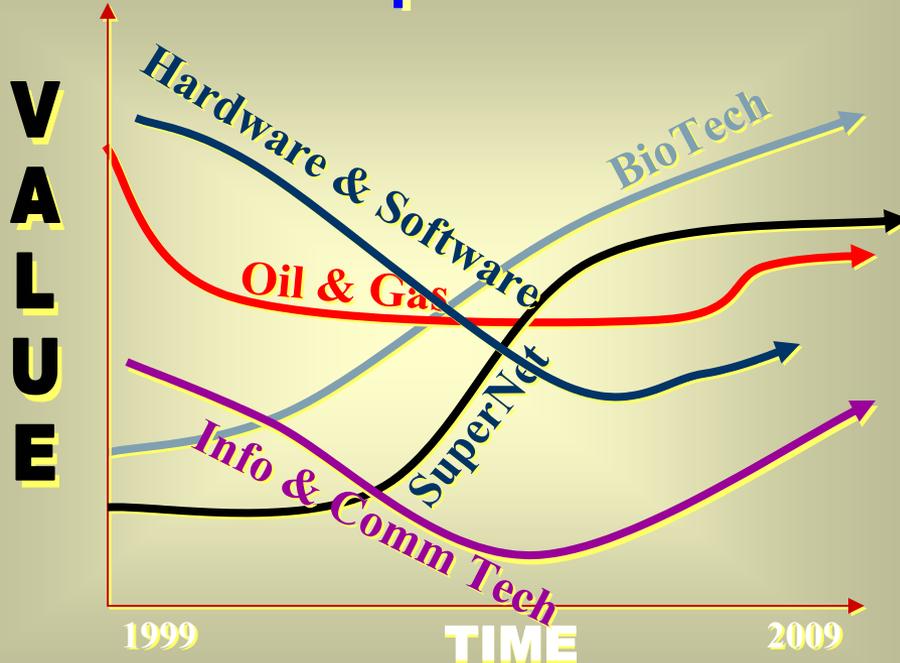
- Where do we need to be?
- Can we jump value streams with existing relationships?
- What leading indicators will tell us our value migration projections are accurate?
- What scenarios will put us in the most advantaged position?
- What leverage and control points will best affect our positioning?
- What new alliances must we be creating to lead the curve?
- What existing alliances must we be transitioning?

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Strategic Laws

Best Practice

◆ **Law of Pro-Action**
  ▪ **First Mover has the Advantage (if the is idea well thought out & supported)**
  ▪ **There is nothing so powerful as an idea whose time has come**

◆ **Law of Vision**
  ▪ **Where there is no Vision, everything defaults to Politics**

◆ **Law of Primacy**
  ▪ **The First Impression will color all other impressions**

◆ **Law of Connectivity**
  ▪ **It is a Small World; Information travels fast**
  ▪ **People are joined by a myriad of networks and interest groups**
  ▪ **There will be few secrets**

◆ **Law of Presumptive Intent**
  ▪ **People will assume your motives are the same as theirs**
  ▪ **Your motives will probably be misinterpreted by your adversaries, competitors, and critics**

◆ **Law of Unintended Consequences (Antithesis of Law of Serendipity)**
  ▪ **The World does not exhibit logical manners**
  ▪ **Every move you make will result in a set of Counter-Moves by others**
  ▪ **Failure to make a move may trigger even larger consequences**

Driving Forces & Value Migration
Checklist

✓ Critical Questions

- ✓ **What is the Worst Possible Case Scenario?**
- ✓ **How will Driving Forces change, thus causing Value Migration?**
- ✓ **How can we Lead or Anticipate the Shifts well in advance to be positioned powerfully.**
- ✓ **What Strategic Relationships will be best suited for which scenarios?**
- ✓ **How might the "Law of Unintended Consequences" affect our actions in each of the scenarios?**
- ✓ **How will we impact the scenario(s) most beneficial to our constituency?**
- ✓ **During the next several years, what forces can you expect will prevail that will pull the market in a variety of directions?**
- ✓ **What will be the overall impact of these forces?**
- ✓ **What forces can be minimized, neutralized, emphasized, or catalyzed?**
- ✓ **What are the Key Factors that will generate a scenario?**
- ✓ **What Key Trends will force a scenario to emerge? What Leading Indicators or /Signposts will tell us the scenario is emerging?**
- ✓ **What Critical Issues will prevail in each?**
    - ✓ **People, Products, Processes**
    - ✓ **Customers, Competitors, Competition**
    - ✓ **Measurements, Technology**

◆ Tips for Success

- ✓ **Focus energy on the 2-3 most likely scenarios**
- ✓ **Scenario planning can be done very effectively with your alliance partner**
- ✓ **Remember to put yourself in the other organization's and constituency's shoes**
- ✓ **Don't overlook the entrance of New Competitors**
- ✓ **Be willing to think "outside the box" and embrace radical new paradigms**
- ✓ **Use Scenario Planning for:**
    - ➢ **Identifying New Partners**
    - ➢ **Identifying Potential New Entrants**
    - ➢ **Establishing Early Warning Signals**
    - ➢ **Creating Alignment in a Multiple Futures Environment**
    - ➢ **Identifying critical issues that must be resolved to move forward successfully**

Value Migration
Checklist

◆ Constituency

- ✓ **Who are the Stake Holders?**
- ✓ **Are Decision Makers and Influencers changing?**
- ✓ **What are the Stake Holder's Economics and Methods of Decision Making?**
- ✓ **Which Stake Holder needs are mature and require a more cost effective solution? Which needs are emerging and require a shift in Thinking and Methodology?**
- ✓ **Given the Stake Holder's economics and needs profile, how are their priorities changing?**
- ✓ **What do you think will be the customer's most important future needs?**

Adapted from "Value Migration" by Adrian Slywotzky

◆ New Paradigms

- ✓ **How many distinct new paradigms have been introduced in your organization's realm of influence in the past ten years?**
- ✓ **What is the impact of these shifts on your organization?**
- ✓ **How do the economics compare in a new paradigm?**
- ✓ **Could one new shift trigger another?**
- ✓ **What is the worst impact on our organization?**
- ✓ **How should we respond proactively?**

◆ Value Movement

- ✓ **Map the Value Migration that enabled you to gain your present position.**
- ✓ **What is the next shift in value migration you can either anticipate or lead?**
- ✓ **How will the rules of the game change in the new migration?**

Value Migration
APPLICATION TASK

Action Plan

- ◆ **Map the Value Migration in Your Stakeholder Space**
  - ▪ **At Least 5 years Back and 5 years Forward**
- ◆ **Where is the Value Migrating To?**
- ◆ **What are the Implications on the Future of Strategic Relationships?**
  - ▪ **Value Creation & Expansion?**
  - ▪ **Contraction & Extinction?**
  - ▪ **Alignment of Expectations?**
  - ▪ **Vested Interests trying to Protect/Preserve a dying Paradigm?**
  - ▪ **Alliances that need to be Created or Disengaged?**
- ◆ **How do we drive this Vision down to the organizational levels (us, partner, stake holder)?**

Strategy

Building Shared Vision

Where there is no vision, everything defaults to politics

❖ What is a Shared Vision?

➢ A *Shared Vision* is a picture of a Strategic Relationship's desired *future state* – as seen from key stakeholders' viewpoints – that is used as a guiding light for employees and other stakeholders in bringing about change.

➢ It . . .

  ❖ Enables rapid generation of a shared understanding of the organization's future state

  ❖ Stimulates new behavior and performance among large numbers of stakeholders

  ❖ Focuses resources on strategic priorities

  ❖ Guides day-to-day decision-making

Worst Practice: See Dilbert.com

Best Practice

Develop Shared Vision and Strategy

Without Alignment on Shared Vision and Strategy, Collaboration can be Tactical at Best

If You Don't Know Where You're Going:

Any Road will get you there

You're Lost

You'll end up Someplace Else

You're Competitor will Eat Your Lunch

Your Partner will be Confused &

Bewildered at best, and

Unprepared at Worst

Where There Is NO VISION:

- **The People Perish (Proverbs*)**
- **The Past will Loom Large into the Future**
- **The Customer Suffers**
- **Unifying Forces are Missing**
- **Everything Defaults to Politics**
- **Devil Makes Work for Idle Hands**

* In the Original Hebrew, Vision meant "Revelation"

Best Practice

Develop Shared Vision and Joint Strategy

Without Alignment on Shared Vision and Strategy, Collaboration can be Tactical at Best

❖ Common View of:

- ✓ Driving Forces
- ✓ Vision of the Future Result Needed
- ✓ Value Proposition
- ✓ Strategies to Succeed
- ✓ Metrics to Measure & Drive Success
- ✓ Actions & Priorities Required to Win
- ✓ How the vision driven into the operational level
- ✓ Rewards & Compensation

Common Vision Application Task

Action Plan

Rate Your Collaborative Relationship's Common Vision
on a Scale of 0-10

❖ Common View of:

- ✓ Driving Forces _____
- ✓ Vision of the Future Result Needed _____
- ✓ Value Proposition _____
- ✓ Strategies to Achieve Success _____
- ✓ Actions & Priorities Required to Win _____
- ✓ How well the Vision driven into the operational level _____
- ✓ Metrics to Measure Success _____
- ✓ Rewards & Compensation _____

1. Developing the Strategy of a Strategic Relationship

Best Practice

Imagineering the Strategic Relationship of the Future

Vision of the Future

Reverse Engineer the Future

Pathway

Innovations & Changes Required

Innovation -- Action Step 6

Innovation -- Action Step 5

Innovation -- Action Step 4

Innovation -- Action Step 3

Innovation -- Action Step 2

Innovation -- Action Step 1

2004   2005   **Time**   2006   2007

Best Practice

Shared Value Proposition
Much More Important than a Mission Statement

-- Create a Noble Purpose using a Breakthrough Value Proposition --

V

- Better
- Cheaper
- Faster
- Safer
- More Accurate
- More Reliable
- More Integrated

> *A Value Proposition is a Vision made measurable*

Best Practice

Why a "Breakthrough" Value Proposition

✓ **Look not to a vague and fuzzy vision, instead.....** **Create a <u>Compelling</u> Value Proposition that**

> **Envisions a Powerful Result**
> **and**
> **Generates an Enduring Relationship**

1. Strategic Relationships require additional resources from organizations.
   -- If the Value Proposition is not powerful enough, it won't get the attention it needs

2. Good people are necessary to make a Strategic Relationships work.
   -- If the Value Proposition is wishy-washy, mediocre, or fuzzy, you will attract wishy-washy, mediocre, or fuzzy people

3. Strategic Relationships are opportunities to create Bold New Futures
   -- A timid Value Proposition will generate timid Results.

Best Practice

— *Breakthrough Value Proposition* —

The Reasonable Person adapts themselves to the conditions that surround them.

The Unreasonable person adapts surrounding conditions to [their vision of what the world can become]."

"All progress depends on the unreasonable person."

George Bernard Shaw

Strategy

— *Designing a Breakthrough Value Proposition* —

✓ What is a Breakthrough?

✓ Quantum Jump

✓ Stretch Goal

✓ The Standard in 5 Years

✓ Something Unreasonable, but Not Unrealistic

Best Practice

— *Example of a Breakthrough Value Proposition* —

"We will put a man on the moon and bring him back alive by the end of the decade."

John F. Kennedy

Best Practice

— *Designing Breakthroughs* —

❖ Moore's Law

The Capacity of a Computer Chip will Double every 18 months and its price will drop by 1/2

❖ FedEx

We will deliver anywhere in the US by the next day

❖ 3-M

40% of our sales will come from new products designed in the last 4 years

❖ Edison

Our laboratory will create a minor invention every ten days and a big one every six months (1879)
"I will only invent things people want to buy."

Best Practice

— *Measurability* —

❖ Measurability Motivates the Mind to Action

❖ If You Can't Measure It, You Can't Manage It

❖ Create a Powerful Measurement System That

   Drives the Vision

Tool-Kit

— *Value Proposition* —

❖ Create Breakthroughs in Value

Better

Cheaper

Faster

Safer

More Reliable

More Versatile

More Accurate

- **Measurable**
- **Time Oriented**
- **Stake Holder Focused**
- **Win-Win-Win**

2X

1/2

100%

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Value Proposition
Checklist

This checklist is designed to help ensure that your product has a high probability of success

1) Who is your target stake holder?
2) What specific benefits will you provide to this stake holder?
3) What will be the real benefit to the stakeholder?
4) What makes your value proposition superior?
5) Can you demonstrate sufficient demand/need?
6) Can you quantify acceptable returns/advantages to taxpayers?
7) Is this truly superior to other competing alternatives?
8) How must you change your current economic models?
9) Have you considered alternative value propositions?
10) Can your message be explained clearly and simply?

Breakthrough Value Proposition APPLICATION TASK

Application

Action Plan

❖ DEFINE A BREAKTHROUGH VALUE PROPOSITION FOR YOUR STRATEGIC RELATIONSHIP

  ➢ FROM THE Public's / Stake Holder's / Customer's PERSPECTIVE

❖ Be sure to be:

  ➢ Measurable

  ➢ Time Specific

  ➢ Win-Win

Noble Cause

❖ One of the Hallmarks of an Enthusiastic* Team
is to be committed to a Noble Cause
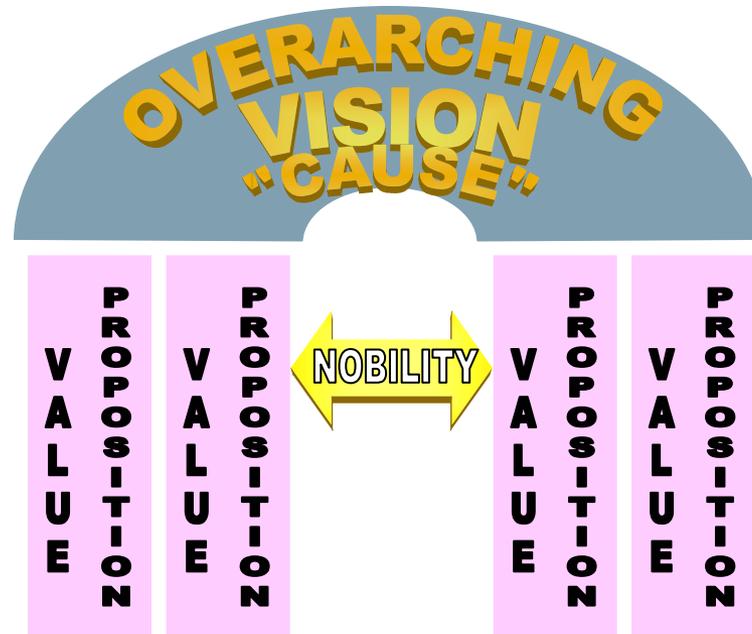
Strategic Relationships

2. Critical Leadership Issues

- ➢ **Leadership versus Management**
- ➢ **Essential Leadership Roles in a Strategic Relationship**
  - ❖ **Champions**
  - ❖ **Executive Support Roles**
  - ❖ **Integrator Roles**
- ➢ **How to Handle Cynics and Skeptics**
- ➢ **Building a Culture of Collaboration**
  - ❖ **Handling Differences**
  - ❖ **Creating Trust**
  - ❖ **Contract of Expectations**
  - ❖ **Key Principles of Cooperation**

Best Practice

MANAGERS or LEADERS?

Managers	Leaders
Managers are Institution Builders and Risk Mitigators	Leaders tend to be pioneers
Managers follow-through to continue to make things happen	Leaders like to make things happen
Managers tend to be more logical and analytical	Leaders tend to be highly passionate, empathetic, emotional, and intuitive
Managers are problem solvers and organizers	Leaders like to Create and Break New Ground
Management involves communications, planning, delegating, controlling, coordinating, problem solving, marketing, loyalty, choosing between alternatives, maintaining relationships, clarifying lines of responsibility	Leadership entails spirit, courage, vision, drive, enthusiasm, imagination, inspiration, selling, breaking through barriers, overcoming obstacles
Management requires trained people willing to do things the right way, to establish an organization that functions the way it is designed. Management keeps the venture on course with the weight of its tasks evenly distributed	Leadership involves risk-taking: experimenting with new ideas, creating new opportunities, and driving imagination and teamwork to new limits
Leadership, as defined by a Manager, is *"influencing people to achieve a common goal."*	Leadership, as defined by a leader is *"burning, persistent, and focused desire to organize people to win a clear and worthy goal."*
Managers provide the consistency and continuity to enable success to be replicated day after day.	Success is pursued by the leader like a hound dog methodically tracking its prey, with unrelenting persistence.

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Great Leaders Do Ten Things Extremely Well:

1) **Articulate an Inspiring Vision that Everyone Wants**

2) **Build Great Teams that Bring out the Best in everyone**

3) **Maintain Integrity and Self Discipline**

4) **Relate to and Communicate with People**

5) **Build Trust, Treating people Justly and Fairly**

6) **Have Courage of Convictions, Take Risks**

7) **Actions, not Platitudes and Complaints**

8) **Thrive in the Face of Adversity**

9) **Has Heart & Compassion**

10) **Face, then Change Reality**

Fear predominates in a Vision Vacuum

--Robert Porter Lynch

What is Leadership?

Leadership is:

Lifting a person's Vision to higher Sights,

Raising a person's Performance to higher Standards,

Building a Personality beyond its normal Limits

--Peter Drucker

Leadership is the Capacity to translate Vision into Reality

--Warren Bennis

Role of Champions

– Collaborative Strategies Require Champions –

❖ Champion Profile

Passionate Crusader

Entrepreneurial, Risk Taker

Vision of the Future

Value Creator

Demonstrated Leadership

Can do Attitude

Successful Track Record

Strong Values: Ability to Build Trust

Well Versed in Collaborative Best Practices

Committed to "Win-Win"

Walk the Halls of Power -- Influence **– upward & outward & downward**

Jack Welch

I want people:

- with *Passion* -- an Inner Hunger
- who want to Win and Make it happen – *Get Results*
- and have *Good Values*
- that can bring a *Strong Team* together

It's about:

- *Energizing People* the ability to excite people to create energy
- *Caring about People*, which is essential to winning
- Rewarding those who *Find Ideas*, not just those who create ideas

-- Interview with Tim Russert, 11/25/01

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Champion Profile
-- *The Difficult Side* --

- **Live in a Perpetual State of Enlightened Dissatisfaction**
  - **Professional Irritants**
  - **Always trying to change things**

> *Economics don't Create the Future,*
> *Dreams do*

- **Defaults to Action**
  Would Rather Ask Forgiveness Afterwards,
  Than Ask Permission Before Hand.
- **Seldom Rewarded for their work because much is "invisible"**
- **Need "Air Cover," not just support**
- **Vulnerable because they work from Dreams and Beliefs, not Facts and Evidence**
- **Hates status quo, therefore is often not the strongest administrative manager**
- **Cannot Control Champion**
  - **Drive the Control-Oriented Politician Crazy**

Supporting the Champion

- **Give them More than Support – Give them Air Cover**
  - **Tolerate them even when they don't play by the rules**
  - **Give them clear boundaries but let them range broadly within these boundaries**
  - **Make them catalysts for change**
  - **Remember, they will typically ask forgiveness after the fact, rather than permission before the fact.**
  - **Push them to**
    - **have a powerful breakthrough value proposition**
      - **to overcome the inertia of most organizations,**
      - **to get strategic support**
    - **produce results**
    - **demonstrate the value proposition**

- **Integration Role**
  - **Pay minimal attention to the corporate hierarchy**
  - **See hierarchies as networks -- drives traditional organization crazy**
    - **looks chaotic, zigzags throughout the organization like a bar fly on a hot summer's day**

> *Courage enlarges, cowardice diminishes resources. In dangerous straits, the fears of the timid aggravate the dangers that imperil the brave.* *Bouvee (1820-1904)*

LEADERSHIP APPLICATION TASK

Application

Action Plan

❖ HOW STRONG IS THE LEADERSHIP FOR THE STRATEGIC RELATIONSHIP?

❖ ARE THEIR THE RIGHT CHAMPIONS IN PLACE?

❖ IS THERE SUFFICIENT AIRCOVER TO PROTECT THE CHAMPIONS?

❖ WHAT NEEDS TO BE DONE TO ENSURE THE RIGHT LEADERSHIP WILL BE CAPABLE OF SUCCEEDING?

❖ IDENTIFY THE THINGS THAT YOU NEED TO DO TO BE A BETTER CHAMPION:

➢ For Example:

➢ **Air Cover**

➢ **Risk Taking**

➢ **Communications**

➢ **Teams of Champions**

➢ **Coordination**

➢ **Support from Senior Management**

Best Practice

Moving the Organization Forward
Handling Cynics & Skeptics

❖ **Cynic**
- ➢ **Negative**
- ➢ **Will Never Happen**
- ➢ **Does not Believe**
- ➢ **Can't Happen**
- ➢ **Cant be done**
- ➢ **states objections**
- ➢ **Reasons for failure**
- ➢ **Kill it**
- ➢ **Closed**
- ➢ **Nothing is Sufficient**
- ➢ **Depressing**
- ➢ **Only sees Risk**
- ➢ **Undermines**
- ➢ **Obstinate**
- ➢ **Self Righteous**
- ➢ **Temper Tantrum**
- ➢ **Destructive**
- ➢ **Subjective**
- ➢ **Self-Centered**

❖ **Skeptics**
- ➢ **Could Happen**
- ➢ **Lots of Questions**
- ➢ **Show Me**
- ➢ **Find a Fallen Champion**
- ➢ **Does homework & analysis**
- ➢ **Protects against Risk**
- ➢ **Open**
- ➢ **The fallen Champion**
- ➢ **Can be persuaded**
- ➢ **Prudent**
- ➢ **Circumspect**
- ➢ **Objective**
- ➢ **Wants to be convinced**
- ➢ **Wants success**
- ➢ **Is often looking for righteousness**
- ➢ **Presents Constructive Criticism**
- ➢ **Constructive**

Best Practice

Leading the Shifts
Moving the Edge

Number of People in Average Organization

Wary Skeptics   Healthy Skeptics

Must See to Believe

Follow the Leader

Walking Wounded

Organizational Leaders

Demonstrate by Creating Low Risk, High Visibility Pilot Projects with this Group to Establish Quick, Small Scale Results

Stubbornly Resistant

Entrepreneurs

Champions

Complainers

Inventors & Pioneers

Organizational Profile

Cynics

Dreamers

Resistance to Change

Advanced Thinking

Building a Collaborative Culture
— *Why Trust is Important* —

❖ High Levels of Trust Enable:

  ➢ Very High Performance

  ➢ Greater Innovation, Creativity & Synergy

  ➢ Expansion of Possibilities

  ➢ Enhanced Problem Resolution

  ➢ Faster Action/Implementation and...

  ➢ Lower Transaction Costs

  ➢ Ability to Sustain Synergy

Trust is the Foundation of All Cooperative Enterprise

Trustworthiness is a Powerful Competitive Advantage in a Fast Moving World!

Trust is knowing you won't be intentionally hurt by your partner in times of adversity

  ➢ RESULTING IN HIGHER EFFICIENCY & PERFORMANCE!

Best Practice

Building a Collaborative Culture
Trust

Values

- ◆ **Honor & Ethics**
- ◆ **Openness**
- ◆ **Alignment of Priorities**
- ◆ **Respect of Differences**

Commitment

- ◆ **Dedication**
- ◆ **Competency**
- ◆ **Dependability**
- ◆ **Focus**
- ◆ **Discipline**

TRUST

Integrity

- ◆ **Congruity**
- ◆ **Certainty**
- ◆ **Predictability**
- ◆ **Honesty**
- ◆ **Walk the Talk**

Mutuality

- ◆ **Win-Win**
- ◆ **Reciprocity**
- ◆ **Shared Risk-Reward**
- ◆ **Fairness & Flexibility**
- ◆ **Communications**

Building a Collaborative Culture
Building and Destroying Trust
How Executives Saw Trust Being Destroyed or Created

❖ *Trust Busters*

➢ Act Inconsistently in what they say and do	69%
➢ Seek Personal Gain above Shared Gain	41%
➢ Withhold Information	34%
➢ Lie or Tell Half Truths	33%
➢ Be Closed Minded	29%
➢ Be Disrespectful to Employees	28%
➢ Withhold Support	16%
➢ Break Promises	14%
➢ Betray Confidences	13%

❖ *Trust Builders*

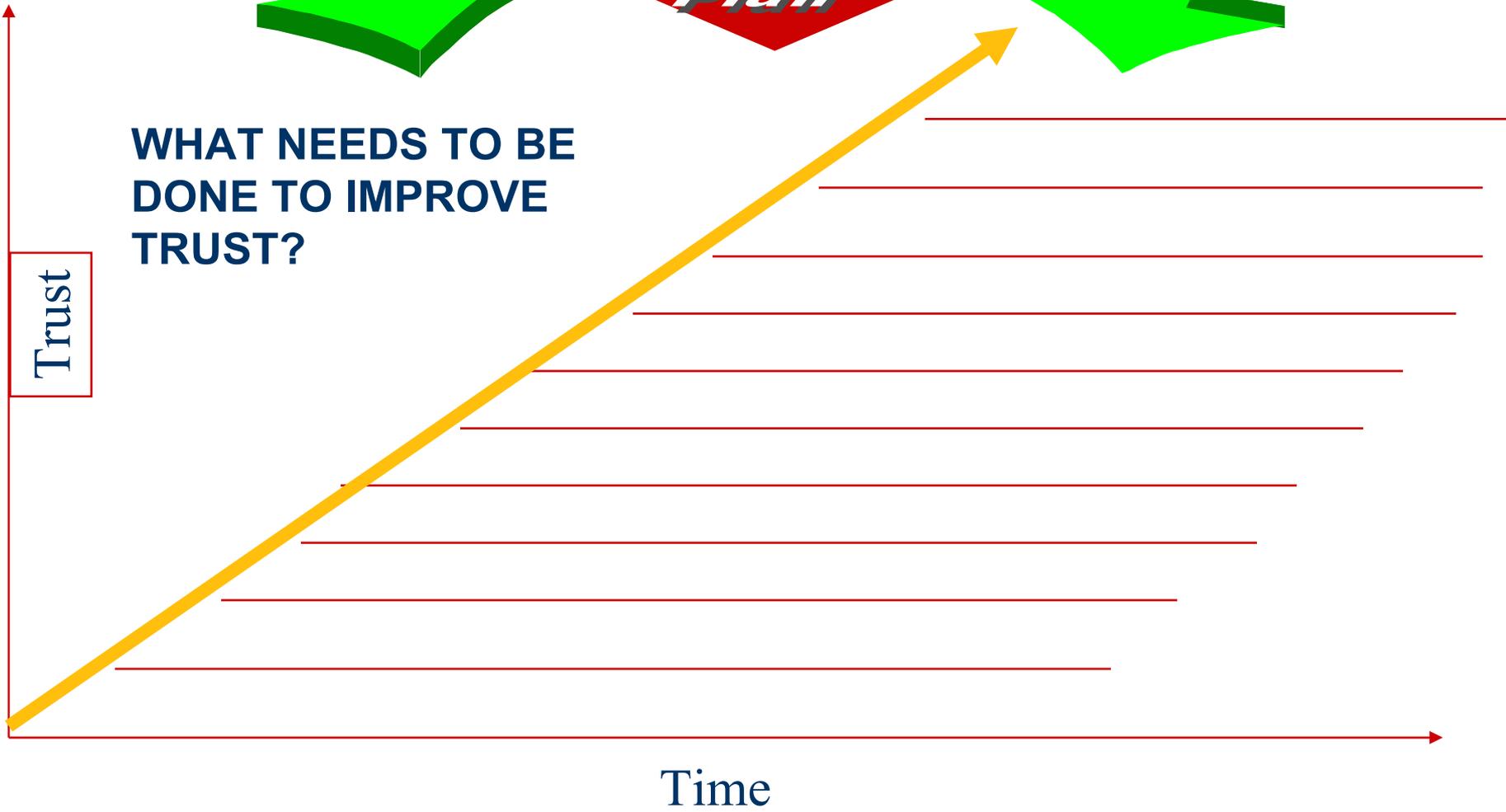|	
➢ Maintain Integrity	58%
➢ Openly Communicate Vision & Values	51%
➢ Show Respect as Equal Partners	47%
➢ Focus on Shared Goals not Personal Agendas	38%
➢ Do the Right Thing Regardless of Personal Risk	36%
➢ Listen with an Open Mind	33%
➢ Demonstrate Caring Compassion	22%
➢ Maintain Confidences	15%

What About:
- Individual Trust versus Institutional Trust?
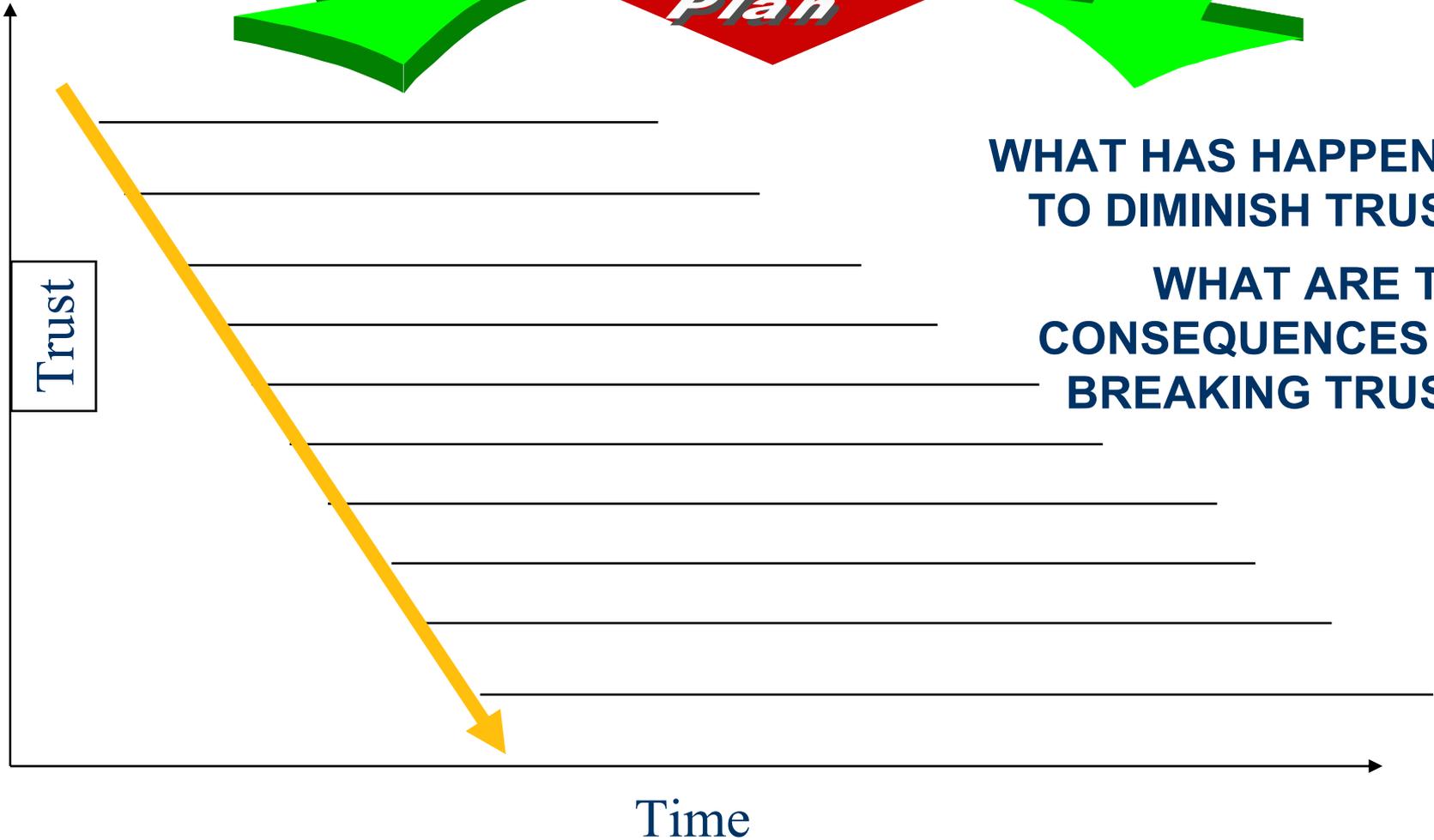- Predictability versus Integrity?
- Transparency versus Proprietary?

Source: Manchester Consulting, 1997 – survey of executives at 215 companies

Trust Builders

Action Plan

WHAT NEEDS TO BE DONE TO IMPROVE TRUST?

Trust

Time

Trust Busters

Action Plan

Trust

_____

_____

_____

_____

_____

_____

_____

_____

_____

WHAT HAS HAPPENED TO DIMINISH TRUST?

WHAT ARE THE CONSEQUENCES OF BREAKING TRUST?

Time

Best Practice

What you say reflects what you think!

What Could Be – Breakthroughs
- **Opportunity**
- **Invention**
- **Possibility**
- **Design**
- **Vision**
- **Plan**

What We're Committed to
- **Cause**
- **Responsibility**
- **Stand, Promises**
- **Choice**

What's So – Observation
- **Data**
- **Description**
- **Evidence**
- **Fact**

High Ground

Solid Ground

Fertile Ground

What's Wrong – Opinion (Swamp Talk)
- **Judgment**
- **Criticism, Attacks**
- **Defensiveness, Conflict**
- **Gossip, Complaints**
- **Blame, Excuses**
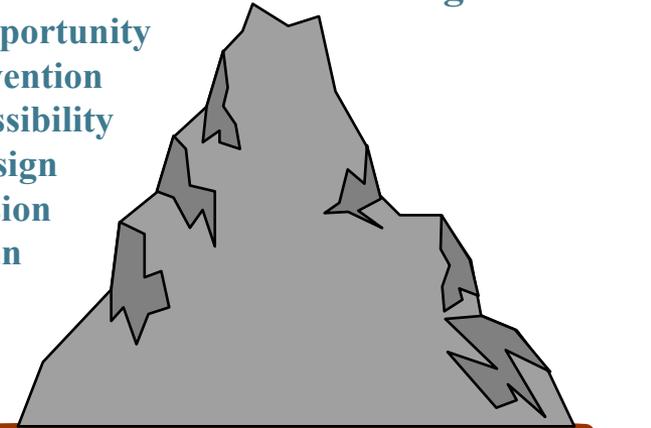- **Whining, Negativism**
- **Wallowing in the Past**

Swamp

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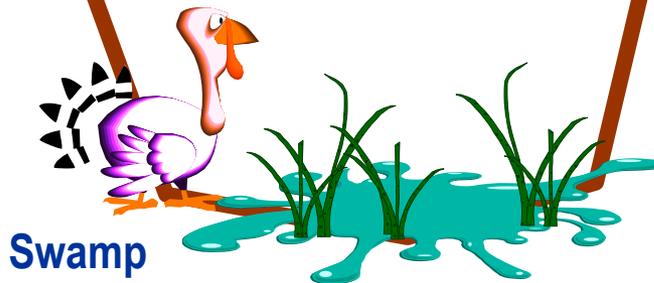
Best Practice

Build Collaborative Culture
Synergy of Compatible Differences

The Greater the Contrast, the Greater the Potential.
Great Energy only comes from a correspondingly great tension
between opposites. -- Carl Gustav Jung

❖ **Create the Synergy of Compatible Differences**

 ➢ **The real value of Alliances lies in the Differentials in Strengths and in Thinking**

 ❖ **Breakthroughs come from Differentials in Thinking**

 ❖ **High ROI comes from the strength of another's invested capital, expertise, and intellectual property**

❖ **Different Cultures tend to clash, Unless.....**

 ➢ **Use Integration Extensively**

 ➢ **Develop "Super-Ordinate" Alliance Culture**

 ➢ **Respect Differences as Source of Innovation**

 ➢ **Drive Alliance Culture by Common Vision & Breakthrough Value Proposition**

 ➢ **Develop Principles & Values that forge unity**

 ➢ **Use Champions when Problems Occur**

Build Collaborative Culture
Options for Addressing Differences

Conflictive **Coexist** **Cooperative** **Co-Creative**

Conflictive	Coexist	Cooperative	Co-Creative
◆ Obliterate	◆ Tolerate	◆ Understand	◆ Embrace
◆ Deny	◆ Agree to Disagree	◆ Accept	◆ Honor
◆ Make Wrong	◆ Diversity Accepted	◆ Engage	◆ Respect
◆ Make Illegal	◆ Punish Intolerance	◆ Teamwork	◆ Cherish
◆ Prosecute		◆ Cross Functionality	◆ Create With
		◆ Reward Collaboration	◆ Innovate

Build Collaborative Culture
Synergistic "Breakthru" Culture

Traditional Organization	**Hi Performance Team or Alliance**
Knowledgeable	✓ Creative
Right-Wrong	✓ What's Missing?
Good-Bad	✓ What's Possible?
Answers	✓ Questions
Blames & Defends	✓ Turn Breakdowns into Breakthroughs
Predictability	✓ Diversity into Unity
Control & Fear	✓ Coordination & Cooperation

Strategic Relationships soon become Unified High Performance Teams

APPLICATION TASK

Action Plan

❖ IF THE RELATIONSHIP IS EXHIBITING CONFLICT, WHAT SHIFTS IN THINKING & NEW ACTIONS COULD DIMINISH OR TRANSFORM THE CONFLICT?

❖ LIST 10 THINGS YOU CAN DO TO CREATE A HIGH PERFORMANCE, COLLABORATIVE CULTURE IN YOUR STRATEGIC RELATIONSHIP?

1. _____
2. _____
3. _____
4. _____
5. _____

6. _____
7. _____
8. _____
9. _____
10. _____

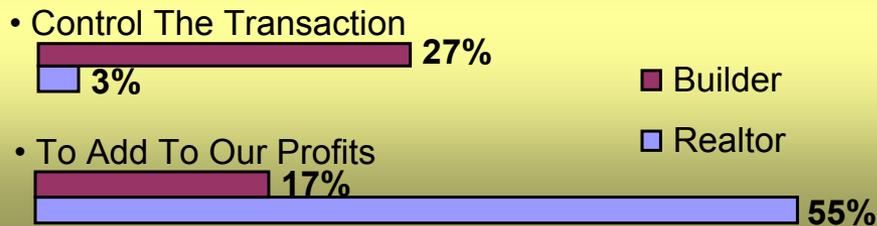# Building a Collaborative Culture
Alignments & Expectations

Alliances & Strategic Relationships are about Alignments

– Know Your Partner's:
  - Driving Forces
  - Strategies & Priorities
  - Values & Principles of Interaction

Managing Alliances is about Managing Expectations

(#1 cause of Stress)

– **Unstated & Vague Expectations are "Time Bombs" because they are assumed but important Goals, Priorities, and Assumptions about the future.**

– **Goals, Policies & Expectations must be**
  - **clear**
  - **specific**
  - **measurable**
  - **upfront**

– **Trust is at Stake**

Case Example
(from Weston Edwards Study)

Q: What Is The Most Important Reason Why You Are Providing Mortgage Services to Your Homebuyers?

- Control The Transaction
  - **27%** (Builder)
  - **3%** (Realtor)

- To Add To Our Profits
  - **17%** (Builder)
  - **55%** (Realtor)

■ Builder
■ Realtor
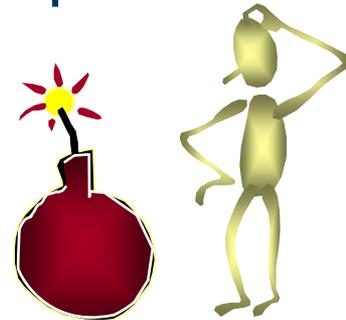
Building a Collaborative Culture
Principles of Cooperation

EXAMPLE

STATEMENT OF PRINCIPLES
Condominium Members
As a Member of our Condominium Community, I hereby pledge to:

> ◆**Principles of Cooperation**
> ➢**Statement of Principles**
> ➢**Core Values**
> ➢**Charter of Expectations**

1. Build a Spirit of Cooperation among our Community
   — **Work for the Greater Good: "All for One, One for All"**
   — **From Chaos Seek Unity, From Discord Find Harmony**
   — **Tolerate No Divisiveness, No Polarization, No Back-Biting**

2. Engage & Embrace all Members with Respect
   — **Respect Everyone's Need for Solitude, Peace, and Tranquility**
   — **Respect and Listen to those with a Different View**
   — **Seek Always to Bring Out the Best in Others**

3. Build Relationships based on Trust, Integrity, and Ethics
   — **Speak only the Truth, Otherwise be Silent**
   — **Give People the Benefit of the Doubt**
   — **When wrong, Acknowledge, Apologize, then take Corrective Action**

4. Speak Only the Language of Cooperation:
   — **Seek Solutions, Not Blame**
   — **Neither Speak nor Spread any Gossip**
   — **Forgive those who Apologize for their Transgressions**

5. Disagree without being Disagreeable
   — **Be Critical without Criticizing**
   — **Never Threaten, Attack Issues but not People**
   — **Do whatever Can Be Done, and Gracefully Accept what Can't.**

6. Try to Bring a Spirit of Joy to All
   — **Dwell Not in Negativity**
   — **Complain Not about Petty Things**
   — **Receive Everyone with a Cheerful Face and Open Arms**

7. Keep a Positive and Caring Attitude
   — **Listen with Empathy and Compassion**
   — **Hold our Responsibilities as Dearly as our Rights**
   — **Respect the Minority's Needs, even though the Majority Rule**

8. Live by the Spirit, not just the Letter, of the By-Laws
   — **Live with the Intention of Peace & Harmony**
   — **Live to Create Advantage for Everyone, not to take advantage just for yourself**
   — **Respect the Law for the Guidance it gives, not for loopholes that may create an advantage for one over others**

Building a Collaborative Culture
Principles of Cooperation

EXAMPLE

Core Values

Our Core Values are:

❖ **Focus:**	**On the Customer and creating superior Added-Value**
❖ **Commitments:**	**Meet Commitments and Milestones on Time**
❖ **Communications:**	**Open & Honest, go past meeting halfway**
❖ **Changes:**	**Notify Quickly & Honestly, Face Reality**
❖ **Decision Making:**	**Quickly, Team Ownership**
❖ **Champions:**	**Stay ahead of things, sustain momentum**
❖ **Relationships:**	**Build solid, long-term relationships based on trust**
❖ **Problems:**	**Address problems before escalation, fix quickly**
❖ **Ethics:**	**Environmental Responsibility, Highest Business Ethics**
❖ **Support:**	**Help each other out when necessary**
❖ **Spirit:**	**Create opportunities for growth & breakthroughs**
❖ **Fairness:**	**Neither Party benefits at expense of Other**
❖ **Flexibility:**	**Change with the times and new pressures**

Building a Collaborative Culture
Principles of Cooperation

EXAMPLE

Strategic Alliance Charter of Expectations

◆**Principles of Cooperation**
  ➢**Statement of Principles**
  ➢**Core Values**
  ➢**Charter of Expectations**

1. **Alliance Management:**
   The alliance managers are committed to using the Best Practices outlined in the Alliance User Guide.

2. **Assignment of Personnel:**
   We will insist that high quality people are assigned to work in the alliance to help ensure high performance.

3. **Performance Review:**
   We will conduct a strategic and operational performance review every six months, and make corrections rapidly when required between reviews.

4. **Risk/Reward:**
   We will encourage informed risk taking in achieving the alliance shared vision

5. **Urgency for Change:**
   Having asked our boards to support the alliance, we need to consider every decision's impact on achieving promised short-term results

6. **Achievement:**
   We seek to reward *shared* achievement, balancing individual excellence with team accomplishment

7. **Approval:**
   Middle and front line management will be able to make the investment decisions necessary to resolve customer issues on the spot

Power/Control:
We will share power with our customers. Customers will have the ability to modify orders (within parameters) up to 24 hours in advance without penalty

Learning:
Mistakes will not be punished or seen as failures, but be treated as learnings and opportunities to turn breakdowns into breakthroughs.

Decision Making:
Decisions will be made at the lowest levels possible

Support:
We will engage all employees in the change process and work with those whose skills are no longer needed to seek gainful employment elsewhere

Conflict Resolution:
Immediate and aggressive handling of conflicts will be the norm. Disputants will candidly but constructively share concerns and grievances

Time Perspective:
We will focus our energy and talents on creating a shared future, not on advancing our individual organizations or living in their past successes

Relationships:
Teamwork and cross-process/cross-function collaboration must characterize all our interactions

Budget & Resources:
Alliance managers are committed to be strong advocates for sufficient resources to be allocated to the alliance to ensure its success.

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Principles of Cooperation

Action Plan

- ❖ What **Process** will you use to develop Principles of cooperation that will embrace the rule: ***People Support What They Help Create***

- ❖ Develop a Set of Principles of Cooperation for your Strategic Relationship, focusing on the key areas where alignments would yield powerful results:

  - ➢ Statement of Principles

  - ➢ Core Values

  - ➢ Charter of Expectations

  Use any of these Frameworks

Strategic Relationships

Day Two
Negotiations & Management

3. Negotiating a Strategic Relationship

4. Strategic Relationships in Complex Organizations

5. Managing the Strategic Relationship

3. Negotiating a Strategic Relationship

Three Negotiations Options

Pros & Cons of Each Option and When to use

Mapping Positions, Interests, and Vision

Mastering Co-Creative/Synergistic Negotiations

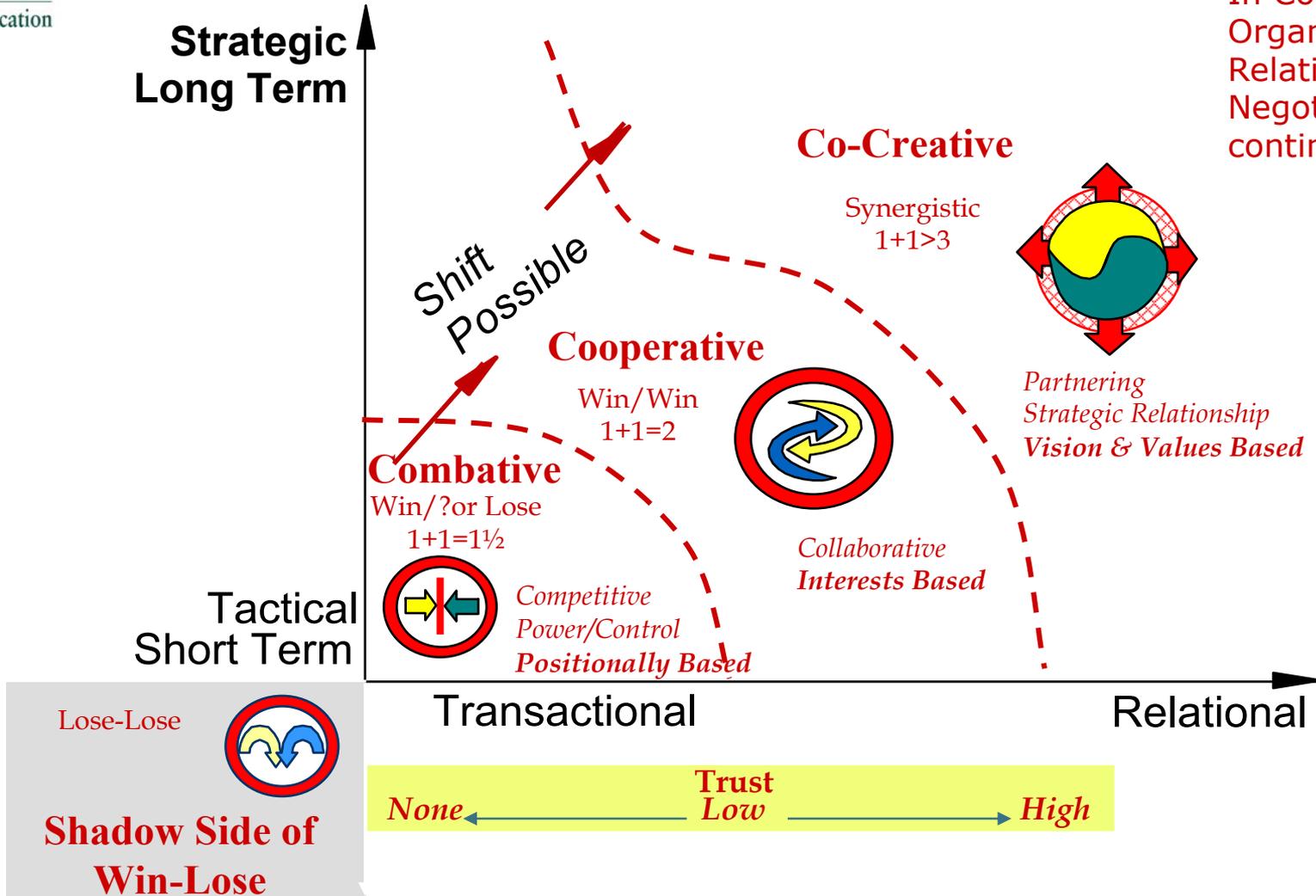Impact of Trust and Expectations on the Negotiations

Working with Lawyers and Legislators

Negotiating in an Adverse Political Environment

Negotiation Framework

In Complex Organizational Relationships, Negotiations is continual.

Strategic Long Term

Co-Creative

Synergistic
1+1>3

Shift Possible

Cooperative

Win/Win
1+1=2

Partnering Strategic Relationship Vision & Values Based

Combative

Win/?or Lose
1+1=1½

Collaborative Interests Based

Tactical Short Term

Competitive Power/Control Positionally Based

Transactional   Relational

Lose-Lose

Shadow Side of Win-Lose

Trust
None ← *Low* → *High*

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Best Practice

The Problem with Win-Lose Negotiations

- ❖ Win-Lose Usually defaults to Lose-Lose, with awful consequences

- ❖ Win-Lose is Based on often False Premises:

  - ➢ that there is a limited amount of possibility available

  - ➢ people cannot be trusted

  - ➢ one must always protect themselves

  - ➢ intimidation & fear produce best results

  - ➢ one must use tricks, traps, and psychological manipulation in order to get what one wants

- ❖ Win-Lose destroys Trust, thereby:

  - ➢ Diminishing creativity

  - ➢ Preventing true communications

  - ➢ Jeopardizing personal relationships

  - ➢ Creating non-productive activity (backbiting, unnecessary grievances, etc) and superfluous transactional friction costs

  - ➢ Undermining Teamwork

  - ➢ Generating needless and unproductive conflict

**Negotiations is a continuing process in any Strategic Relationship
A Win-Lose will approach will bring misery to everyone**

Best Practice

How Should I Negotiate?

- ❖ 1. What is the Game?
  - ➢ Zero-Sum (i.e. poker)
  - ➢ Expansionary (i.e. family)
- ❖ 2. Do We Both Agree?
  - ➢ The Game
  - ➢ The Rules
- ❖ 3. Can I/Should I Trust the Other?
  - ➢ No
  - ➢ Not Sure?
  - ➢ Yes
- ❖ 4. Is the Time Orientation:
  - ➢ Past View
  - ➢ Present View
  - ➢ Future View
- ❖ 5. Will the Relationship be:
  - ➢ Tactical-Transactional (no future)
  - ➢ Congenial Co-Existence (loosely connected)
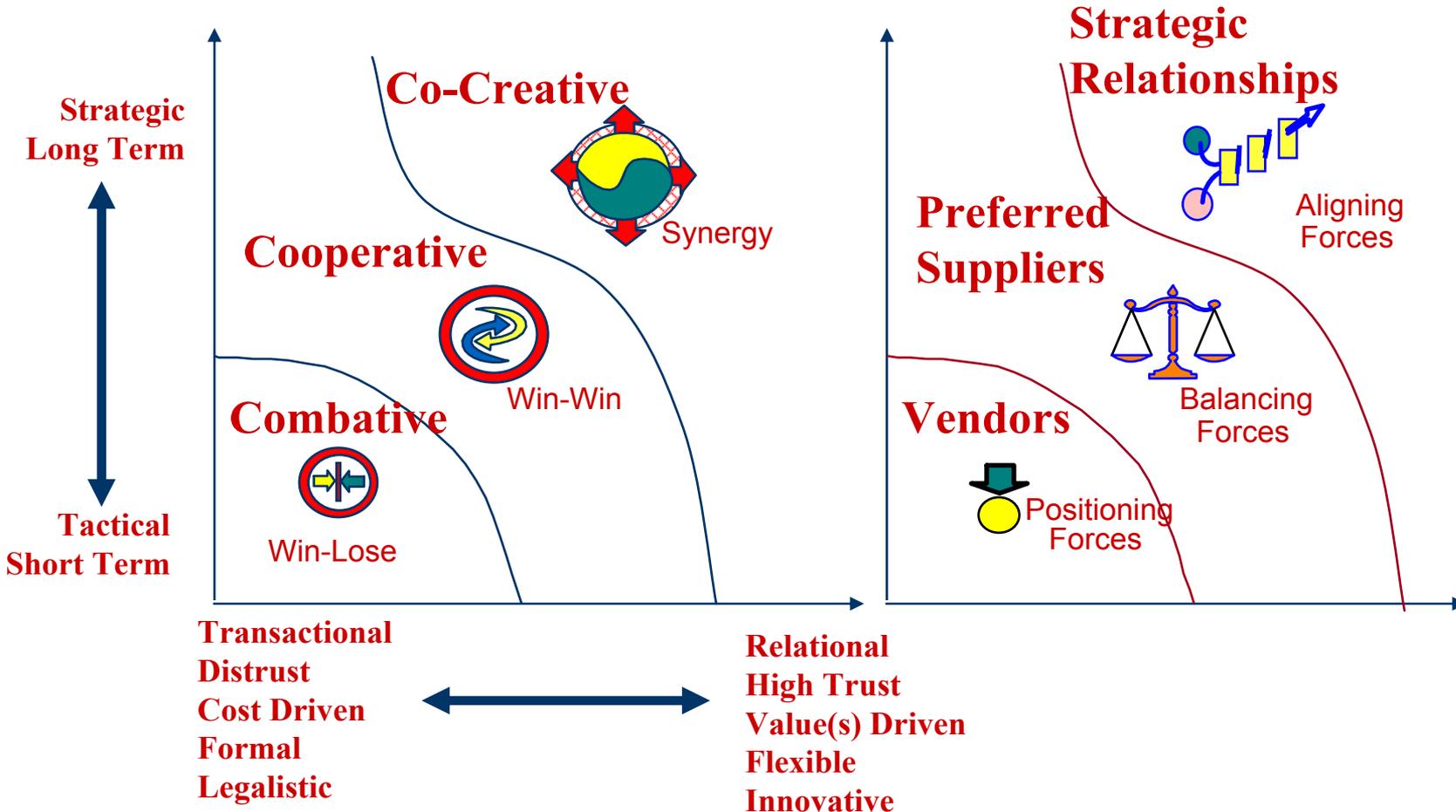 - ➢ Strategic Relationship (tight linkage in future)

future

present

Creativity

Fairness

past

Winning
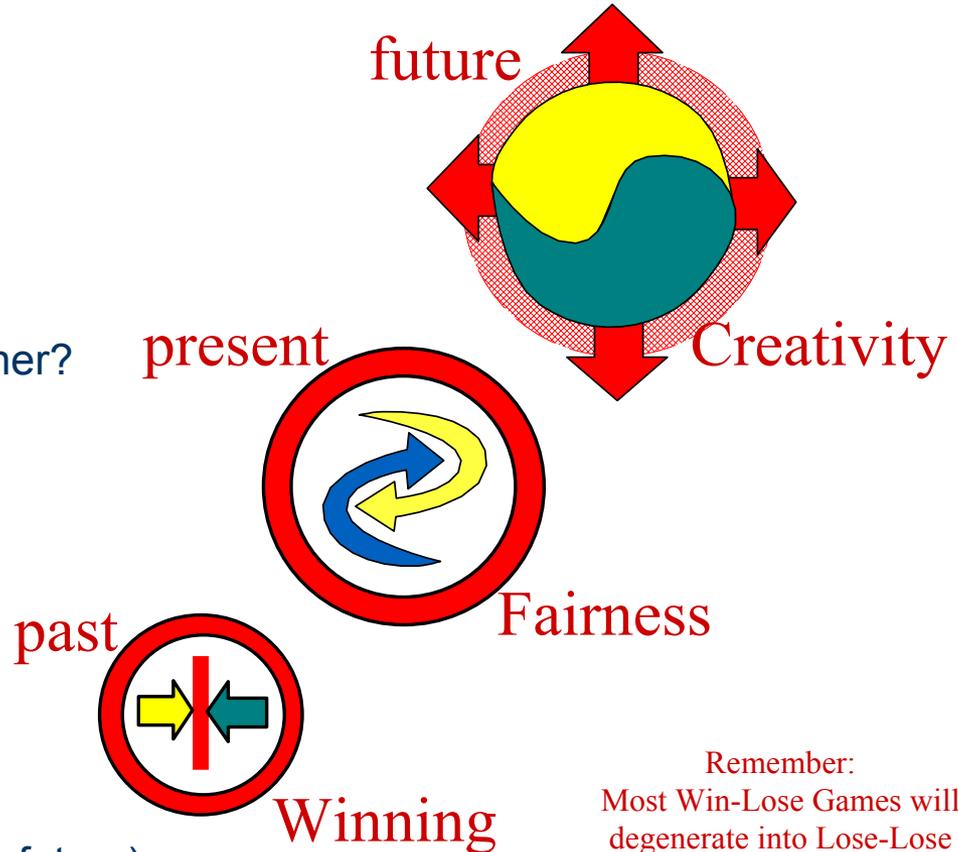
Remember:
Most Win-Lose Games will
degenerate into Lose-Lose

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Best Practice

Seeing Negotiations from a Force Field

**Strategic
Long Term**

**Tactical
Short Term**

Co-Creative

Synergy

Cooperative

Win-Win

Combative

Win-Lose

**Transactional
Distrust
Cost Driven
Formal
Legalistic**

**Relational
High Trust
Value(s) Driven
Flexible
Innovative**

**Strategic
Relationships**

Aligning
Forces

**Preferred
Suppliers**

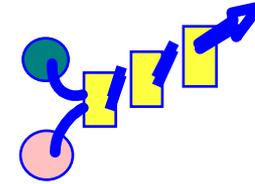Balancing
Forces

Vendors

Positioning
Forces

Best Practice

Alignment

- ◆ **Create Alignment of compatible forces even when they are different if the differences are either:**
  - ▪ **additive, or**
  - ▪ **constructive, or**
  - ▪ **dinergistic or**
 - ▪ **if you must have a cooperative result**
- ◆ **Use balancing of forces if the relationship needs to remain intact for the future**
  - ▪ **when peaceful coexistence or future fairness is imperative**
  - ▪ **Useful in Adverse Political Environments**
- ◆ **Don't create alignment when the forces are opposing and will never or need never come into alignment**
  - ▪ **use positioning if you need to make one of the forces subservient to the other**
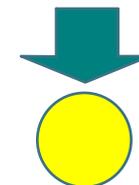
Best Practice

Tips on Shifting toward Co-Creative Negotiations

1. **You Must Believe it is possible!!**

2. **For Hard Line Combative Negotiators, One Level of Shift is all you will get in the Near Term**

3. **For those who have been in the upper two zones, and slip into combative negotiations, move back up QUICKLY**
    "Let Not the Sun Set on Thy Wrath"

4. **No Trade Off Paradigms – Try to Avoid Compromises & Concessions**

5. **What is emitted from your mouth is a reflection of what is in your mind and heart**

6. **Examine the Risks, Costs, Opportunities, and Benefits of being in each Zone (there are benefits to combative negotiations)**

Best Practice

Handling the Combative Negotiator

- ❖ **Find areas of Agreement**

- ❖ **Ask Lots of Questions**

- ❖ **Seek Common Vision**

- ❖ **Stay Neutral, Neutralize the combative person**

- ❖ **Avoid Ego Battle**

- ❖ **Depersonalize**

- ❖ **Appreciate their Position**

- ❖ **Understand common interests**

- ❖ **Map the Strategic Evolution into the future**

- ❖ **Stay Calm, Come from a place of "Inner Peace" or "Central Knowing" – Stay in Control of Your Emotions**

- ❖ **Listen, ask for elaboration**

- ❖ **Understand Fears and Concerns and Betrayals of Trust – Be aware of your own fears and hot buttons**

- ❖ **Shift Words**

- ❖ **Beware of Walking Away**

- ❖ **Lay out the Rules of Win-Win**

- ❖ **Understand Countermeasures**

- ❖ **Negotiate only with those who have skin in the game**

- ❖ **Examine your own motives and responses – are you triggering or reinforcing combativeness**

Creating Synergy
9 Essential Steps During Negotiations

Best Practice

First Phase

❖ **1. Know Yourself**

> ➤ Who you are/your Team is: Strengths, Weaknesses, Hot Buttons, etc.

> ➤ What you Want, Need, Fear, will Tolerate, Embrace, Reject

❖ **2. Know Other**

> ➤ Who they are/their Team is: Strengths, Weaknesses, etc.

> ➤ What they Want, Need, Fear, will Tolerate, Embrace, Reject

❖ **3. Know Differences**

> ➤ Understand the Implications of Differences:
>   - ❖ Potential Conflicts,
>   - ❖ Synergies,
>   - ❖ Disconnects,
>   - ❖ Ambiguities,
>   - ❖ Trust Issues

❖ **4. Embrace Differences**

> ➤ Accept Differences as Positive, Expansionary, Invigorating, Full of Potential for Creating a a Bold New Future

Second Phase

❖ **5. Re-Focus: What's Possible?**

> ➤ What New Opportunities can result from the Differences? What Synergies could create 1+1=3?

> ➤ How can the Differences be used to Create the Synergy of Compatible Differences?

❖ **6. Re-Frame: What's Missing? Conflicting?**

> ➤ What New Ways of Being/Doing are not present now, but must be present in order attain the Synergy of Compatible Differences? What Values and Principles do we need to institute in order to sustain the synergy?

❖ **7. Re-Create: What Shifts in Thinking?**

> ➤ How must we change our awareness, perceptions, patterns of thinking, responses, and actions to enable the new synergies to become enabled? What needs to be done to (re)build trust?

❖ **8. Co-Create: Imagineer New Future**

> ➤ Together with the other party, starting with a vision of a new future 3-5 years ahead, design a new future that encompasses prior steps.

> ➤ Reverse Engineer that new future into a series of steps that take one back from the future into the present

❖ **9. Co-Implement the New Future**

> ➤ Together, Enact the Plan for the New Future,
>   - ❖ Sharing Information, Sharing Risks, Sharing Rewards,
>   - ❖ Respecting and Embracing Differences,
>   - ❖ Adhering the the Values and Principles that build a foundation of Trust

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Shifting the Perspective
Re-Focusing, Re-Framing, Re-Creating

Best Practice

- ❖ **Choosing the Words for Negotiations is Essential**

  - ➢ If there is no word/language for an idea, there is no place in the brain manifest and little chance a behavioral action will occur.

- ❖ **Words are highly connected to:**

  - ➢ Belief Systems

  - ➢ Fundamental Architectures

    - ❖ usually reactive and unconscious

    - ❖ learned by family, experiences, culture, & beliefs

    - ❖ often based on untested assumptions

  - ➢ Behavioral Responses

- ❖ **Poor Word Choice will Trigger the Response Registry in the Brain**

  - ➢ Psycho-Linguistics

  - ➢ Behavioral Archtypes

- ❖ Most Negotiations are

    - ❖ about the past!

      - ➢ Most people try to renegotiate history, not futures

    - ❖ about pieces, components, not about total value, total systems

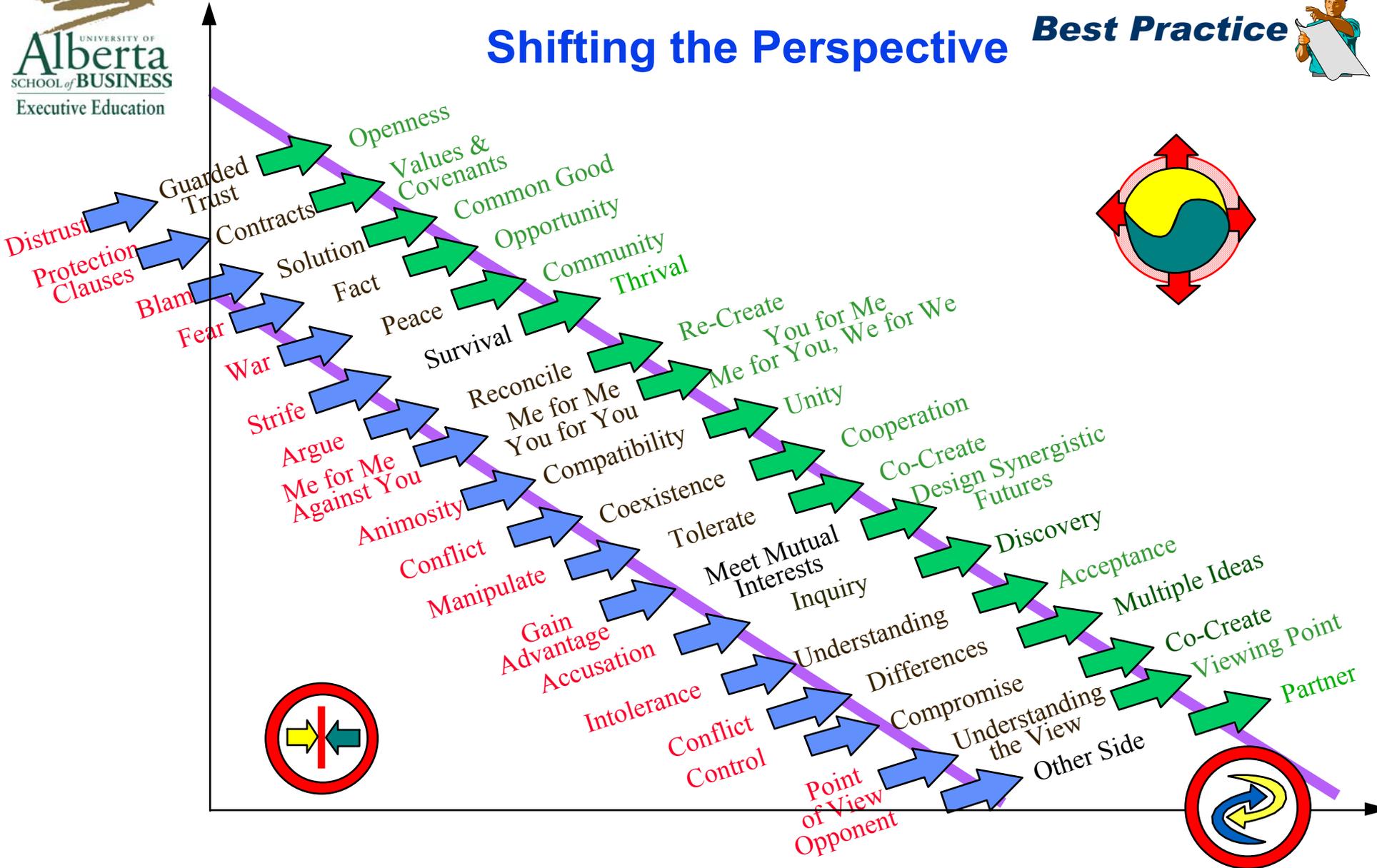- ❖ We play too small! because it seems safer that way.

> *Compromise Depletes the Energies of the Human Spirit & Hobbles Creativity*
>
> *He who Compromises,*
> *Risks being Shot by both sides*

Shifting the Perspective

Best Practice

Distrust
Protection Clauses
Blame
Fear
War
Strife
Argue
Me for Me Against You
Animosity
Conflict
Manipulate
Gain Advantage
Accusation
Intolerance
Conflict
Control
Point of View
Opponent

Guarded Trust
Contracts
Solution
Fact
Peace
Survival
Reconcile
Me for Me You for You
Compatibility
Coexistence
Tolerate
Meet Mutual Interests
Inquiry
Understanding
Differences
Compromise
Understanding the View
Other Side

Openness
Values & Covenants
Common Good
Opportunity
Community
Thrival
Re-Create
You for Me
Me for You, We for We
Unity
Cooperation
Co-Create
Design Synergistic Futures
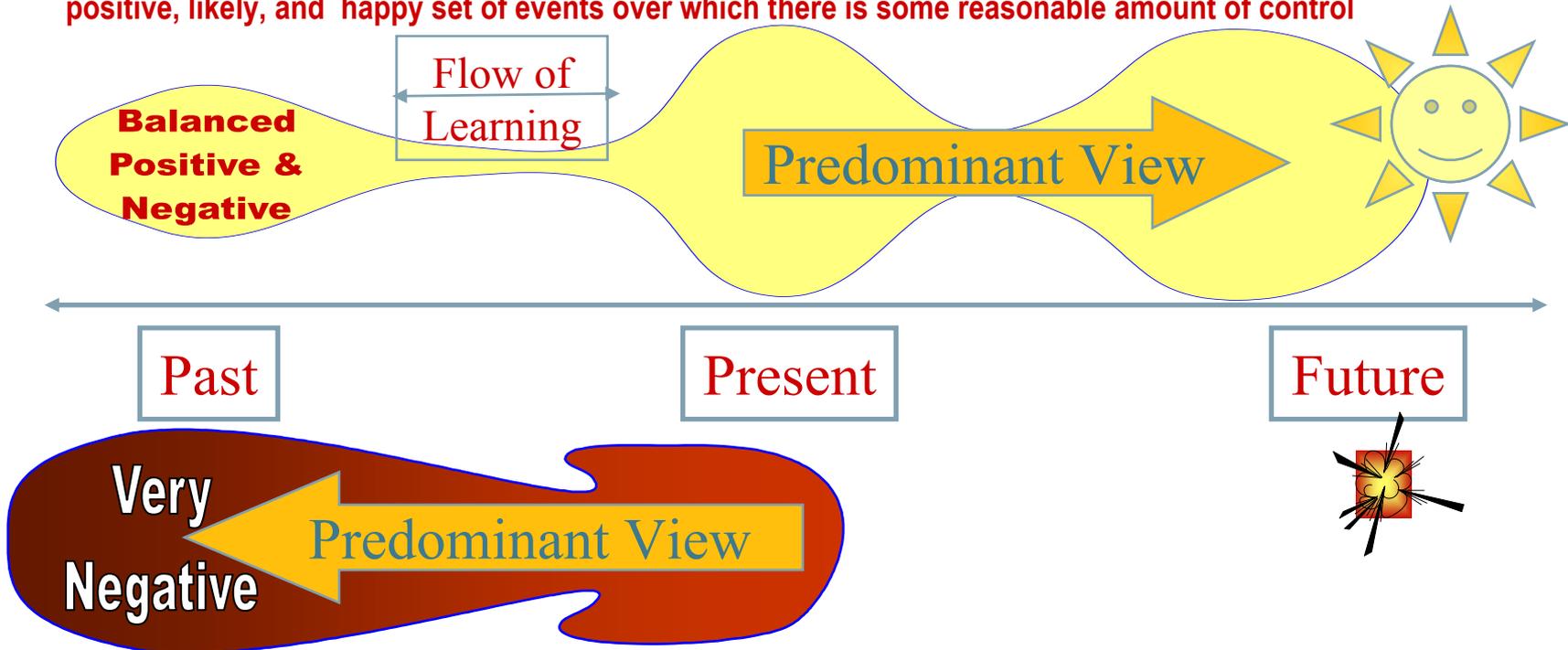Discovery
Acceptance
Multiple Ideas
Co-Create
Viewing Point
Partner

Healthy & Unhealthy Negotiations
The Perspective of Time

Healthy Relationships

Live solidly in the Present, with a connection to the past (like an umbilical cord), and see the future as a positive, likely, and happy set of events over which there is some reasonable amount of control
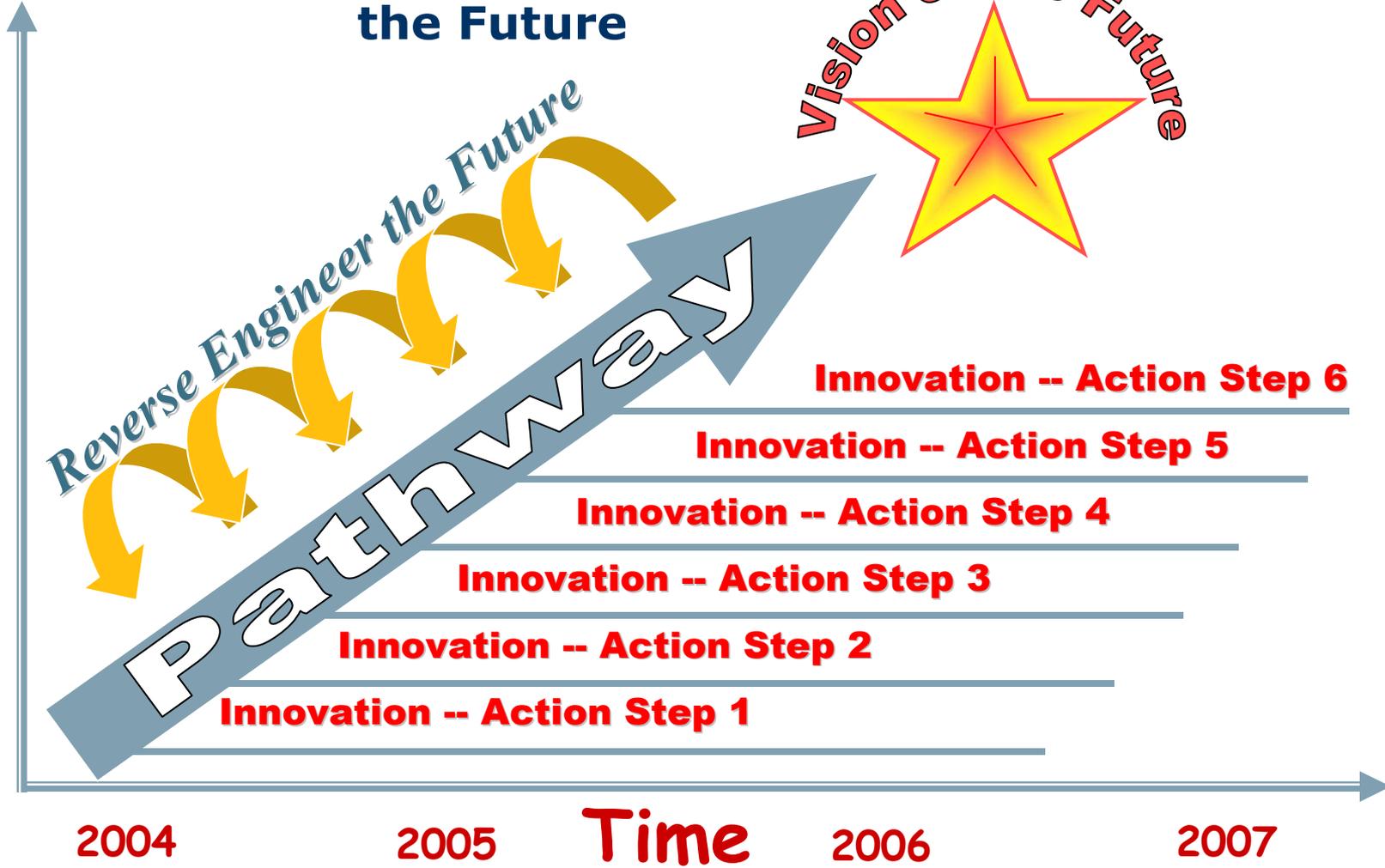
Flow of Learning

Balanced Positive & Negative

Predominant View

Past   Present   Future

Very Negative

Predominant View

Unhealthy Relationships

Live tentatively in the Present, with a retrospective view where the Past hauntingly looms into present and colors every experience and every decision. The Future is but a very distant set of highly unlikely possibilities or the Future is seen as a set of new explosions filled with negativity.

3. Negotiating a Strategic Relationship

Imagineering the Strategic Relationship of the Future

Best Practice

Reverse Engineer the Future

Vision of the Future

Pathway

Innovations & Changes Required

Innovation -- Action Step 6

Innovation -- Action Step 5

Innovation -- Action Step 4

Innovation -- Action Step 3

Innovation -- Action Step 2

Innovation -- Action Step 1

2004   2005   **Time**   2006   2007

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Great Negotiators *Best Practice*

- ❖ Great Negotiators are characterized,
  - ➢ <u>Not</u> by:
    - ❖ their techniques,
    - ❖ nor by their hard-nosed toughness,
  - ➢ <u>But Rather</u> by:
    - ❖ their integrity,
    - ❖ their breadth of capabilities,
    - ❖ their flexibility,
    - ❖ their depth of listening & understanding, and
    - ❖ their insightfulness
  - ➢ Across a Broad Range of Strategies and Situations
- ❖ Conflict is seldom the problem,
  - ➢ Rather, it is our reaction to it that is the real problem

3. Negotiating a Strategic Relationship

Discovery
All Great Negotiators are Explorers & Discoverers

- **1) No Assumptions, No Expectations**
  - Impairs ability to see things as they really are
  - Get rid of blocking paradigms

- **2) Questions are more Important than:**
  - Answers
  - Demands
  - Criticisms
  - **Draw people in, Curiosity opens awareness of discovery & co-creation**
  - **Types of Questions:**
    - Creative Possibility (what's the possibility of ….? Is there an analogy that…..?)
    - Interrogatory (who, what, where, when, why, how?)
    - Action (will you do …..? Can you get …..?)

- **3) Insight**
  - Look for Intention
  - Look for Hidden Meaning
  - Look for Opportunity
  - Look for Paradigm Shifts
  - Look for Breakthroughs
  - Look for Unique Needs

- **Mapping the Territory**
  - Decision-makers
  - Influencers
  - Blocks
  - Scouts
  - Saboteurs

- **Mapping the Vision**
  - Value Proposition
  - Opportunities
  - Goals & Objectives

- **Mapping the Values**
  - Core Values
  - Rewards

Negotiations

Best Practice

Best Practices

- ✓ Involving Champions in Negotiations

- ✓ Using Negotiations Team versed in Best Practices

- ✓ Being Clear regarding the other organization's Definition of "winning"

- ✓ Devising a realistic Operations Plan before settling on Contracts, Terms, & Conditions

- ✓ Role Play for the Other Side

- ✓ Seeking the "Elegant Solution"

- ✓ Champions Committed to the other side's Winning

Worst Practices

- ❖ Having Lawyers be your lead negotiators and Making Legal Agreements the Primary Basis of the Relationship

- ❖ Win-Lose Negotiations

- ❖ Structuring Deals before being clear on Strategic, Operational, and Chemistry Fit issues

- ❖ Defensive Relationships

- ❖ No Skin in the Game

Best Practice

The Dilemma of Compromise

50% Negative

❖ **Compromise is never anything but an ignoble truce between the duty of strong and the terror of the coward. --Reginald Wright Kaufman**

❖ **Compromise used to mean that half a loaf was better than no bread. Among modern statesmen it really seems to mean that half a loaf is better than a whole loaf.--Gilbert K. Chesterton**

❖ **Compromise makes a good umbrella, but a poor roof; it is temporary expedient, often wise in party politics, almost sure to be unwise in statesmanship.--James Russell Lowell**

❖ **Compromise is but the sacrifice of one right or good in the hope of retaining another--too often ending in the loss of both.--Tryon Edwards**

❖ **An appeaser is one who feeds a crocodile--hoping it will eat him last.--Winston Churchill**

   ➢ Give Up
   ➢ Give In
   ➢ Second Best
   ➢ Lose-Lose
   ➢ Uncreative

50% Positive

❖ **All government, indeed every human benefit and enjoyment, every virtue, and every prudent act, is founded on compromise and barter.--Edmund Burke**

❖ **Better bend than break.--Scottish Proverb**

❖ **Real life is, to most men, a long second-best, a perpetual compromise between the ideal and the possible.--Bertrand Russell**

❖ **People talk about the middle of the road as though it were unacceptable. Actually, all human problems, excepting morals, come into the gray areas. Things are not all black and white. There have to be compromises. The middle of the road is all of the usable surface. The extremes, right and left, are in the gutters.--Dwight D. Eisenhower**

❖ **Life cannot subsist in society but by reciprocal concessions.--Samuel Johnson**

   ➢ Make a Deal
   ➢ Move Forward
   ➢ Meet Halfway
   ➢ Win-Win
   ➢ Necessary

Best Practice

Six Laws of Negotiation

1. **Law of Co-Creation**
   - **People Support What they Help Create**

2. **Law of Fear**
   - **A Crisis where something will be lost is a greater motivator than a Vision where something may be gained**

3. **Law of Trust**
   - **Trust will enable negotiations to proceed at a far faster pace with high degrees of innovation.**

4. **Law of Unintended Consequences**
   - **Every Action causes a set of Reactions; a large number of which will be either unanticipated or adverse to your interests**

5. **Law of Bridge-burning**
   - **The toe you stepped on yesterday is likely to be connected to the hand you need to shake tomorrow.**

6. **Law of Wrath**
   - **Let the sun not set on thy anger**

APPLICATION TASK

Action Plan

◆ **TASK: Next Week you will meet with your Counterpart(s) to REPOSITION THIS RELATIONSHIP for the FUTURE:**

    – **WHAT ARE THE CRITICAL NEGOTIATIONS ISSUES?**
        » **WHAT DO YOU WANT TO RENEGOTIATE?**
        » **WHAT WOULD BREAK LOOSE THIS RELATIONSHIP'S REAL POTENTIAL?**

    – **DEVELOP A NEGOTIATIONS (or renegotiations) GAME PLAN**
        » **WHAT OBSTACLES WILL KILL (or diminish) THE RELATIONSHIP IF NOT OVERCOME?**
        » **WHAT ARE THE MOST IMPORTANT PRIORITIES?**
        » **WHAT DIFFICULTIES DO YOU EXPECT?**
        » **HOW WILL YOU DEVELOP TRUST?**
        » **WHAT WILL BE THE ROLE OF LAWYERS?**
        » **WHAT WILL YOU DO IF THE POTENTIAL PARTNER USES WIN-LOSE NEGOTIATIONS TACTICS?**
        » **WHO SHOULD BE ON THE NEGOTIATIONS TEAM?**

4. Strategic Relationships in Complex Organizations

How Organizations Change/Organizational Change Model

Influence Mapping
The Impact of Organizational Culture

Managing Strategic Relationships in conditions of ambiguity and uncertainty

Creating and Managing Alliances

Shift* Management

Best Practice

Beliefs
- Mindsets & Awareness
- Commitment to Noble Purpose
- Vision & Value Proposition

Architecture
- Strategic Objectives
- Mutual Plan
- Best Practices
- Trust & Relationships
- Governance Structures

Actions & Results
- Language
- Skills & Resources
- Performance Teamwork
- Credible Results

Leadership
- Champions
- Executive Sponsors
- Integrators

Rewards
- Compensation
- Recognition

Measures
- Benchmarks
- Critical Indicators

*The Word "Shift" is more acceptable than the word "change."

What Drives Organizational Behavior

Best Practice

- ➢ Metrics
  - ✓ Strategic Drivers
  - ✓ Measures of "Winning"
  - ✓ Performance Measures
  - ✓ Leading Indicators
  - ✓ Diagnostic Indices
- ➢ **Behavior**
  - ✓ **Actions**
  - ✓ **Desires**
- ➢ **Rewards**
  - ✓ **Compensation**
  - ✓ **Recognition**
  - ✓ **Career Paths**
  - ✓ **Promotion**
  - ✓ **Punishments**
  - ✓ **Culture**
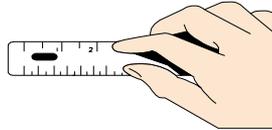
Behavior → **Rewards** → **Metrics**

Must Tie All Three Together to Sustain Change

Best Practice

Laws of Change

Law of Crisis and Fear

85-90% of all change is driven by a Crisis or Fear or some outside force, such as a competitive maneuver/shift or government regulation

Leaves 10-15% to the Visionary (requires 6-10X more effort/imagination/leadership)

Law of Conflict and Confusion

Conflict and Confusion will be normal in any change effort

Law of Co-Creation

People Support What They Help Create

Law of Belief & Evidence

No Change is Permanent unless Beliefs Change

Evidence Reinforces Beliefs

Law of Least Resistance

It is easier to change in small increments than in large leaps (Boiling the Frog)

Law of Stability versus Change

People will prefer Stability over Change, unless the change has significant advantage

Organizational Change
APPLICATION TASK

Action Plan

- ❖ BASED ON THE ORGANIZATIONAL CHANGE/SHIFT FRAMEWORK, DOES YOUR STRATEGIC RELATIONSHIP HAVE THE NECESSARY ELEMENTS TO BE SUCCESSFUL?

- ❖ DO THE METRICS REFLECT THE STRATEGY AND PERFORMANCE REQUIREMENTS OF THE ALLIANCE?

- ❖ ARE THE REWARDS (Compensation, Recognition, Career Advancement, etc.) ALIGNED TO PROMOTE/REINFORCE TEAMWORK & COORDINATION FOR THE STRATEGIC RELATIONSHIPS TO BE SUCCESSFUL?

- ❖ HOW WILL THE LAWS OF CHANGE IMPACT YOUR GOALS?

- ❖ WHAT'S MISSING?

- ❖ WHAT NEEDS TO BE DONE TO BE EFFECTIVE?

How Did We Find This Man?

Influence Mapping

Tool-Kit

Family

Followers

Regulators

Key Advisors

Competitors

Key Individual

Antagonists

Religious Beliefs

Scouts

Saboteurs

Memberships

Who are the
»**Leaders?**
»**Influencers?**
»**Decision Makers?**

Disconnected

Unconnected

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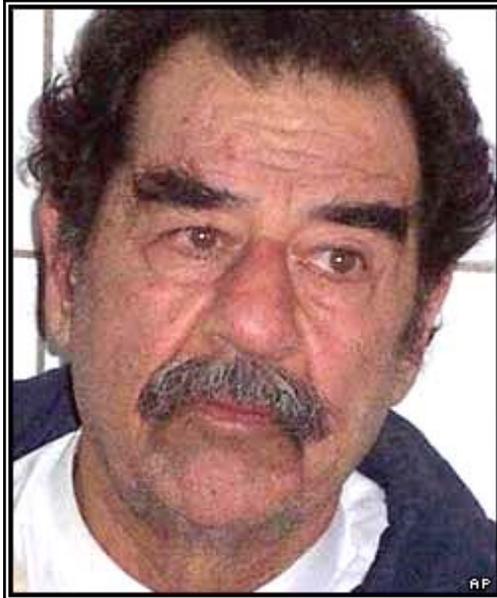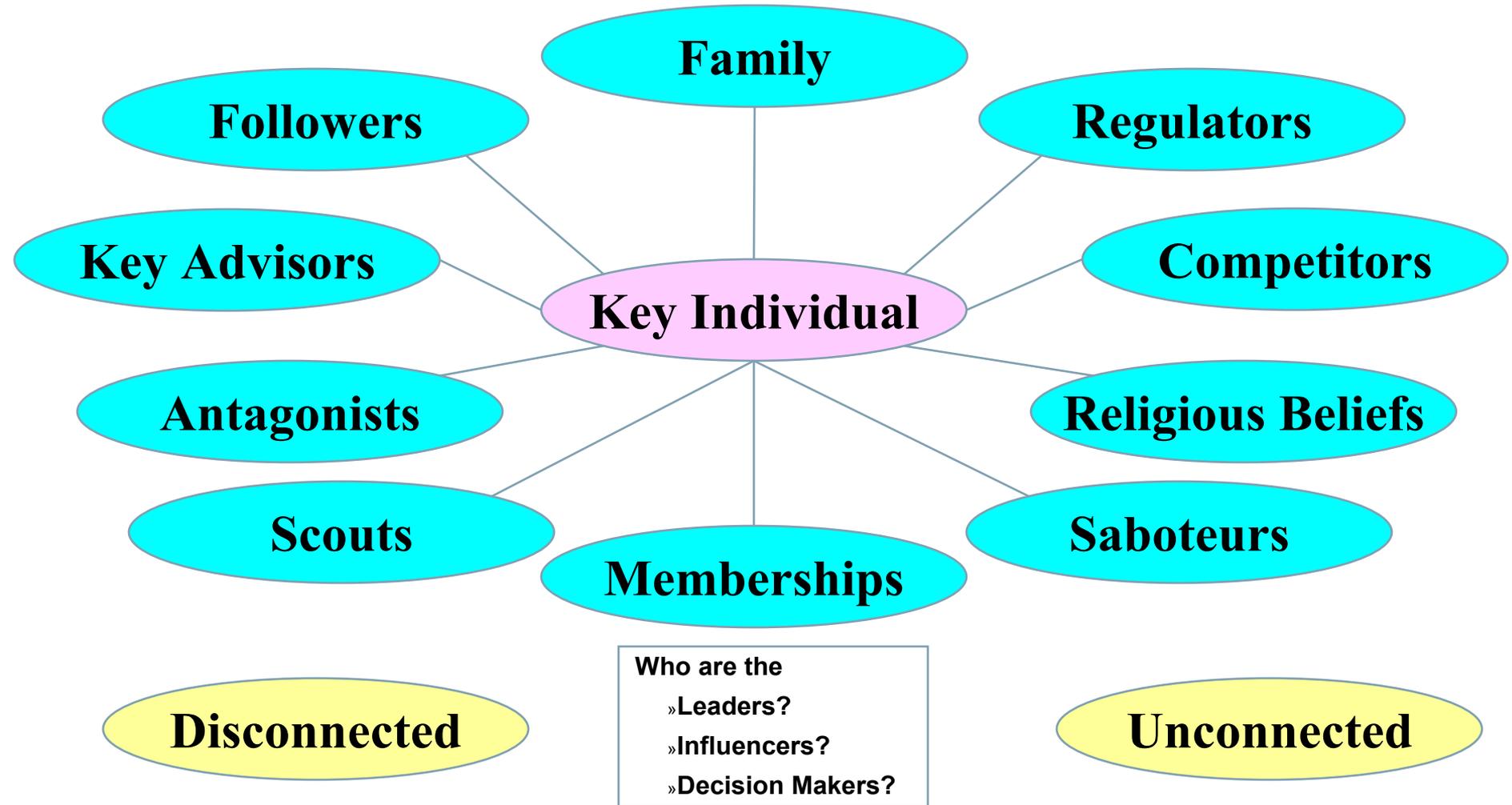
Tool-Kit

Culture Drives Organizations
A Multi-Dimensional Adventure
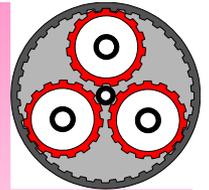
5 *Levels* of Culture

» Ethnic

» National

» Professional

» Organizational

» Personal

❖ Where Culture Exists

➢ Beliefs, Perceptions, & Awareness
➢ Vision of the Future, Purpose & Mission
➢ Leadership Styles
➢ Organizational Structures
➢ Actions & Reactions
➢ Communications Styles
➢ Thinking & Architectures
➢ Skills & Abilities
➢ Processes & Practices
➢ Risk Taking and Decision Making
➢ Planning, Timing – Response & Cycle Times
➢ Language
➢ Rewards & Punishments
➢ Measures

BUILDING ACTION & SUPPORT

Good top & middle rank support will be essential to succeed. List the people or groups who have to be actively on board. Place an "x" in the box identifying their current level of commitment, and an "o" in the box where there must be commitment in the future for success. Draw an arrow from the present to the future to indicate the direction needed.

Key People/Groups	Opposed	ByStander	Unknown	Supporter	Implementor	Action Required for Movement
1. John Jones (example)	X ⟶			O		*Meet on Monday - Propose Briefing*
2. Engineering (example)			X ⟶	O		*See Harry F. - Discuss Target Costing*
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

What's Happening Now?

$$\triangle + S + C^x$$

Change
+ Speed
+ Complexity

1970	**1980**	**1990**	**2000**
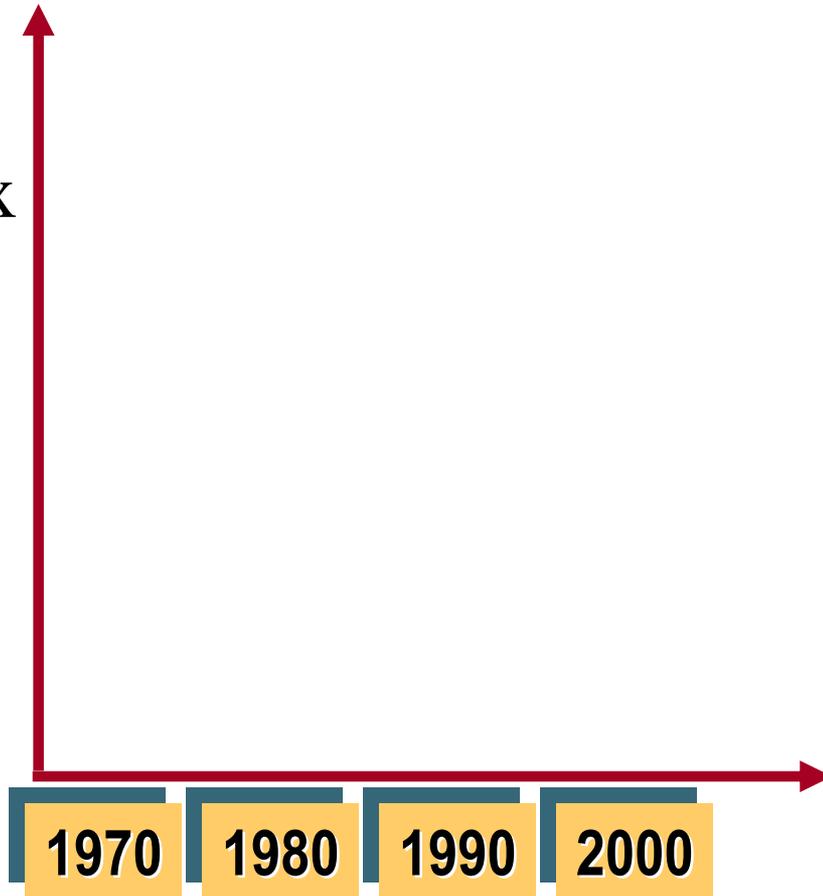
Best Practice

Ambiguity-Certainty Continuum

Certainty ←————————————————→ **Ambiguity**

CONDITIONS

Certainty	Ambiguity
Stability and Predictability	**Dynamic change**
Routines Required	**Innovation Required**
Anticipated Problems	**Unanticipated Problems**
Developments Within Organiz. Control	**Developments Outside Organiz. Control**
Info Clear & Adequate	**Info Unclear or Inadequate**

MANAGEMENT FUNCTIONS
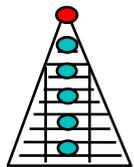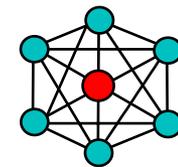
Certainty	Ambiguity
Hierarchical Task Mgmt Style	**Collaborative Mgmt Styles**
Decision Making @ Higher Levels	**Decision Making @ Lower Levels**
Mature Personnel Needed at Higher Levels	**Mature Personnel Needed @ All Levels**
Tighter Structures Needed	**Looser Structures Needed**
Decision Dominance over Lower Levels	**Shared Decision Making**
Predominant Vertical Info Flow	**Predominant Lateral Info Flow**

Best Practice

Managing Ambiguity and Certainty
(Work in Progress – Your Ideas are Encouraged!)
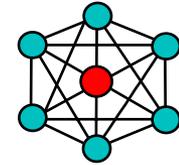
Certainty ←————————————→ **Ambiguity**

Situation is Repetitive Covered by Rules	Situation is Complicated, Multiple Forces	Situation is Complex, Interconnected	Situation is Chaotic, Paradoxical,
Issues Known and Stable	Issues Can be Known Future is Probable	Multiple Unknowns Future is Vague	Multiple Unknowns & Changing, Future is Unknown
Future is Relatively Predictable Impose Laws, Rules & SOPs	Impose Guidelines/Forecasts	Impose Best Process/Practice	Impose Principles
Proven Operating Procedures Stability is Desired/Possible	Use Judgment & Experience Decision Making Criteria	Use Intuitive Thinking	Use Creativity & Intuitive Thinking, Prolific Innovation
Decide by Reason/Rationality	Analysis of Components	Trust is Essential Examine Scenario Options	Create/Influence Scenarios
Everyone Follow the Book/Contract	Use Intelligence & Knowledge	Rely on Wisdom & Principles	Wisdom & Creativity
Focus on the Right Answer,	Focus on Key Priorities Gain Proficiency	Focus on Systems Interaction Manage Interfaces	Focus on Opportunities & Questions, Aim for Zone
Optimize Efficiency Reward Right Behavior	Use Teamwork & Alignment	Flexibility & Coordination	Rapid Response Teams & Multiple Rapid Experiments
No Tolerance of Differences	Tolerance of Differences	Frameworks Support & Value Differences	Nurture Differences
Position in Existing Markets	Multiple Market Forces	Changing Market Conditions	Incubate Emerging Markets

Portions Adapted from David Snowden,
IBM Centre for Organizational Complexity

Certainty -- Ambiguity APPLICATION TASK

Action Plan

- ❖ **HOW IS THE CERTAINTY – AMBIGUITY ISSUE IMPACTING ON YOUR STRATEGIC RELATIONSHIP**

- ❖ **HOW CAN THE RELATIONSHIP BE IMPROVED BY SHIFTING FROM ONE FRAME OF REFERENCE TO ANOTHER?**

- ❖ **HOW CAN YOU USE THIS FRAMEWORK TO BECOME MORE EFFECTIVE IN YOUR ORGANIZATION?**

5. Managing the Strategic Relationship

The Magic of Integration

Managing Interfaces

Predicting and Handling Breakdowns

The Magic of Integration

◆ **Is Integration an Added Value or just Added Work?**

  ▪ **Segregation is tactical and transactional**

  ▪ **Integration and Innovation mutually reinvigorate each other**

  ▪ **Co-development requires a strategic relationship**

  ▪ **Integration creates Strategic Advantage**

◆ **Rules of Engagement**

  ▪ **Fair, Win-Win, Clear Boundaries, Secure Firewalls, Areas of Sharing Clearly Defined**

◆ **Problem Solving Mechanisms**

  ▪ **Excellence & Readiness to take Corrective Action over the term of the Agreement**

Added Work
- Nuisance
- Time Consuming
- One Sided
- Argumentative
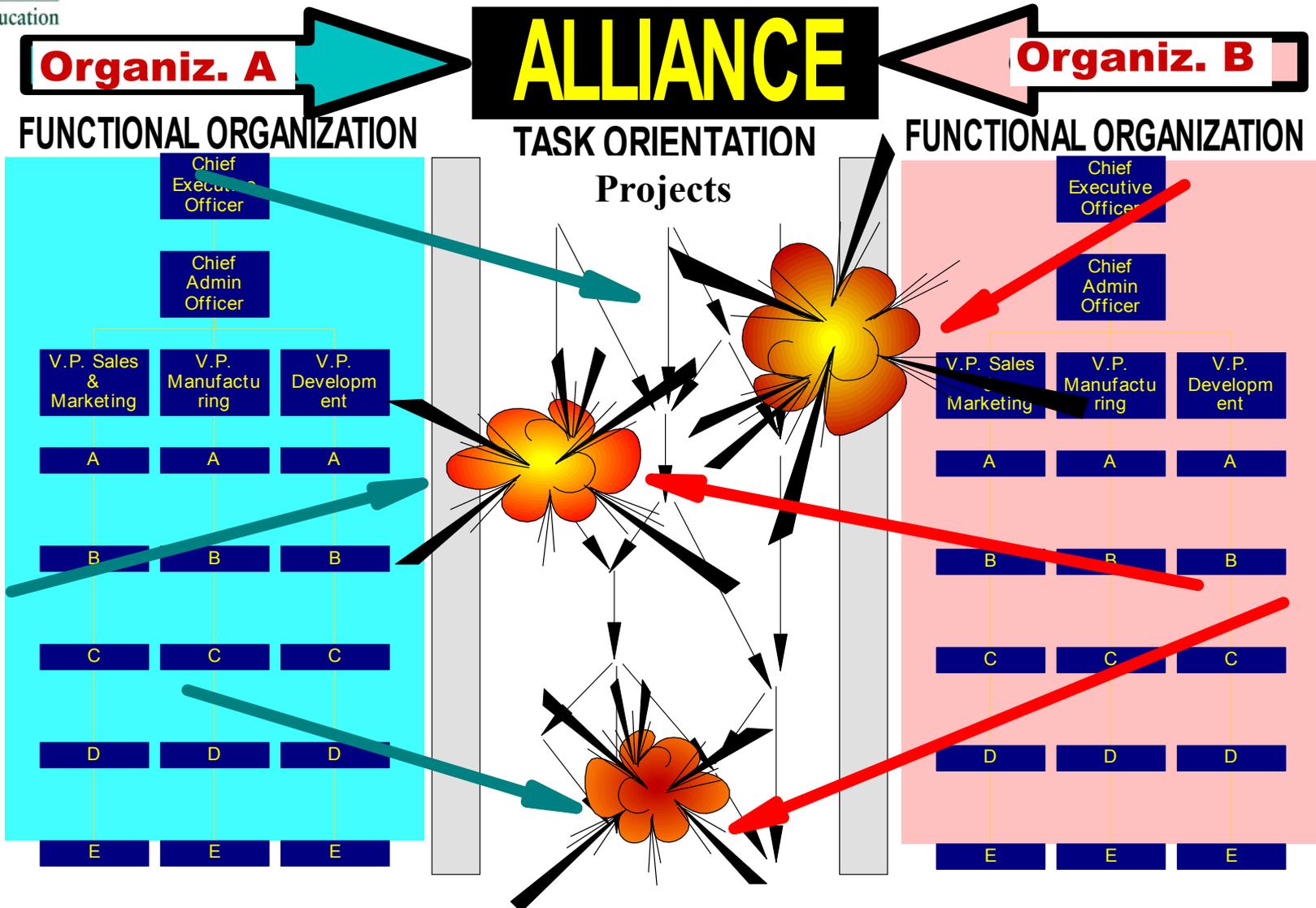- Power Struggle
- Dissatisfaction
- Work
- Win Lose

~TIP~
Secondment
Co-Location
Integrators
Protocols

Added Value
- Opportunity
- Investment
- Success or Failure
- Synergistic
- Alignment
- Co-Creative Energy
- Win-Win

Organiz. A

ALLIANCE

Organiz. B

FUNCTIONAL ORGANIZATION

TASK ORIENTATION

Projects

FUNCTIONAL ORGANIZATION

Chief Executive Officer

Chief Admin Officer

V.P. Sales & Marketing | V.P. Manufacturing | V.P. Development

A | A | A

B | B | B

C | C | C

D | D | D

E | E | E

Chief Executive Officer

Chief Admin Officer

V.P. Sales & Marketing | V.P. Manufacturing | V.P. Development

A | A | A

B | B | B

C | C | C

D | D | D

E | E | E

Breakdown & Breakthrough
Breakdown Analysis
Turning Breakdowns into Breakthroughs

❖ **High Performance Teams have <u>more</u> Breakdowns than Low Performance Teams**

❖ **Difference is <u>how breakdowns are handled</u>**

❖ **Collaborative Culture:**

  ➢ **Turn Breakdowns into Breakthroughs**

  ➢ **Look for Hidden Meaning**

  ➢ **Ask Questions that Expand Learning**

    ❖ **What's Missing?**

    ❖ **What's Possible?**

    ❖ **What Shifts in Thinking are required?**

  ➢ **Focus on Team Responsibility, not the Individual**

  ➢ **Work Through a Breakdown Scenario with partner in advance**

What Percentage of Breakdowns are Predictable?

Interface Management
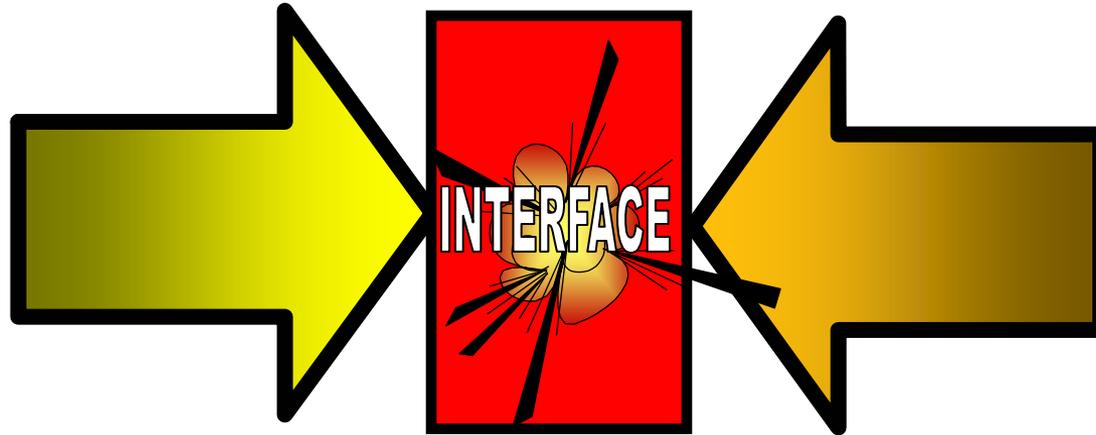
— Interface Management —

**Interfaces Are Where the Problems,
Conflicts, and Cultural Issues CLASH
and Where Opportunities Abound**.

TIP *"People Support What They Help Create"*
TIP *Do a Breakdown Analysis Before Launching the Alliance 80-90 % of Breakdowns are Predictable*

Breakdown Analysis

❖ Breakdown Analysis
   ➢ Identify
      ❖ Interfaces where breakdowns are likely
      ❖ Conditions where Breakdowns are likely
      ❖ Communications Errors that would cause Breakdowns
      ❖ Stress Points in the System
      ❖ Resource Stretching
      ❖ Overloads
      ❖ Inefficiencies
      ❖ Insufficient or Inadequate Assumptions
      ❖ Trust Issues

❖ Contingency Planning

   ➢ What If……

   ➢ Priorities in an Emergency

   ➢ Fast Responses Needed

   ➢ Response Protocols

   ➢ Early Warning Systems

   ➢ Response Roles

   ➢ Trust Rebuilding

Action Plan

— *Breakdowns, Contingencies and Corrective Actions* —

- **What breakdowns occur on a regular basis?**

- **What are the Most Critical Interfaces where you find Breakdowns occurring?**

- **How should we/you turn these breakdowns into breakthroughs?**

- **If things get bogged down, how can we be sure we "default to action?"**

Taking the Plan Back to Work
-- Next Steps --

STRATEGIC RELATIONSHIPS PRESENTATION

- **What's Missing?**
    - What's been left out?
    - What will happen if we don't Integrate effectively?
    - What aren't we doing well?

- **What's Possible?**
    - If we do it right, what can the Future bring?
    - What kinds of Breakthroughs are possible?

- **What Shifts in Thinking are Required?**
    - What Perceptions & Beliefs are holding us back?
    - Who will need to Shift their points of view?
    - Leverage Points for Change?

- **What Priorities, Next Steps, and Recommendations for Action**
    - Our Organization
    - Our Potential Parter/Alliance
    - To Stakeholders
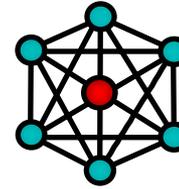   - What is Most Important to do?
    - What needs to happen Next?

Appendix

Building Strategic Relationships
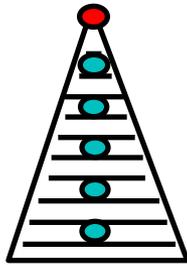
New Rule
As Clock-Speed Increases,
Paradigms Change

Speed, Integration Innovation

Breakthrough, Connected, Complex
Uncertainty, Simultaneous,
Paradoxical, Uncertainty,
Multiple Futures
Critical Mass
Common Rules
Align Divergent Futures

+S
+Cˣ

Change
+
Speed
+
Complexity

Slow Time Predictable

Linear, Logical, Analytic
Certainty, Risk Control, 5 year plans

Fast Time Unpredictable Ambiguity Non-Linear

The Legal System
Conflicting Realities

- ❖ Anglo Legal System:
  - ➢ **Adversarial**
    - ❖ **Litigatory Outcomes**
    - ❖ **Win-Lose Mentality**
  - ➢ **Contracts Based on Mistrust**
  - ➢ **Risk Averse -- Risk Shedding**
  - ➢ **Reward Hording**
  - ➢ **Denial of Uncertainty**
  - ➢ **Requires Rigidity**
    - ❖ **Cannot Deal with Future Contingencies**
  - ➢ **Litigatory -- Win/Lose**
  - ➢ **Protection in the Event of Failure**
  - ➢ **Transaction Based**
  - ➢ **Ethnocentric**
    - ❖ **Not a Globally Acceptable System**

- ❖ Alliances Are:
  - ➢ **Collaborative**
    - ❖ **Synergistic Outcomes**
    - ❖ **Win-Win Mentality**
  - ➢ **Covenants Based on Trust**
  - ➢ **Risk Acceptance -- Risk Sharing**
  - ➢ **Reward Sharing**
  - ➢ **Acceptance of Uncertainty**
  - ➢ **Require Flexibility**
    - ❖ **Must Deal with Future Contingencies**
  - ➢ **Litigation is the Worst Solution**
  - ➢ **Systems Focused**
  - ➢ **Relationship Based**
  - ➢ **Cross Cultural**
    - ❖ **Architecture for Universal System**

Robert Porter Lynch
CEO – **The Warren Company**
A Network of Alliance Professionals

Thought Leadership: Mr. Lynch has been recognized for his groundbreaking work in "the architecture of cooperation" and his pioneering research in the best practices in alliance formation and management, which underpins thousands of strategic alliances around the globe. He continues his quest to discover and innovate with Strategic Alliances by exploring the next edge of alliances, specifically how *Cooperation & Trust converts into Breakthroughs & Profit*, and how strategic alliances serve as *Engines of Innovation*,

❖ Economic Development: While a community revitalization specialist in the 1970's, he designed and implemented private-public partnerships for urban commercial and neighborhood revitalization programs declining inner cities. In 1980, at a time when interest rates were 18-20%, Robert founded a Certified Development Company, providing over $20 million in small business loans and economic development grants in the first year. He designed a state program to use $10 million in public sector pension funds to underwrite small business loans. Several years later he transformed an old factory into an innovative technology business "incubator" occupied by 65 growing companies. As an entrepreneur, Robert has developed, owned, and operated several commercial real estate projects including apartments, offices, marina, and retail.

❖ Negotiations: Robert has been an intermediary for hundreds of negotiations sessions, including labor-management negotiations, venture capital negotiations, public policy negotiations, and strategic alliance negotiations.

❖ Consulting: In his consulting practice, Mr. Lynch and his team have built alliances in a wide variety industries ranging from aerospace, automotive, energy, financial services), high tech, telecommunications, medical, pharmaceutical, and petro-chemicals. His clients have included Accenture, AT&T, Bell Canada, BellSouth, Cisco Systems, Dow Chemical, Dupont, Eli Lilly, GE, Hewlett Packard, Honeywell, IBM, Lockheed-Martin, Lucent, Media One, Merck, Mobil, Novartis, PacBell, Pfizer, Price Waterhouse Coopers, Procter & Gamble, Prudential, Smith Kline Beecham, Sprint, Thomsen Financial, USAA, Warner Lambert, Wells Fargo, and Xerox; among numerous others.

❖ Author & Coach: Mr. Lynch wrote the award winning book, *The Practical Guide to Joint Ventures and Corporate Alliances* (1989), the best selling alliance book, *Business Alliances: The Hidden Competitive Weapon*, (1993 the popular chapter "Fostering Champions" for Peter Drucker's *Leader of the Future* book (1999), along with numerous articles in magazines. He is often quoted in business journals such a *Nations Business, The Wall Street Journal,* and *The Conference Board Reports*. Robert has trained over 10,000 business and community leaders on how to use alliances and private-public partnerships to create bold new futures for their organizations

❖ Business & Community Leadership: During his career, he has been actively involved in Chambers of Commerce, technology organizations, and local economic development. Mr. Lynch is listed in Who's Who: Global Leaders. He is founding Chairman of the Association of Strategic Alliance Professionals. He often speaks before international and domestic business groups, has appeared on television and radio, and syndicated tape distribution.

❖ Education: Mr. Lynch holds a Masters degree from Harvard University in Organization Development and a Bachelor's degree in International Relations from Brown University. For 12 years he had been a faculty member of the American Management Association and now presents courses at the Universities of Alberta, British Columbia, and San Diego.

❖ Military: From 1970-74 he served in the U.S. Navy as officer, and was awarded the Bronze Star for Combat Duty in Viet Nam.

❖ Personal: Robert is married and resides in Naples, Florida.