LOOKING INTO THE FUTURE OF...

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■ **Pulling on the Same Rope**
Other Functions May Determine the Fate of Your Alliances—So How Do You Get Them Engaged?

■ *Editorial Supplement:*
A Matter of Trust
In a World Gone Virtual, Maintaining and Strengthening the Bonds of Trust Becomes a Partnering Necessity

ALLIANCE MANAGEMENT'S DIGITAL FUTURE IS HERE

Pandemic Disruptions and an Increased Reliance on Partnering Have Spurred a Wholesale Effort to Reimagine and Automate Alliance Management. Enter the Alliance-centric Digital System of Record

By Jan Twombly, CSAP; Louis Rinfret, PhD; Jeff Shuman, CSAP, PhD; and Michael Roch, CA-AM

Do you want to know *the* metric that says digital transformation is real, not just a passing fad? According to **Edward Cox**, executive vice president of strategic alliances and global head of digital medicine at Eversana, "How many grandmas are Zooming now? In January it was like 5 percent, and now it is over 50 percent!" Fittingly, he said this during his closing keynote presentation at the 2020 ASAP BioPharma Conference—held digitally, of course. We aren't using the word "virtual" to describe the conference, as that means something almost but not completely as described. The event was a conference—in today's context. This is our digital reality, and there is no going back—for conferences, grandmas, or alliance management. Yesterday's status quo is gone.

For alliance professionals, adjusting to the new digital reality means more than just using the conferencing tools we've all become fluent with, or searching through databases and repositories that are often neither maintained nor integrated with tools used by other departments. It is also more than trying to jury-rig systems designed for other functions, such as business development or sales. The arrival of the digital transformation of alliance management means we now have a *system of record* for alliances, just as there is a system of record for clinical data, finance, and manufacturing. Digitizing alliance workflows creates visibility into alliances, drives efficiency and effectiveness, and improves the stakeholder experience by automating the routine to allow a focus on higher-value services. In short, digitizing alliance management workflows helps every alliance manager deliver greater value—and better communicate that value throughout the organization.

A Confluence of Trends

Even before COVID-19, biopharmaceutical alliance managers were grappling with an increased demand for their services as alliance portfolios continued to grow in size and complexity. The industry is transforming due to external forces including new technologies, shifting economics, and empowered patients (See Figure 1: External Forces Driving Transformation). Additionally, return on investment in research and development has been declining, prompting companies to rethink how they research potential new treatments and cures for unmet needs, how they develop them, and how they go to market. Nearly all the evolution in the way companies make the strategic choice of "build, buy, partner" is coming down strongly on the side of partnering. We routinely encounter large pharmaceutical companies where fully 40 percent of their revenue and pipeline is partnered.

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Many within the alliance profession have been saying for some time that alliances must be integrated into how work is done—baked in, not bolted on. Alliance development and management must be fully embedded into strategy, operations, and execution. With all the new clinical, commercial, service, data, and digital alliances being stood up as part of the industry's transformation, it becomes clear that alliance management capability cannot reside solely within a team of specialists. With COVID-19 conditions and remote work, an additional burden has been added, along with a new urgency to rethink how alliance management is done. The need to become more agile, iterative, and focused on what truly matters is great. An alliance-centric digital platform is a key component for evolving and scaling alliance management to meet the challenges of a transforming industry and our new workplace reality.

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"But Wait—a Computer Can't Do My Job!"

One of the common initial reactions we get from alliance professionals when we talk about digitizing the alliance management workflow is that they just can't envision it. There's both fear and misunderstanding about what digital transformation means. So let's take one thing off the table right away:
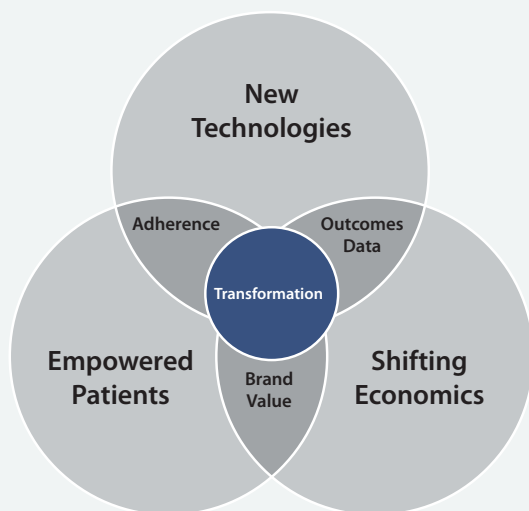
New Technologies:	Platform Therapies Artificial Intelligence Internet of Things
Shifting Economics:	Value or Outcomes Based Models Gov't and Payer Reimbursement Policies From Treatment to Prevention and Cure
Empowered Patients:	Consumer Experience Expectations Mobile Technologies Public Perceptions of Biopharma

Figure 1: External Forces Driving Transformation (*Source: The Rhythm of Business , Inc.*)

automation and digitization are not going to replace the alliance manager anytime soon. No doubt this initial reaction is because they are thinking about the high-value services they provide to their internal and external stakeholders, not the routine and administrative tasks that occupy so much of their time. It is these time-consuming tasks that are the focus of digitization (see Figure 2: allianceboard Dashboard: Action Items and Notifications). Counterintuitively, it is capturing, organizing, and reporting the output of their high-value tasks that takes so much time, yet provides so much useful information.

> ### Let's take one thing off the table right away: automation and digitization are not going to replace the alliance manager anytime soon.

Think about how much time you would have to proactively look for additional value and consider the strategic implications of decisions if you and your JSC members had at your fingertips a full calendar of upcoming key events and milestones, the decisions to be made, and the decisions made in the past—with all of you looking at the same thing in real time as you plan your next actions. Imagine if, with a few clicks, you could pull up the risk register for the alliance (which you finally have in a form that is complete, regularly updated, and

visible to all) and share the plan in place to drive the communications for an upcoming critical Phase III trial data reveal, including drafting the press release, satisfying the members that everything is under control, and reaffirming alignment. How many individual and group meetings might that have taken in a predigital world when such visibility and transparency were nearly impossible to achieve? In the end, the software isn't doing your job—it's allowing you to do your job better, faster, and more strategically.

Maximizing Value Creation

Digitizing the routine work of alliance management gives alliance professionals a greater ability to focus on higher-value services, such as providing strategic oversight, ensuring that the right stakeholders are convened to work through issues before they become problems, and leading negotiations, to name a few services to which stakeholders attach the most value. Having an alliance-centric digital platform also helps an alliance manager be more proactive, with current information at their fingertips—another quality stakeholders greatly value. Being proactive can prevent delayed or suboptimized decisions, which cost both time and money.

Implementing consistency of practice, so that stakeholders know what to expect and experience similar processes and services on similar alliances, is another of many ways alliance managers add value. This is very hard to do when systems are manual, as each alliance manager will do things differently, despite the existence of guidebooks and standard templates, the use of which often declines over time until there is no
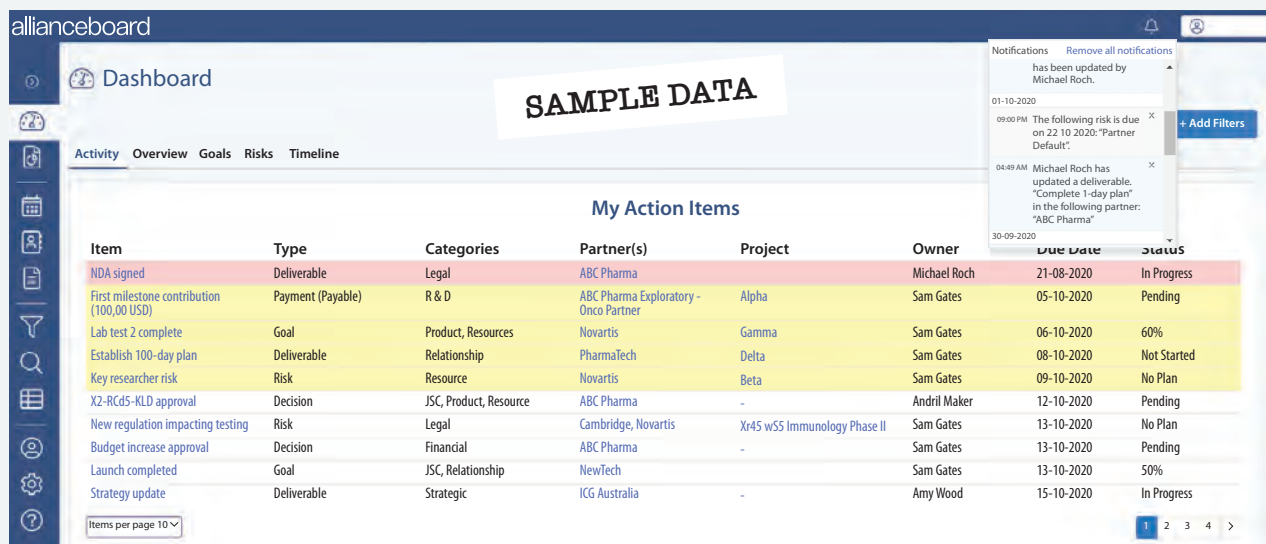

Figure 2: allianceboard Dashboard: Action Items and Notifications

longer a standard. With a digital platform, routine processes can be implemented in an efficient, structured, and predictable way.

For example, an alliance startup could have its own preset plan and reports that every alliance manager in the company uses. Of course, there will always be some customization, but when this is coupled with a front-end governance process that classifies each alliance as "complex," "typical," or "simple" and has a slate of services aligned to each classification, customization will be minimal. Critical steps won't be missed nor essential stakeholders overlooked. The alliance will become fully functional faster and more efficiently.

> ## With a digital platform, routine processes can be implemented in an efficient, structured, and predictable way.

Have you ever had the experience of taking over an alliance for someone who leaves the company? How long did it take you to:

- Find all the relevant agreements and correspondence

- Identify governance committee members

- Get a current status on all the projects under way and issues being managed

- Understand the key decisions that had previously been made and how they shape future activity

- Appreciate the items that had caused challenges in the past?

When the workflow and communications of an alliance are digitized, it's all there in the platform. A new alliance manager is up-to-speed and effective very quickly, with more than just a database to provide information. The platform houses a full record of historical alliance activity.

There are many additional benefits of digitization, including minimizing the risk of important deadlines being missed, improving the onboarding process for new team members, and automating notifications of pending milestone payments. Document management becomes much more efficient when there is a single version of the truth. Emails as well as documents can be related to a governance committee, a project, or a task so that they are available when needed, greatly reducing frustrating and time-wasting searches. If documents are required for a legal purpose, they are easily retrieved.
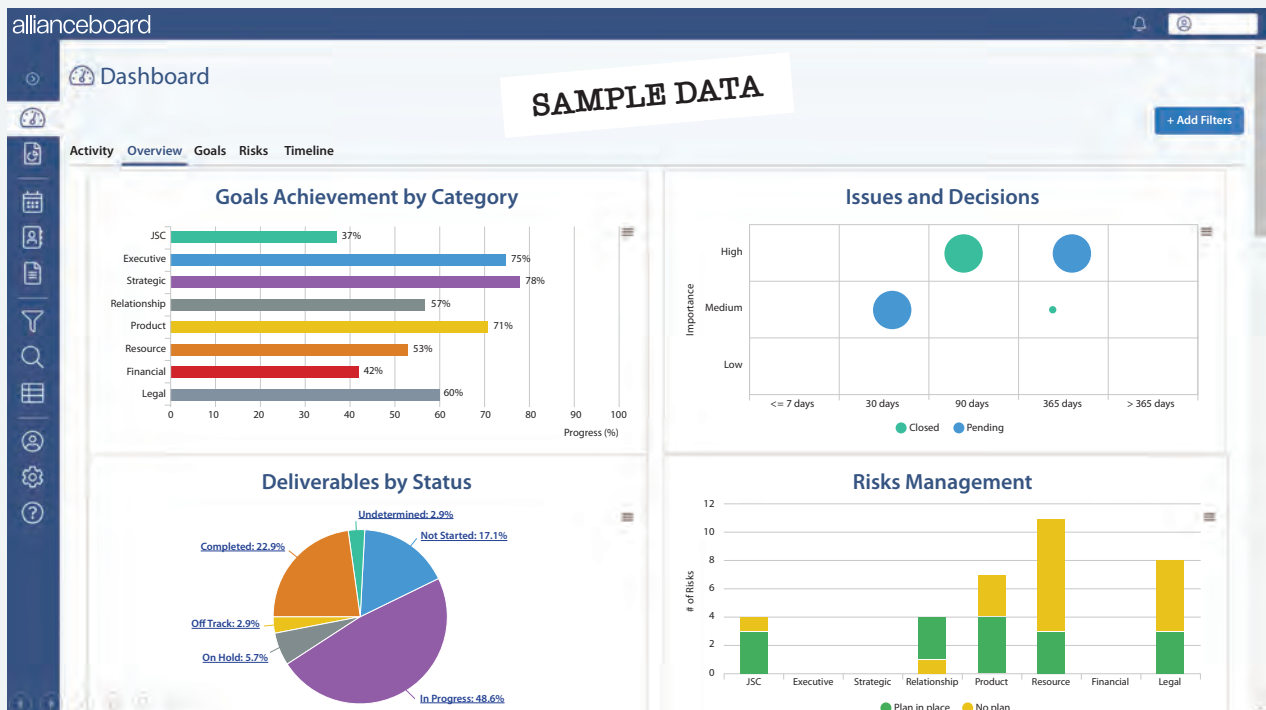

Figure 3: allianceboard Dashboard: Milestones, Decisions, and Risks

All of these benefits make alliance management more agile and better able to keep the focus on maximizing value for customers and partners. Having a true digital system of record provides a fundamental cornerstone for scaling alliance management, within a corporate function or in a decentralized manner across the organization.

Making It All Visible, Using a Common Language with Shared Meaning

Not long ago, we had a conversation with a newly appointed head of alliance management in which he expressed incredulity that he did not have an automated dashboard where he could see everything that was happening with alliances. After all, such reporting was available in all previous functions he had led. When reporting is done manually, alliance management leadership might see where things stand only on a monthly basis, relying on the alliance manager to make sure nothing was missed in the meantime. With digital, that daily update is the norm—and it can be self-serve. A view of any or all alliances in the portfolio is possible—alliances of a certain type or stage of development, by alliance manager, or by therapeutic area. It just depends on the classification scheme set up. One can also easily see projects and plans aggregated in any way desirable (see Figure 3: allianceboard Dashboard: Milestones, Decisions, and Risks). This gives alliance management leadership the ability to have data to back up and shape the story of the value alliance management delivers to the company and key stakeholders.

Other stakeholders can have the same visibility. Alliances can become integral components of internal management meetings when it is easier to produce up-to-the-minute reports on the fly. Importantly, because establishing specific service levels for complex, typical, and simple alliances necessarily implies that some governance committee chairs will need to manage their own governance meetings, they too can easily monitor activity and create the reports they need to communicate with their members.

And if desired, this same visibility can be granted to the partners in an alliance, making for even more efficient governance meetings, issue resolution, and trust building—going far beyond document access and collaboration that some companies have tried to implement using file sharing sites.

Visibility and transparency into alliances has always been important to create a one-team mentality and develop a "common language with shared meaning."

Visibility and transparency into alliances has always been important to create a one-team mentality and develop the "common language with shared meaning" that is essential for efficient and effective alliances. It has become imperative in our pandemic reality, where the flow of information is so critical to keep everyone—internal and external—aligned.

Reimagining Alliance Management, Digitally

In digital transformation, user adoption is a critical metric. The way alliance managers do their daily work changes when an alliance-centric digital platform becomes the system of record—and they should not overlook that it is a change initiative like any other that requires careful planning, clear communication of expectations of the team and stakeholders, and a well-laid-out implementation and adoption plan.

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Think about it as a three-phase project with built-in learning and iteration cycles:

Prepare

■ **Create a project team**: This team should include at a minimum the alliance manager leading the digitization project, the person who will be responsible for the platform (ideally an alliance operations specialist), a representative of alliance manager users, and a key stakeholder user or two. Keep the team small and establish clear expectations, communication flows, and decision-making authorities—all the things you already do to create an effective alliance team.

■ **Decide on a destination and then work back to an initial scope**: Start with envisioning where you want to be with a full transformation to a digitized alliance management environment. Understand the structure and current management of the portfolio of alliances, potentially establishing some relevant criteria to prioritize where to start. Start small and expand as you learn what works.

■ **Align operations to a digital environment**: Digitizing alliance management provides the opportunity to set consistent practices and definitions. It is well worth a few workshops and whiteboarding sessions to think this through.

Get Started

■ **Set clear goals for the initial implementation**: Define a 30-60-90-day action plan that will engage a small number of alliance managers and stakeholders, work through a period of day-to-day operations for long enough to experience a range of activities, and gather data to determine how to refine the platform design and implementation.

■ **Engage with initial users**: Your initial users will align with the initial scope. Look for people who are interested and willing to be early adopters, provide honest feedback, and champion the digital transformation to others.

■ **Provide training and support**: Remember that implementing the digital platform is no alliance manager's day job! Provide up-front training, easy reference guides, and just-in-time resources. Keep the communication flowing to support early users and reinforce that this will make their jobs easier and more rewarding once the initial hill is climbed.

Engage and Iterate

■ **Evaluate and refine reporting**: You'll start with some assumptions about what kinds of reporting are valuable. Engage with stakeholders to validate or invalidate your assumptions and create the reports stakeholders can really use.

■ **Incorporate into governance routines**: Begin presenting reports at key meetings—everything from one-on-ones with alliance management leadership and governance committee chairs to key internal management meetings. These meetings will provide the input to evaluate and refine reporting and help you understand what these key stakeholders find valuable and useful.

■ **Iterate and plan next steps**: Collect input from all users and determine how to iterate for the next phase of implementation. Update documentation and training and communicate with users what is happening, keeping them enrolled and engaged.

The opportunity and perhaps the silver lining in our "next normal" of remote work is that the status quo is no more and there is license to do things differently—to fix what is broken, to try new ways of working, and to accelerate the adoption of digital to create greater transparency for alliance stakeholders. This empowers alliance managers to confidently steer alliances toward success, investing their time where they can have the biggest impact, and ultimately improving their organization's return on investment from strategic alliances. ■

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