



Understanding and aligning partner business plans

ASAP Global Summit
Masterclass

March 16th, 12:15-1:45pm

25% of alliance underperformance is due to gaps in joint business planning...

What's going on?



Joint business planning between partners – common pitfalls

1

Failure to engage the right stakeholders, at the right time.

2

Failure to work backward from customer needs and market opportunities.

3

Failure to translate concepts to concrete opportunities and actions.

4

Failure to have the hard conversations.

5

Failure to consider possible future changes to collaboration, or competition, between partners.



Joint business planning varies depending on stage and type of relationship

Partnership profile

New partnership

Established partnership

Underperforming partnership

Objectives

- Clarify shared and partner-specific objectives
- Prioritize market opportunities
- Identify barriers to success, and plan ways to overcome them
- Accelerate development of mutual understanding and trust as foundation for successful collaboration

- Celebrate success to date, and extract lessons learned
- Explore and align around new growth opportunities
- Ensure realistic resourcing to ensure successful execution against new/expanded partnership scope
- Explore what needs to be done differently to enable next stage of evolution and growth

- Diagnose root causes of underperformance – intrinsic to partnership and/or related to marketplace challenges
- Align around updated business plan with clear ROI for both partners
- Reestablish trust (as needed) and confidence in joint business opportunity and commitment and ability to successfully execute

Launch and enable

Enhance

Transform



Vantage alliance competency model



We will now be splitting into two groups

If you are interested in spending the rest of our time together learning more about...

Value Delivery

Please **remain on this call** with
Jessica Wadd

Value Discovery

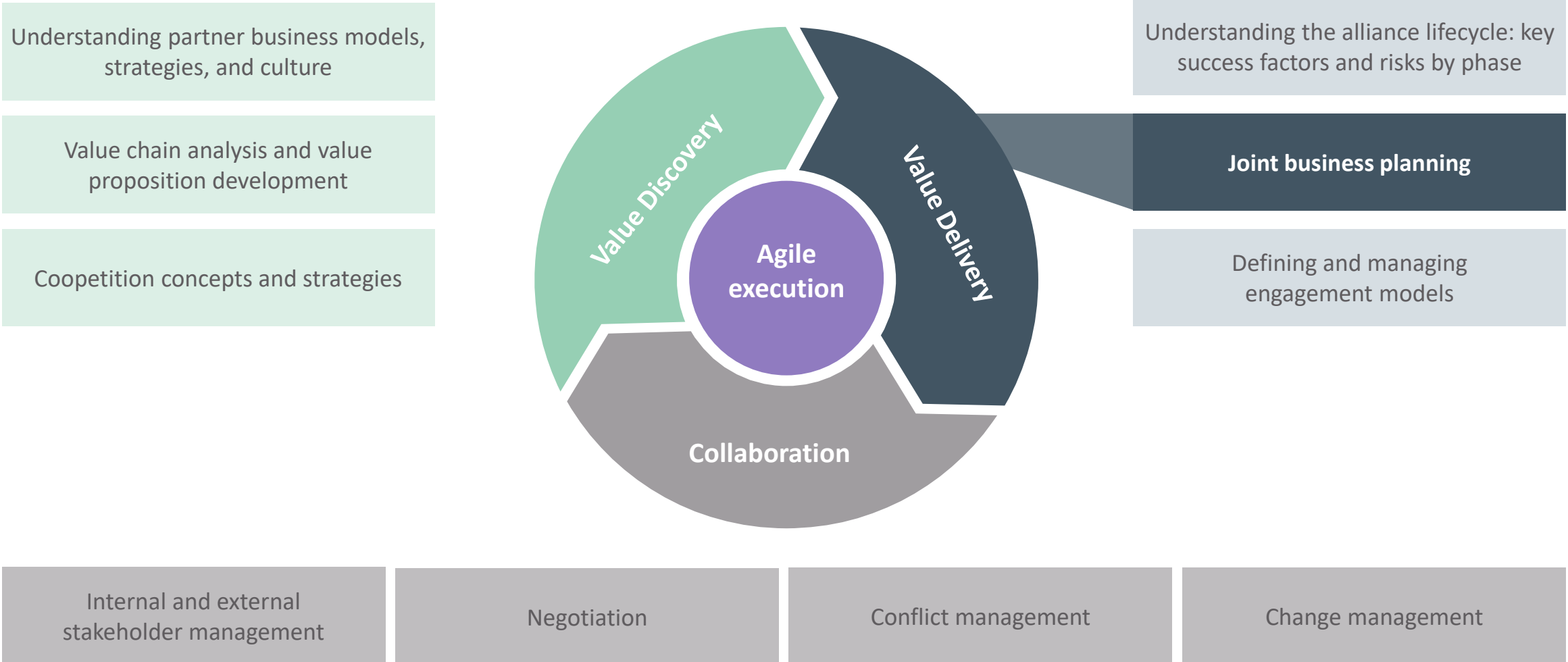
Please join Jon Hughes in migrating
over to the **new zoom link** in the
chat.

*If you can't find the link, please message the
Vantage producer or a member of the ASAP
team.*

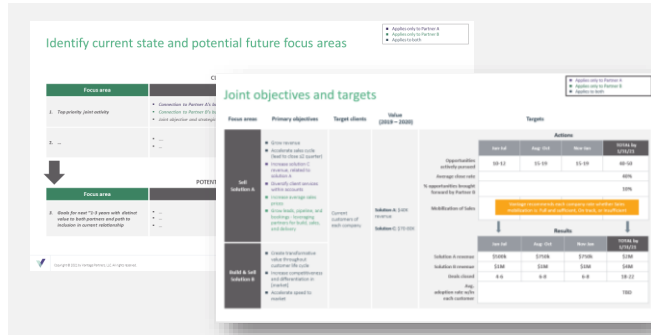


Value delivery

Joint business planning is one of several core alliance management competencies



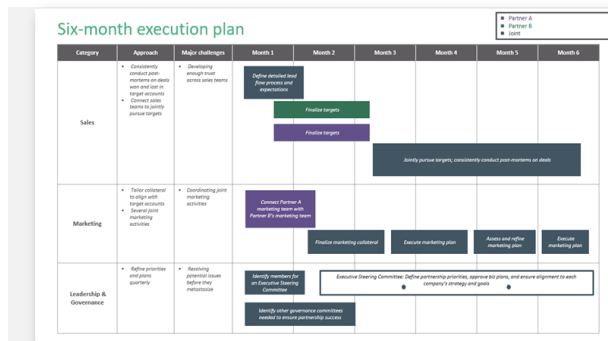
Illustrative output from a partnership joint business planning session



Aligned set of focus areas for the current state and planned future state of the relationship, which include value propositions for both companies and metrics.



Initiative summaries that set out key execution milestones and identified risks.



Detailed execution plans and timelines for current initiatives, which track partner-specific and joint activities.



Step 1: Identify current state and potential future focus areas

Identify current state and potential future focus areas

■ Applies only to Partner A
■ Applies only to Partner B
■ Applies to both

CURRENT STATE RELATIONSHIP		
Focus area	Partnership objectives	KPIs and timing
1. Top priority joint activity	<ul style="list-style-type: none"> Connection to Partner A's business and strategic rationale for entering partnership Connection to Partner B's business and strategic rationale for entering partnership Joint objective and strategic rationale for entering partnership 	<ul style="list-style-type: none"> Discrete metrics connected to initiative, both lagging and leading (e.g., sales revenue, cost savings, # of clients)
2. ...	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">

↓

POTENTIAL EXPANSION OF RELATIONSHIP		
Focus area	Partnership objectives	KPIs and timing
3. Goals for next "1-3 years with distinct value to both partners and path to inclusion in current relationship	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">

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This template is best suited for a joint selling context

The template is well-suited for most joint business planning contexts

Joint objectives and targets

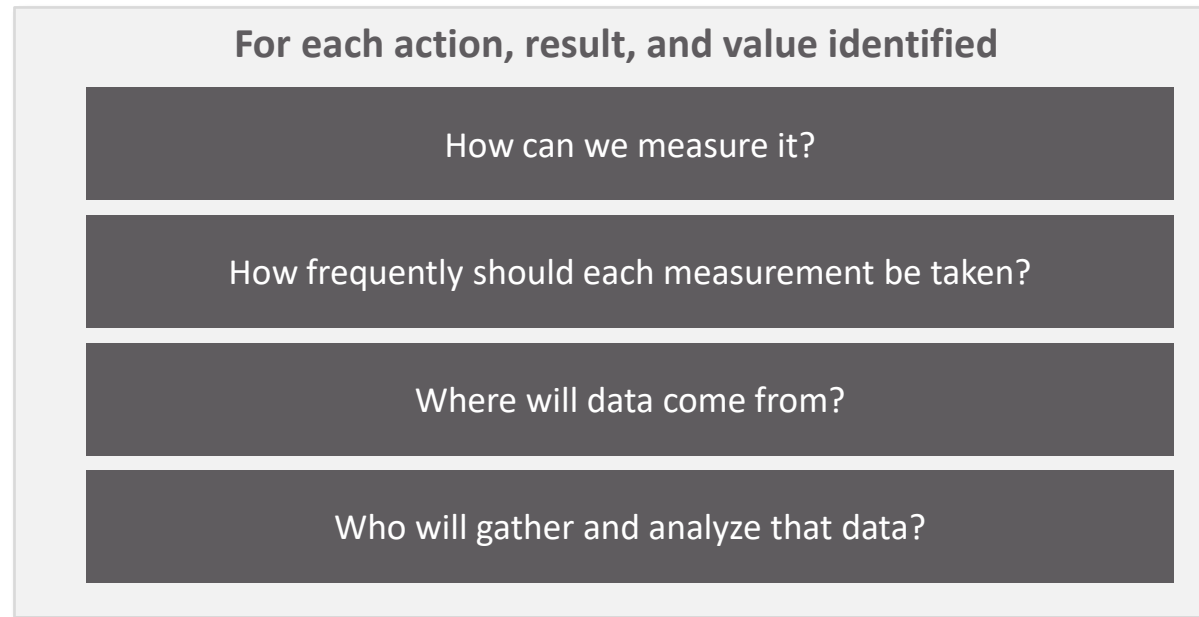
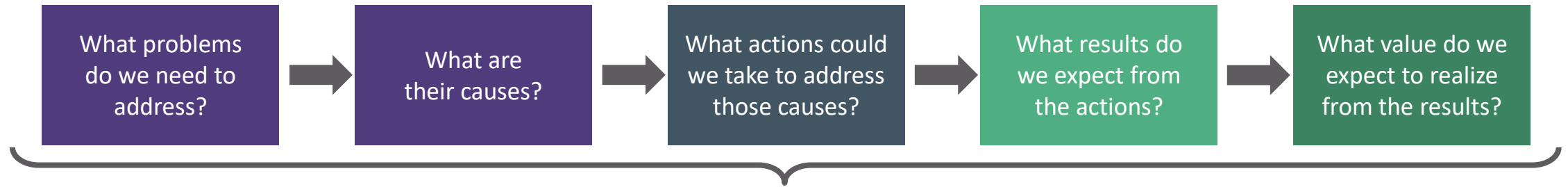
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■ Applies only to Partner B
■ Applies to both

Focus areas	Primary objectives	Target clients	Value (2020 – 2021)	Targets																																																								
Sell Solution A	<ul style="list-style-type: none"> Grow revenue Accelerate sales cycle Increase solution C revenue, relative to solution A Diversify client services within accounts Increase average sales prices Grow leads, pipeline, and bookings – leveraging partners for build, sales, and delivery 	Current customers of each company	Solution A: \$40k revenue	<table border="1"> <thead> <tr> <th colspan="4">Actions</th> </tr> <tr> <th>Jun-Jul</th> <th>Aug - Oct</th> <th>Nov - Jan</th> <th>TOTAL by 1/31/21</th> </tr> </thead> <tbody> <tr> <td>Opportunities actively pursued</td> <td>10-12</td> <td>15-19</td> <td>15-19</td> <td>40-50</td> </tr> <tr> <td>Average close rate</td> <td></td> <td></td> <td></td> <td>40%</td> </tr> <tr> <td>% opportunities brought forward by Partner B</td> <td></td> <td></td> <td></td> <td>10%</td> </tr> <tr> <td>Mobilization of sales</td> <td colspan="4">Vantage recommends each company rate whether Sales mobilization is: Full and sufficient, On track, or Insufficient</td> </tr> <tr> <th colspan="4">Results</th> </tr> <tr> <th>Jun-Jul</th> <th>Aug - Oct</th> <th>Nov - Jan</th> <th>TOTAL by 1/31/21</th> </tr> <tr> <td>Solution A revenue</td> <td>\$500k</td> <td>\$750k</td> <td>\$750k</td> <td>\$2M</td> </tr> <tr> <td>Solution B revenue</td> <td>\$1M</td> <td>\$1M</td> <td>\$1M</td> <td>\$4M</td> </tr> <tr> <td>Deals closed</td> <td>4-6</td> <td>6-8</td> <td>6-8</td> <td>18-22</td> </tr> <tr> <td>Avg. adoption rate w/in each customer</td> <td></td> <td></td> <td></td> <td>TBD</td> </tr> </tbody> </table>	Actions				Jun-Jul	Aug - Oct	Nov - Jan	TOTAL by 1/31/21	Opportunities actively pursued	10-12	15-19	15-19	40-50	Average close rate				40%	% opportunities brought forward by Partner B				10%	Mobilization of sales	Vantage recommends each company rate whether Sales mobilization is: Full and sufficient, On track, or Insufficient				Results				Jun-Jul	Aug - Oct	Nov - Jan	TOTAL by 1/31/21	Solution A revenue	\$500k	\$750k	\$750k	\$2M	Solution B revenue	\$1M	\$1M	\$1M	\$4M	Deals closed	4-6	6-8	6-8	18-22	Avg. adoption rate w/in each customer				TBD
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Build & Sell Solution B	<ul style="list-style-type: none"> Create transformative value throughout customer life cycle Increase competitiveness and differentiation in the market Accelerate speed to market 		Solution C: \$70-80k revenue																																																									

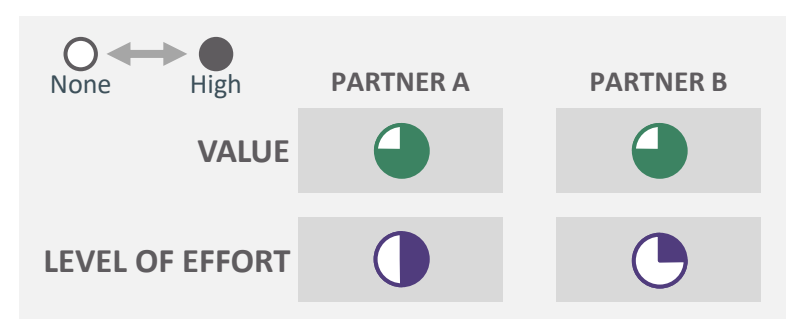
Prepared by Vantage Partners, 2021. 14



Metric development process



Step 2: Forecast key activities and identify risks for each focus area



KEY ACTIVITIES FOR EXECUTION

Activity	Responsible party	Key stakeholders		Status	Target completion
		Partner A	Partner B		
1. ...	Partner A/B or Joint	<i>Responsible function(s) at both organizations</i>			
2. ...	Partner A/B or Joint				
3. ...	Partner A/B or Joint				
4. ...	Partner A/B or Joint				



RISKS

Risk-level	Risks	Joint risk	A only	B only	Mitigation strategy
		✓			
		✓			
		✓			



Step 3: Develop a short-term execution plan

■ Partner A
■ Partner B
■ Joint

Category	Approach	Major challenges	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	
Sales	<ul style="list-style-type: none"> Embed in teams for target accounts Consistently conduct post-mortems on deals won <i>and</i> lost in target accounts Mobilize sales teams to maximize the chance of spotting opportunities Review joint pipeline monthly Re-assess targeted accounts and sales strategy quarterly 	<ul style="list-style-type: none"> Developing enough trust across sales teams to share information Clearly communicating role of both partners 	Finalize targets	Accelerate joint pursuits, including joint preparation, approach, and pitch	Accelerate joint pursuits, including joint preparation, approach, and pitch	Accelerate joint pursuits, including joint preparation, approach, and pitch	Accelerate joint pursuits, including joint preparation, approach, and pitch	Accelerate joint pursuits, including joint preparation, approach, and pitch	
			<p>Define detailed lead flow process and expectations, share with sales teams to ensure accountability</p> <p>Prepare for account management call and debrief afterward – drive engagement (Partner B)</p> <p>Prepare for account management call and debrief afterward – drive engagement (Partner A)</p> <p>Consistently conduct post-mortems on deals</p> <p>Refine GTM plans based on newly integrated solutions</p>	<p>Assess sales performance and refine</p> <p>Embed in partner teams to create and execute account strategies</p>					
Marketing	<ul style="list-style-type: none"> Conduct joint solution education Only a few marketing events (e.g., webinar, thought pieces) Tailor collateral to align with target accounts 		Embed new solutions in pitch material	Joint solution education session	Repeat as needed	Execute marketing plan	Assess & refine marketing plan	Execute marketing plan	
			Connect Marketing teams to define joint promotion plan						
Solutions	<ul style="list-style-type: none"> Fully integrate solutions that leverage the best of both companies 	<ul style="list-style-type: none"> Accommodating existing contracts Routing to the right place quickly 	Fully integrate solutions						
Leadership & Governance	<ul style="list-style-type: none"> Regular touchpoints across partnership Refine priorities and plans quarterly 	<ul style="list-style-type: none"> Maintaining an objective, birds-eye view Resolving <i>potential</i> issues before they metastasize 	Finalize model & calendar calls	Executive Steering Committee: Define partnership priorities, approve biz plans, and ensure alignment to each company's strategy and goals					Partnership Management Committee: Refine sales planning and look across the partnership to identify issues and coordinate joint activities



Joint business planning gone awry

PharmaCo, a global pharmaceutical company recently entered a partnership with *DataCo*, a growing tech startup. The deal was struck at the senior executive level of each company.

DataCo has one core product that is ready for the market – *PatientPro*, a database of medical records for US oncology patients, with the best coverage of any current provider.

PharmaCo has another partnership that provides a similar database and several short-term, critical deadlines to meet.

Now, as some operational issues have emerged in the first 6 months, the partnership is struggling to remain on track and deliver value.



In your breakout room, analyze the following business plan and overheard quotes.

Discuss what recommendations you would make to correct course using these tools.



Partnership overview

PharmaCo

Partnership

DataCo

Fast facts

- Employees: 25,000
- Market cap: \$100B
- Presence: Global

- Investment: \$300M
- Timeline: 3 years, with option to extend to 5

- Employees: 125
- Market cap: Private, most recent valuation of ~\$500M
- Presence: US

Partnership goals

- Gain access to highest quality data to support trial design & patient enrollment
- Diversify data suppliers from current source
- Democratize data use & analysis to non-technical teams through apps & tools in addition to database
- Capitalize on 1st-party data through *DataCo* AI models

- Validate *PatientPro* with real trial enrollment and health economic studies
- Develop & iterate applications to empower non-technical users

- Prove value and quality of *PatientPro* and other in-development products
- Prioritize product queue based on estimated value to and feedback from *PharmaCo*

Key milestones

- Board Q4 meeting in 2 months, where a report on Year 1 partnership progress is expected
- Enrollment window for Phase 2 trial ending in 6 months, tightly timed with planned end of integration

- Full *PatientPro* data validation by end of Year 1
- Data quality milestones monthly, requiring increase in total patient # of field completion rates

- Presentation at J.P. Morgan Conference in 4 months, focused on initial results of partnership
- Integration for other customer that must begin in 6 months, right as *PharmaCo* is planned to finish



Executive dashboard

Activity	Responsible party	Key stakeholders		Status	Target completion
		PharmaCo	DataCo		
1. Deliver initial patient cohort to Clinical Operations Team for upcoming Phase 2 trial recruitment	DataCo	Clinical Operations, Clinical Analytics	Data	Delayed progress	
2. Integrate <i>PharmaCo</i> 1 st -party data into <i>DataCo</i> data lake, including harmonized set of database fields and completion rates	DataCo	IT, Data Quality	IT, Product, Data	Stalled – at risk	
3. Complete proof of concept study benchmarking <i>DataCo</i> dataset against current <i>PharmaCo</i> data by replicating previous analysis	PharmaCo	Data Analytics, Health Economics & Outcomes	Data	On track	
3. Align on top 2 priority international markets for database expansion & select data providers	Joint	Clinical Operations, Commercial	Strategy, Partnerships, Data	On track	
3. Complete IT transformation project to replace current manual patient cohort evaluation tool with <i>DataCo's</i> automated analyzer.	PharmaCo	IT, Clinical Operations, Clinical Analytics	IT	Not started or N/A	

■ On track
 ■ Delayed progress
 ■ Stalled – at risk
 ■ Not started or N/A



Selected quotes

■ PharmaCo
■ DataCo

After reviewing the dashboard, you decide to talk with a few stakeholders from both companies and hear the below:

“We have a database already that can do what *DataCo* has today. I get the aspiration, but I don’t have time to work on this daily until they have something better.”

“We’re *DataCo*’s biggest – and first - partner. Sometimes it feels like we’re top priority and other times it feels like we’re just another customer.”

“Our data models are very different. We’re committed to reaching a common ground because integrating our data is critical to realizing value, but it’s taking more time than we originally anticipated.”

“I’m super excited to see what *DataCo* can produce. This is revolutionary for what we do, though I’m yet to see any of it in real time. I’ll believe it when I see it.”

“We’re working at a breakneck speed to ensure we hit the date for this Phase 2 trial. But, we’re waiting days to hear back about the data we’ve shared and the feedback is coming from so many different sources.”

“*PharmaCo* is a critical partnership for us and they started with us early. Their needs are important to us, but we have other clients and can’t completely rewrite our database just to map to what they have.”

“Sometimes it feels like we’re fighting an uphill battle against their current systems – we’re building solutions with them and they want to just ‘buy’ something.”

“We’re still growing and it’s difficult to balance all of their needs – delivering today on the US and also already looking ahead internationally.”



Recommendation template

Key challenges

Recommended next steps using tools



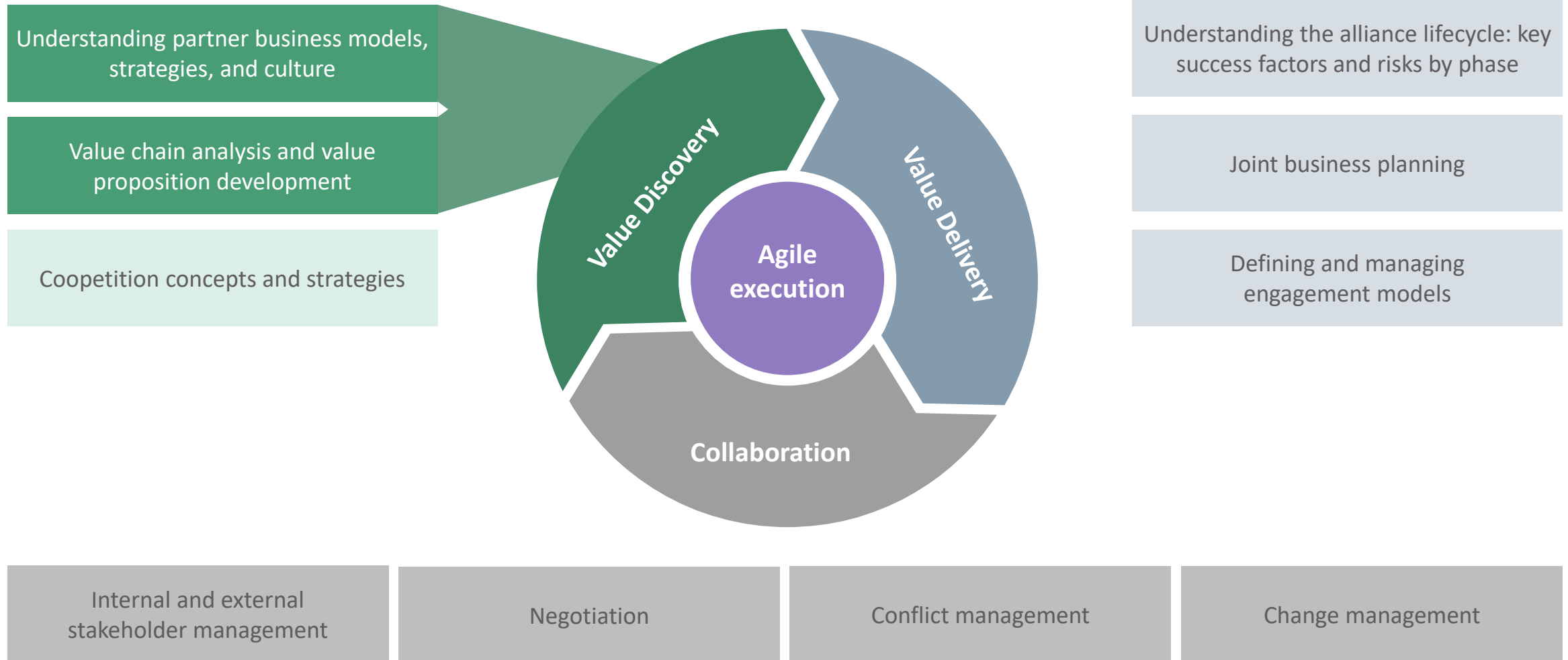
What are the key challenges you identified?

How would you use these tools to address those challenges?



Value discovery

Opportunity identification is one of several core alliance management competencies



Mindsets that support joint value creation

PUT CUSTOMERS FIRST



Keep customer needs as the north star for all we do.

EMBRACE AMBIGUITY



The sure, straight path is the long, wrong path.

FAIL AND LEARN



Fail fast, often, small, and smart.

EMBRACE DIFFERENCES



Use disagreement as an engine of innovation.

OPTIMISM



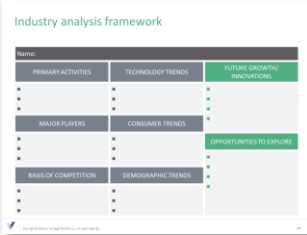
Small things come to those who naysay.

CREATIVE CONFIDENCE

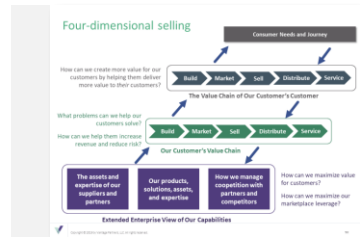


If at first you don't succeed, celebrate what you learned, and forge ahead.

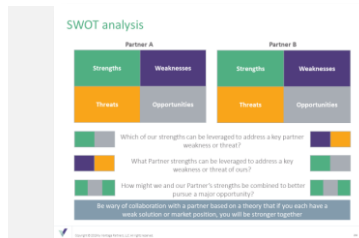
Frameworks to enable value discovery



Industry analysis to enable a broader understanding of the market context and starting the value identification process.

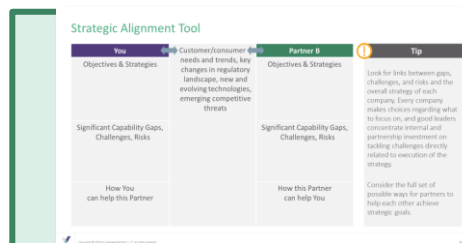


Value chain analysis to unpack customer needs, understand how we and our partner can best work together to meet them, and weigh the relative value of those opportunities.



SWOT analysis to assess the relative strengths and weaknesses for us and our partner and compare to identify top areas for collaboration.

OUR FOCUS



Strategic alignment tool for mapping both our and our partner's objectives, capability gaps, and shared goals to reach agreement on the broadest set of mutually beneficial opportunities.



Strategic Alignment Tool



Tip

Look for links between gaps, challenges, and risks and the overall strategy of each company. Every company makes choices regarding what to focus on, and good leaders concentrate internal and partnership investment on tackling challenges directly related to execution of the strategy.

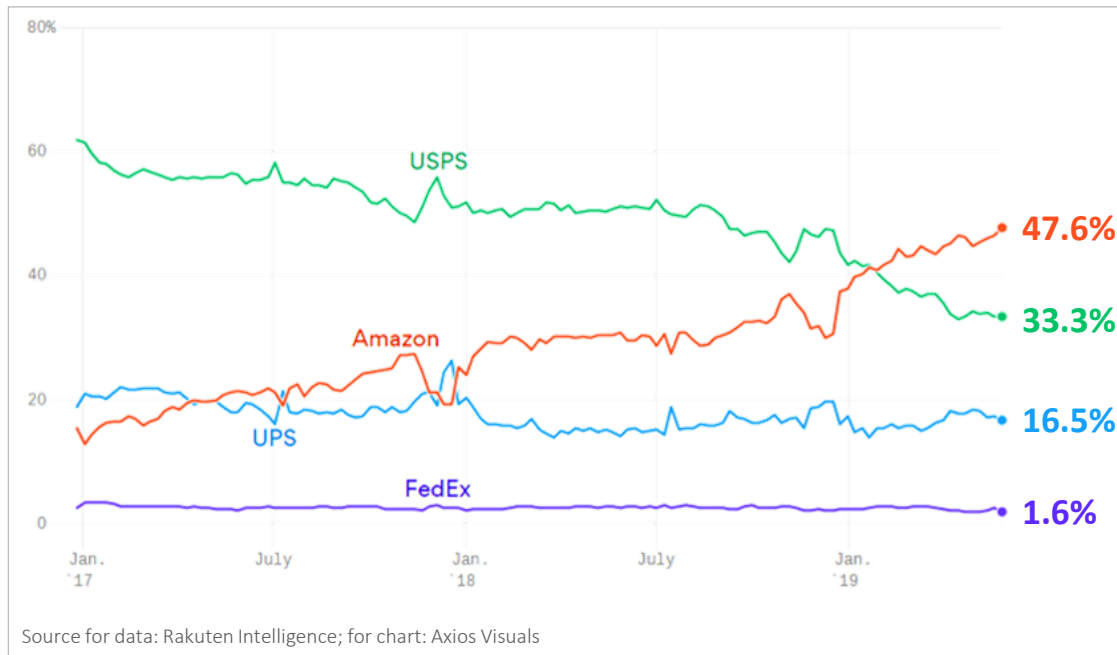
Consider the full set of possible ways for partners to help each other achieve strategic goals.



UPS and Amazon part 1: A growing pie, and a ticking clock

Share of Amazon shipments by carrier

Weekly, December 2016 – May 2019



2017: UPS revenue
from 20% share

~\$6.5B

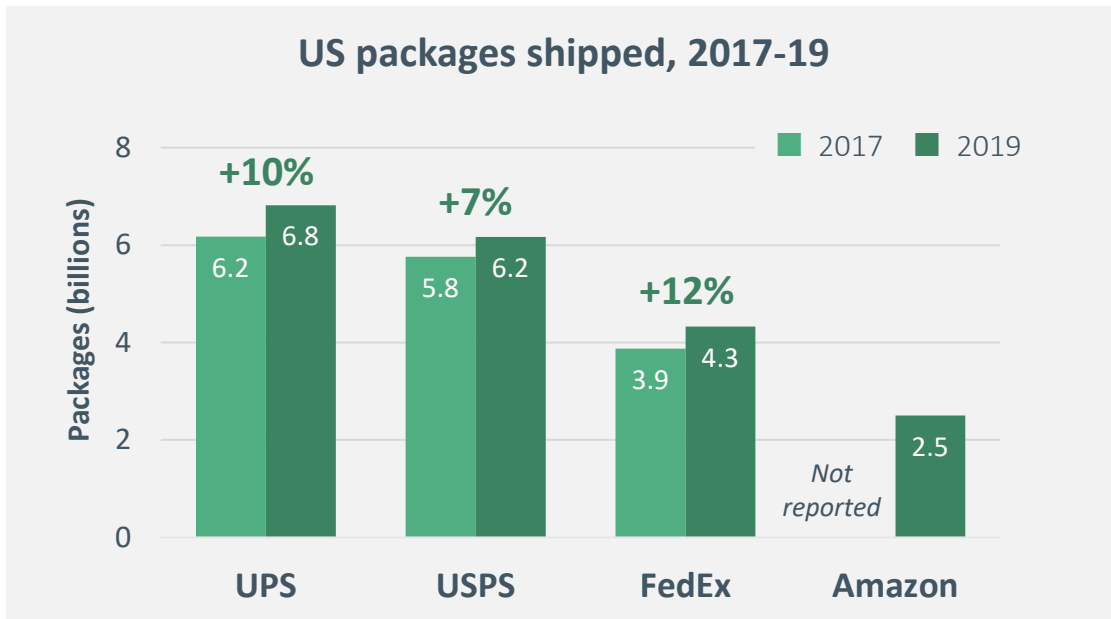


2019: UPS revenue
from 16.5% share

~\$10.6B

- Amazon has been a major UPS customer since the early 2010s.
- In 2017, Amazon launched and quickly scaled its own shipping service – a direct competitor to UPS (and FedEx and USPS).
- Estimated UPS revenue from Amazon nearly doubled from 2017 – 2019 (as Amazon online retail revenue grew 30%).
- However, Amazon’s share of its shipments will likely rise further (a widely cited 2019 Morgan Stanley report predicted 66% in 2022), which could squeeze UPS.

UPS and Amazon part 2: Investing for the future



Operating margin, 2017-19

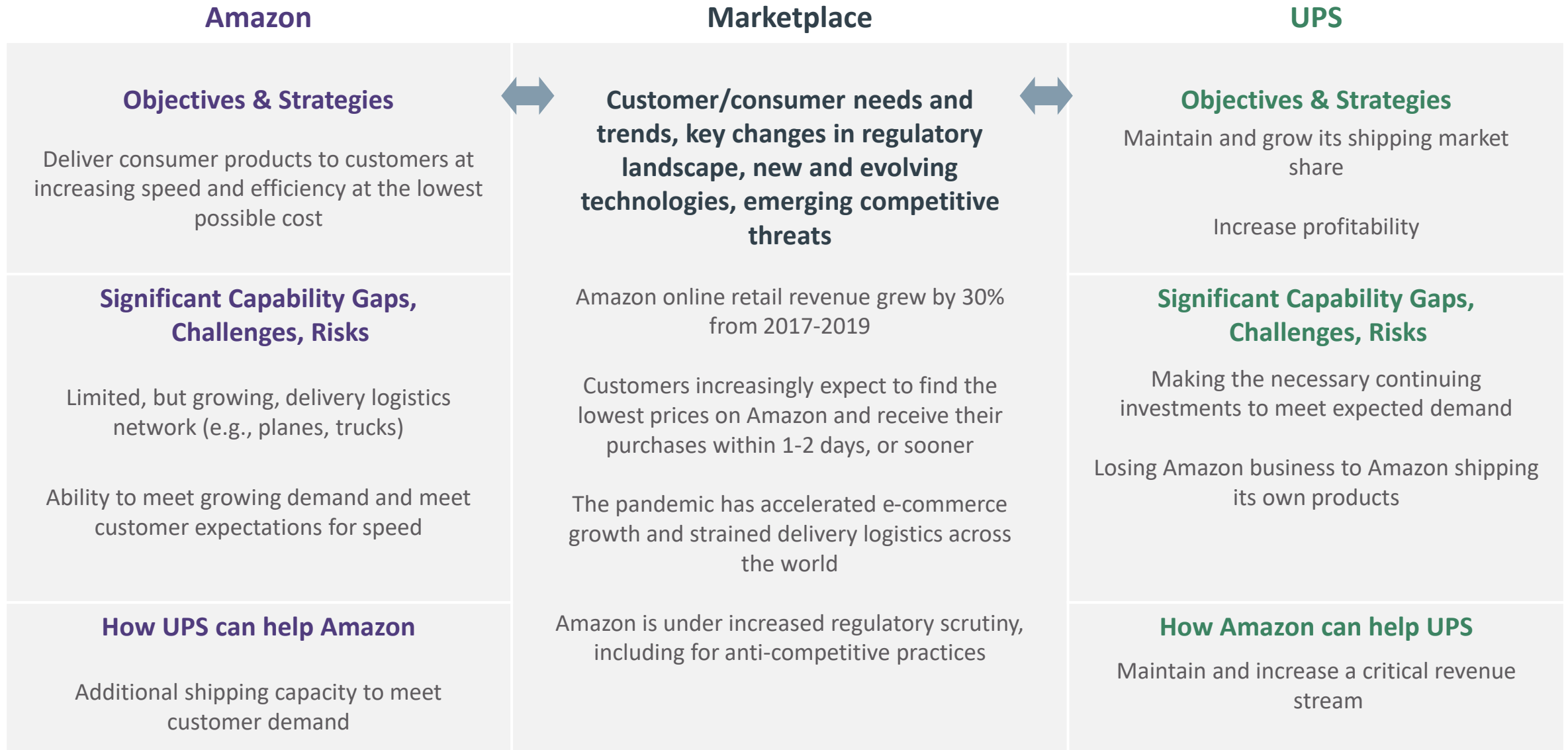
	2017	2019	Change
FedEx	7.6%	6.4%	-16%
UPS	11.3%	11%	-3%
UPS advantage	49%	72%	

- In 2017, UPS launched a 3-year investment plan, to better serve Amazon and position for broader success in e-commerce.
- Capital spending doubled, focused on new aircraft, automation and package-sorting capabilities.
- Operating margins have remained steady and higher than at FedEx – despite disproportionate growth in residential e-commerce deliveries (US retail e-commerce sales grew 33% from 2017 – 2019).

“UPS posted its strongest peak-shipping season since at least 2013 last year, and these trends should continue as new global sorting hubs come online.”
 – Helane Becker, Cowen analyst



Strategic alignment tool



Breakout instructions

- Think of a specific partnership on which you are currently working.
- In your breakout rooms, spend the first few (~5 minutes) filling out the strategic alignment tool individually.
- Then, with your partner/group, discuss:
 - ▶ What were your biggest insights?
 - ▶ What actions will you take?



What were your biggest insights from using the tool?

What actions will you take?





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