Simplicity as a Best Practice
Hearing the Voice of the Collective:
Span Cultures and Discover Value

8 May 2013
ASAP Colorado Chapter Event

Definitions

Strategic Alliance

- ☐ **Long-Term**
- ☐ **Value-Creating**

Strategic Alliance Manager

- ☐ **Does the Impossible**
- ☐ **With Nothing**
- ☐ **In the Eye of a Hurricane**

Simplicity as a Best Practice

☐ **Simplicity**

☐ **Benefits**

☐ **Alliances** – simply about value

 ☐ Value-Impediments

 ☐ Incremental Value

☐ **How to Simply Focus**

Refer to:

Simply Focus on Incremental Value and Value-Impediments: transforming a strategic alliance through simplicity

www.spibr.org/2-slide_methodology.pdf

Complexities in Strategic Alliances
overwhelming and overlapping

- ☐ Organizational structures
- ☐ Your company
- ☐ Financial analysis
- ☐ People
- ☐ Strategic differences
- ☐ Competitive dynamics
- ☐ Organizational churn
- ☐ Currency exchange rates
- ☐ Languages
- ☐ Tradeshows
- ☐ Formal alliance reviews
- ☐ Performance metrics
- ☐ Internal e-mail spam
- ☐ Portfolio management
- ☐ Negotiations
- ☐ Competitors
- ☐ …

- ☐ Technologies
- ☐ Your partner's company
- ☐ Budgetary processes
- ☐ Human resource issues
- ☐ Communication processes
- ☐ Business ecosystems
- ☐ Strategic upheaval
- ☐ Supply chains
- ☐ Sales and account control
- ☐ Press briefings
- ☐ Executives' calendars
- ☐ Dinners and entertainment
- ☐ Multi-partner dependencies
- ☐ Multiple projects
- ☐ Business planning
- ☐ Industry trends
- ☐ …

- ☐ Legal issues
- ☐ Regulatory issues
- ☐ Customers
- ☐ Business systems
- ☐ Cultural differences
- ☐ Geographies
- ☐ Decision-making processes
- ☐ Global economy
- ☐ Time zones
- ☐ Marketing processes
- ☐ Executive briefings
- ☐ Meeting coordination
- ☐ Celebrations
- ☐ Travel logistics
- ☐ Program management
- ☐ Strategic planning
- ☐ Time/Priority management
- ☐ …

Simplicity
a clearer perspective

"All things being equal, the simplest solution tends to be the right one."

- Occam's razor

"Make everything as simple as possible, but not simpler."

- Albert Einstein

*"Truth is simple.
What is concealed must be feared.
Value always lies in joint appreciation."*

- *A Course In Miracles*

It is always best to simply bring things into the open.

As Simple as Possible
but not simpler

Simplicity

Simplicity	
Is Not	**Is**
▪ On *this side* of (before) complexity	▪ On the *other side* of (after) complexity
▪ Naïve and simplistic	▪ Based on experience, reflection and insight
▪ Quick and easy	▪ Hard work, requiring concerted effort
▪ Weak	▪ Powerful

Benefits to You
and your alliance from the 2-Slide Methodology™

- ☐ **Practical Recommendations for Improving the Overall Climate**
  - ☐ **greater trust**
  - ☐ **more collaborative**
- ☐ **Discover New Strategic Opportunities**
  - ☐ **unforeseen value-creation**
  - ☐ **clear, compelling and realistic long-term vision**
- ☐ **The Alliance Team Becomes More Cohesive**
  - ☐ **increase personal buy-in**
  - ☐ **strong alignment and clear focus**
- ☐ **2 Slides**
  - ☐ **capture the essence: incremental value, value-impediments**
  - ☐ **content easily leveraged into every situation and any audience**

Alliances
simply about value

- incremental *value*
- *value*-impediments

Partner$_A$

Partner$_B$
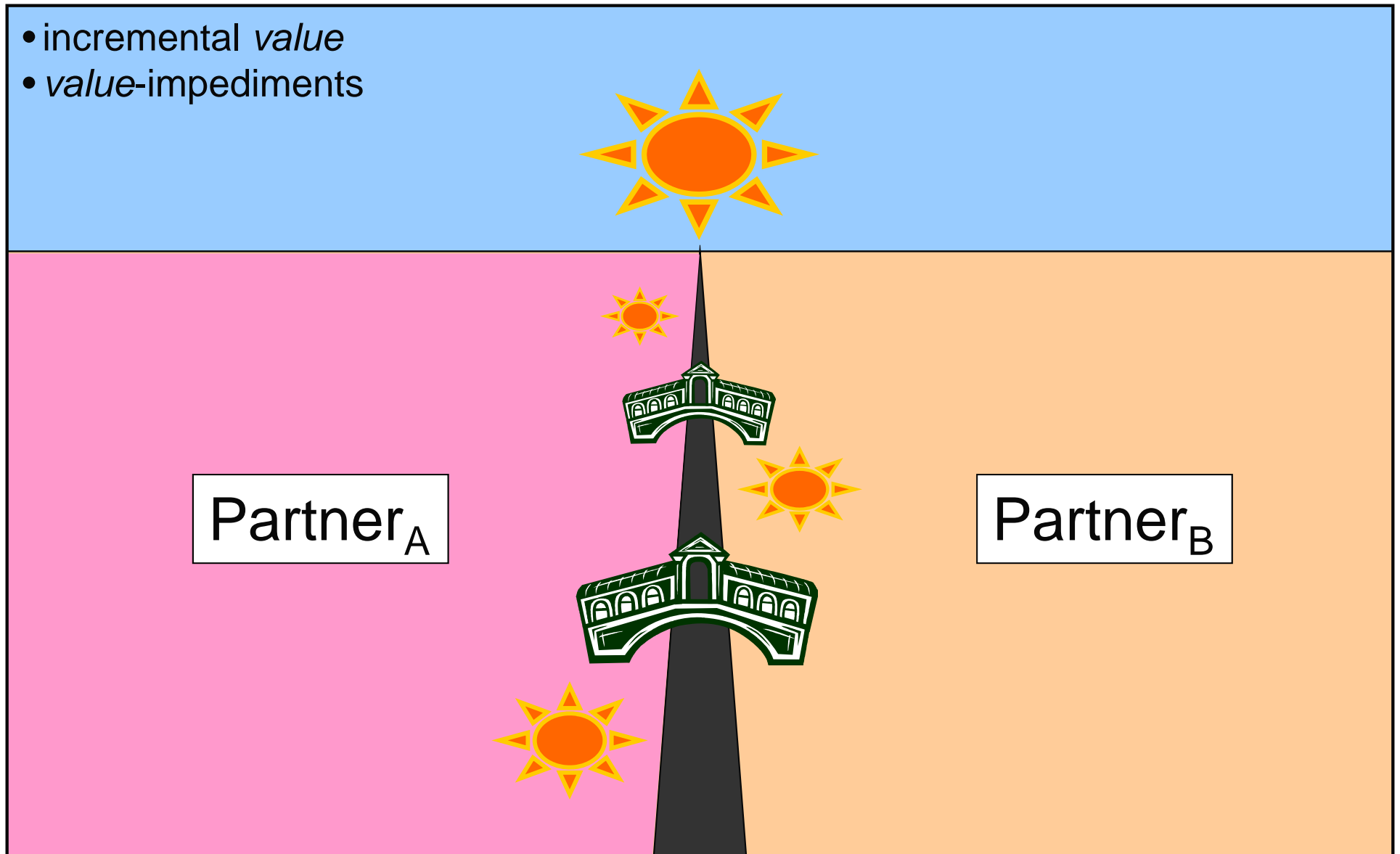
Alliances
simply focus on value

- ☐ **Value-Impediments**
  - ☐ *first*, **clearly see what needs to be looked past**
  - ☐ **obstacles –** *in* **the relationship**
- ☐ **Incremental Value**
  - ☐ **opportunities –** *in* **the relationship**
- ☐ **Obstacles, Opportunities, Vision and Answers**
  - ☐ **are all** *in* **the relationship**
  - ☐ **iteratively uncovered and collaboratively discovered**
- ☐ **Over Time …**
  - ☐ **greater and greater clarity, alignment and focus**
  - ☐ **simplicity's power grows with attention and use**
  - ☐ **as we empower we are empowered**
  - ☐ **problems start to enthuse us**

The Simple Essence in Any Alliance
looking through value-impediments to incremental value

Incremental Value

Fundamental Business Objectives

(mostly overlapping)

Key Underlying Interests

(often separate)
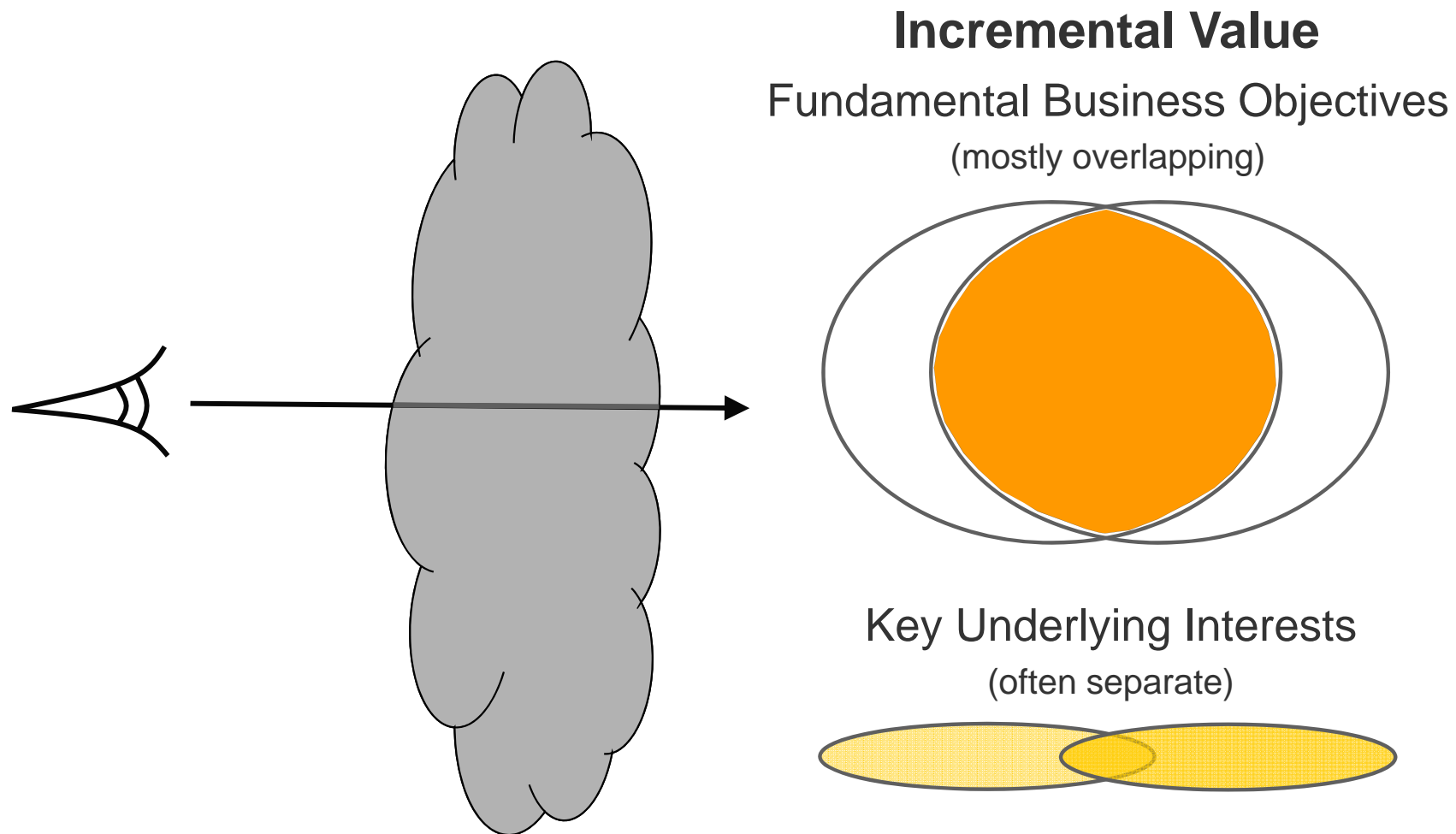
When They Seem Crazy, Devious, Incompetent
it is simply a matter of perspective
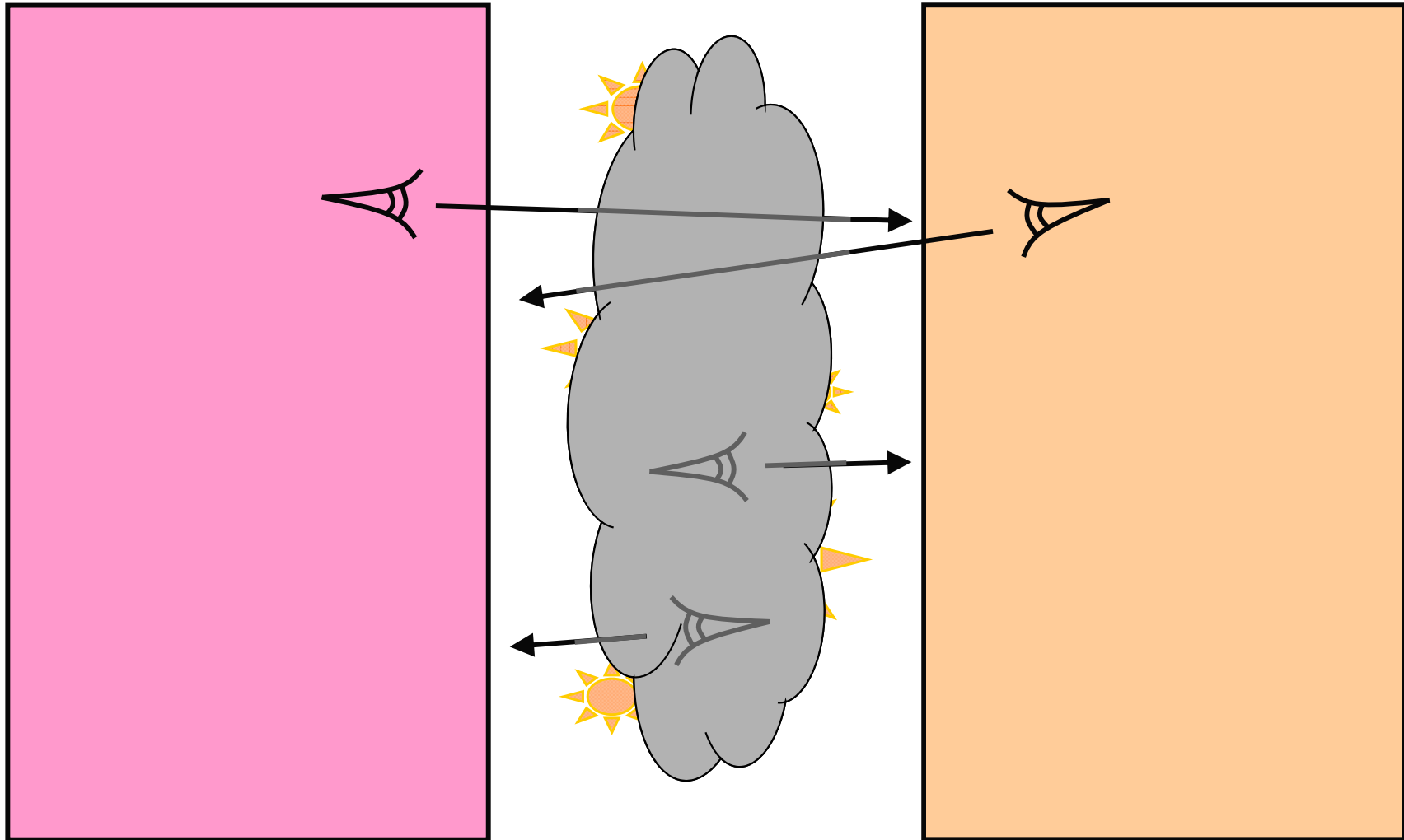
- ☐ **It's always about unacknowledged divergent perspectives**
- ☐ **Seeing another's perspective doesn't necessarily mean you agree**
- ☐ **When we see the world as they do, they no longer appear to be crazy, devious or incompetent**
- ☐ **You don't know what you don't know**
- ☐ **The truth lies between us**

Focus *In* Relationship
first, look through impediments by sharing perspective

Cultural and Strategic Differences
divergent perspectives

- Decision-making differences
- Behaviors
- Norms and assumptions
- Organizational controls
- Role definitions – rigid or fluid
- Risk-taking and risk tolerance
- Strategic consistency or churn
- Perspective on time – sense of urgency
- How resources are committed
- Corporate climate or atmosphere
- Degree of formality or informality
- …

- Information flow – transparency
- Perspective on alliances and partnering
- Age of company
- Maturity and experience of employees
- Organizational structures
- Values – stated and unstated
- Organizational power centers
- Communication processes
- Measures of success
- Organizational upheaval
- Competitiveness
- Place in business ecosystem
- …

Value-Impediments – Cultural Differences
be bold, step back, think deeply

When the other side appears crazy, devious or incompetent

Ask "What makes it hard to work together?" – list 5 things

- ☐ **Decision-making differences** – processes, power, control, commitments
- ☐ **Organizational structures** – rigid vs. fluid, flat vs. hierarchical or matrixed
- ☐ **Openness and transparency** – sense of trust
- ☐ **Collaborative vs. competitive climate**
- ☐ **Measures of success**
- ☐ **Be willing to infer or assume, then test with trusted others**

Jointly develop bold Recommendations – make 3-5 points

- ☐ *After* the top 4 shared perspectives cells are "good enough"
- ☐ **Provide recommendations for:**
  - ☐ **engaging more effectively in the alliancing**
  - ☐ **developing metrics and driving programs**

Continually share → deeply listen → iterate …
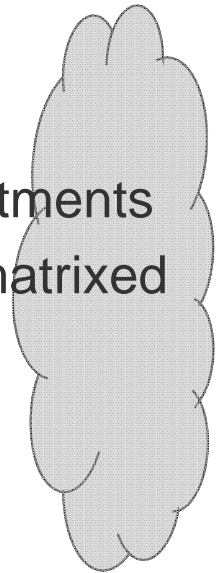
Corporate-Level Strategic Alliance (1997-2002)

Perspectives	
HP's View of Microsoft - Excessively competitive and confrontational - Controlling, paranoid and greedy (their unstated values) "Win / Don't Care" partnering mindset - Focused only on winning the deal - Packaged software mentality – commoditizes everything, including partners	**Microsoft's View of HP** - A non-player in professional services - Falling behind its competitors - Slow, bureaucratic – a laggard - Unable to execute consistently and predictably - Conflicted sales strategies (UNIX vs. NT in late '90s)
HP's View of HP - Collaborative mind-set – looks for common good - Reinventing itself – trying to get more focused under new CEO's leadership (Carly Fiorina) - Disciplined – takes a long-term, mature approach to evaluating new opportunities - Win/win – actively seeks the other company's wins - Flexible – looks for creative deals	**Microsoft's View of Microsoft** - Competitive, fast-moving and entrepreneurial "Our products are changing the world" "We are the center of the universe / new economy" - Focuses on MS's wins, assumes others do the same - Unappreciated for positive things MS does for the world - Brings partners into deals; they should be grateful

Recommendations

- Focus on each other's complementary strengths:
  - HP's strengths: complex solution selling, long-term relations and perspective, risk-mitigation, collaborative
  - MS's strengths: product expertise, short-term wins, rapid decision-making, risk-taking, competitive orientation
- Align to different perspectives – MS is focused on competitive wins, HP is focused on value to customers
- For HP: align into MS's perspective, assertively sell HP's strengths, under-set and over-deliver on expectations

Hewlett-Packard/Microsoft Alliance
divergent factors impacting strategic decisions (1997-2002)

Hewlett-Packard
- emphasizing **customer** value
- de-emphasizing technology
- **competitively naïve**

Customer Value

Technology

Competitive Wins

Microsoft
- primarily focus on **competitive wins**
- products are good enough to win
- **customers** are a result of winning
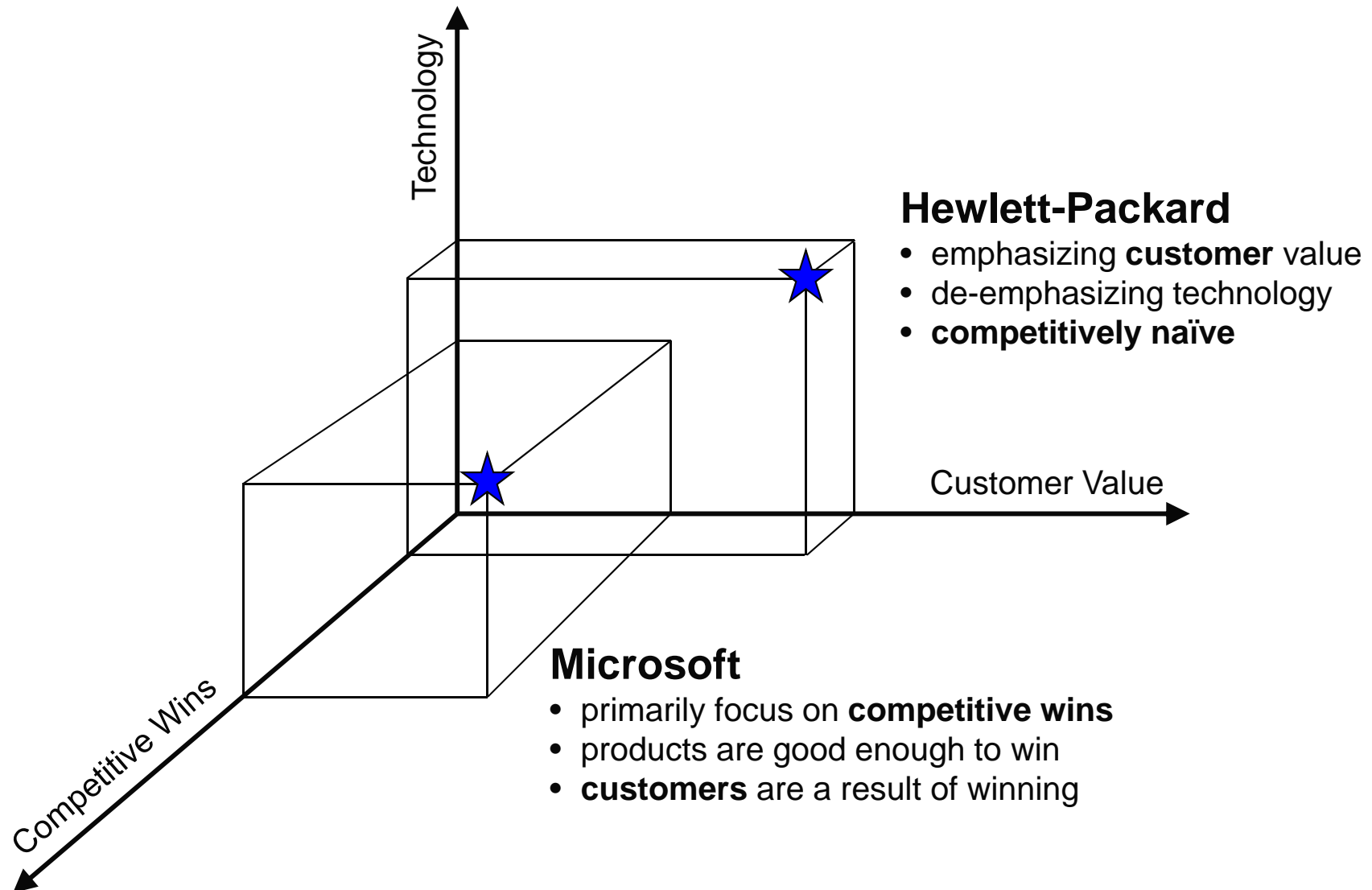
Focus *In* Relationship
jointly look for value
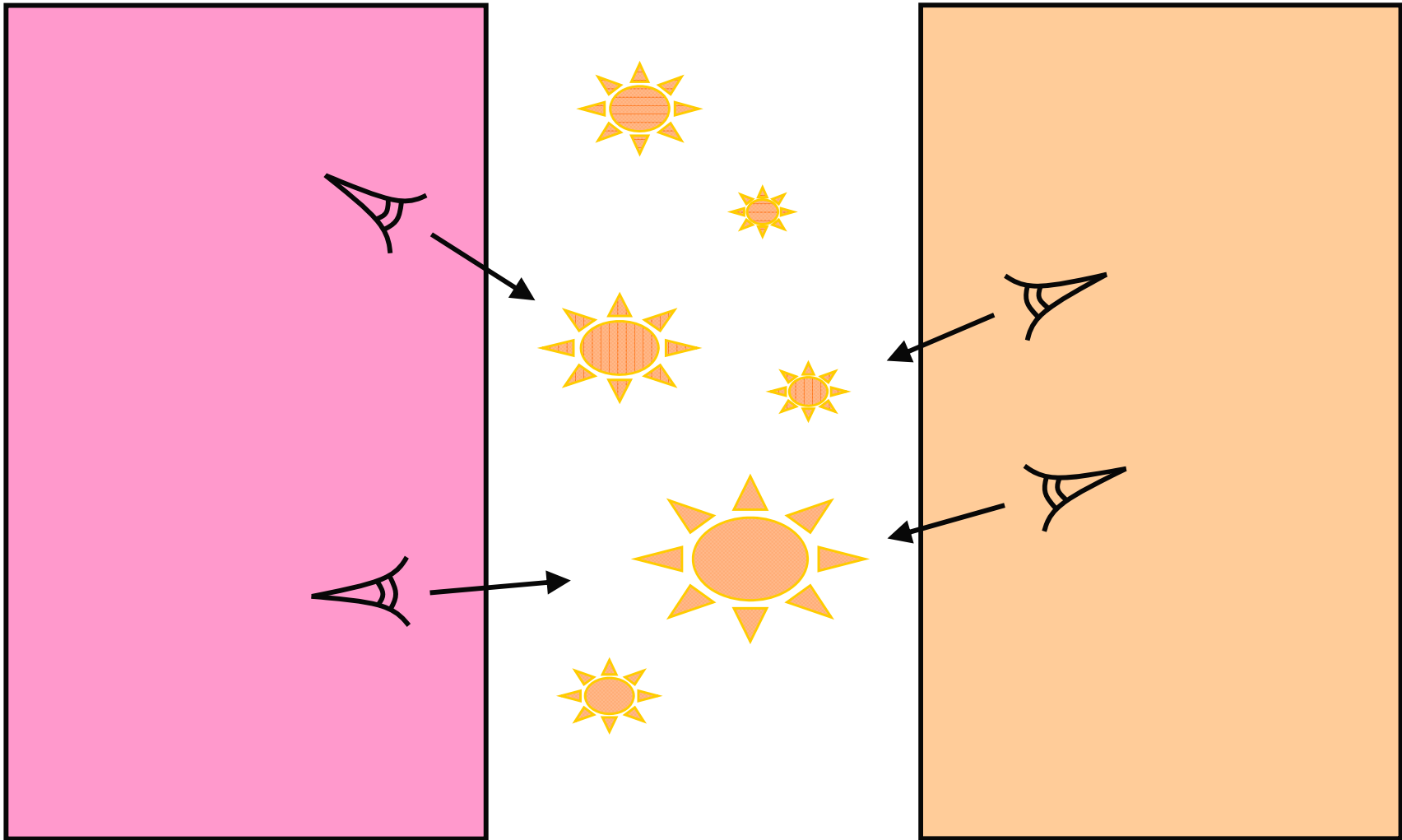
Value
consider all forms – near-term & long-term

Tangible – easy to quantify

- ☐ **Profitable sales revenue**
- ☐ **Increased market share**
- ☐ **Access to new markets**
- ☐ **Development of new markets**
- ☐ **Access to new technology**
- ☐ **Technology adoption & proliferation**
- ☐ **Improved time-to-market**
- ☐ **Cost-savings**
- ☐ **Improved customer satisfaction**
- ☐ **Operational improvements**
- ☐ **Other financial value**
- ☐ **…**

Intangible – hard to quantify, high impact

- ☐ **New organizational capabilities**
- ☐ **Reduction or neutralization of competitive threats**
- ☐ **Risk-mitigation/-sharing**
- ☐ **Diversification of product portfolio**
- ☐ **Increased brand recognition**
- ☐ **Improved strategic plans – additional options**
- ☐ **Improved ability to establish effective business relationships**
- ☐ **Business ecosystem leadership**
- ☐ **Other strategic value**
- ☐ **…**

Incremental Value
be bold, step back, think deeply

- ☐ **Fundamental Business Objectives** – 5
  - ☐ **primary motives** – why work together
  - ☐ **strategic, static and timeless forms of value**
- ☐ **Key Underlying Interests** – 3 to 5
  - ☐ **side benefits of achieving objectives** – mostly separate
  - ☐ **non-tangible and longer-term forms of value**
- ☐ **Possible Teaming Scenarios** – 3 to 5
  - ☐ **developed after objectives and interests**
  - ☐ **satisfy shared objectives and interests**
  - ☐ **good for each, both and all** – including competitors
  - ☐ **provides a timeless and bold vision**
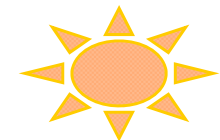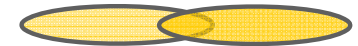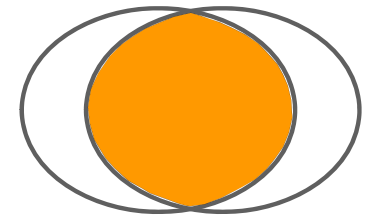
Enterprise Print Management and Document Workflow (2003-2005)

Fundamental Business Objectives

SAP's

- Spring '04 public endorsement of SAP Web AS
- Significantly reduce TCO & increase customer satisfaction – new SAP strategic imperative
- Remove "(printing &) output" pain for SAP & SAP's customers
- Influence license sales – up-/cross-selling to installed base & sales to new customers
- Help SAP reduce investments – focus on core business objectives vs. spooling

HP's

- Broad deployment of HP OMS solutions
- Deliver on "printing in the enterprise" Corp Obj
- Increase license & services sales for HP's OMS solutions (HPOS & HPDS)
- Leverage off all of HP's enterprise strengths – output management, systems management, enterprise systems & services
- Raise "output" considerations earlier w/customers

Key Underlying Interests

SAP's

- Accelerate adoption of Adobe forms, return on SAP investments
- Reduce SAP customer support, re: output

HP's

- Differentiate HP's on-/off-ramp devices
- Accelerate growth in "printing in the enterprise" services

Possible Teaming Scenarios

- Engineering-level relationship to port HPDS to Web AS 6.30/6.40
- TCO-driven, tightly-integrated HPDS/WAS packaged solutions (e.g., CRM, Fin, Sales & Dist'n – maybe w/ DP&P or DPS for more strategic solution) – e.g., unified install, mgmt, etc.
- OEM core output management module in NetWeaver (tee-up in exec-level briefing – vision)
- SAP/Adobe/HP forms+output triad solutions
- Explore mid-market/SMB plays

HP/SAP Central Print Management
years of frustration, churn, and angst

in the midst

Adobe acquires
Acellio (JetForm)

Adobe/SAP Deal
(new OEM)

Early Adobe/SAP
solution availability

Adobe/SAP sol'n
widely available

Initial HP/SAP
discussions

SAP acquires
TopTier (SAP Portals)

Con'd HP/SAP
discussion

SAP OEM
refinement

Early 3-way talks

HP acquires Dazel
(HPOS, doc workflow)

Acquisition
assimilation …

Strategic
refocus

HP/Adobe
teaming

HP-wide/SAP
OEM discussions

HP/IPG / SAP
OEM Deal

HP/SAP announcement
SAPPHIRE'06

Early HP/SAP CPM
solution availability

HP/SAP CPM
sol'n widely available

| 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 * | 2007 | 2008 |

* 2006 and beyond was projected

Timeless Simplicity
past failure, past churn and past angst → HP/SAP CPM deal

Adobe acquires Acellio (JetForm)

Adobe/SAP Deal (new OEM)

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SAP acquires TopTier (SAP Portals)

Con'd HP/SAP discussion

SAP OEM refinement

SAP/HP – strategic business context
SAP/NetWeaver / HPDS – 12 Nov 2003; Walldorf, DE
(R. Wedel, C. Wachter, A. Cooke and J. Kittel)

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HP's
- **differentiate** HP on-/off-ramp devices
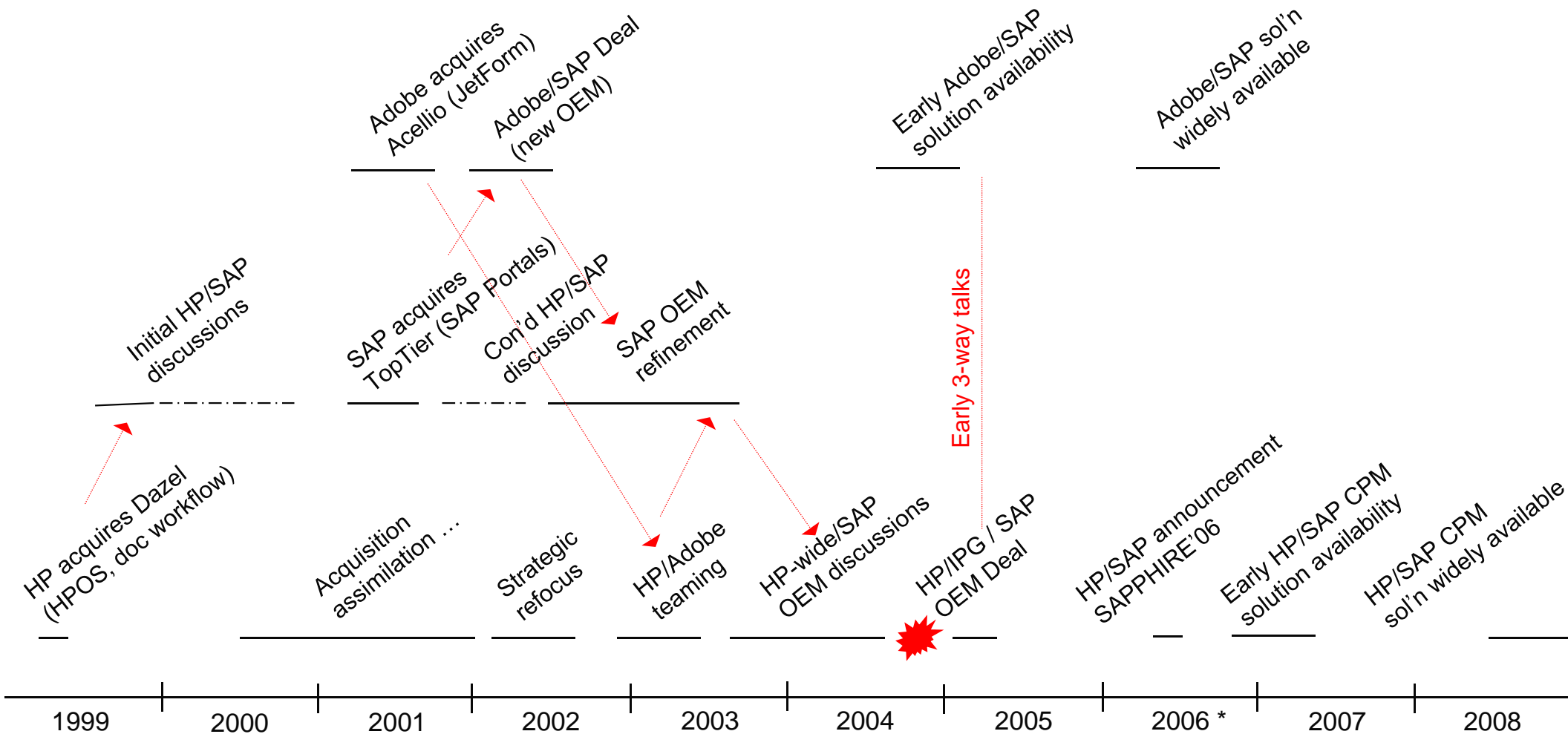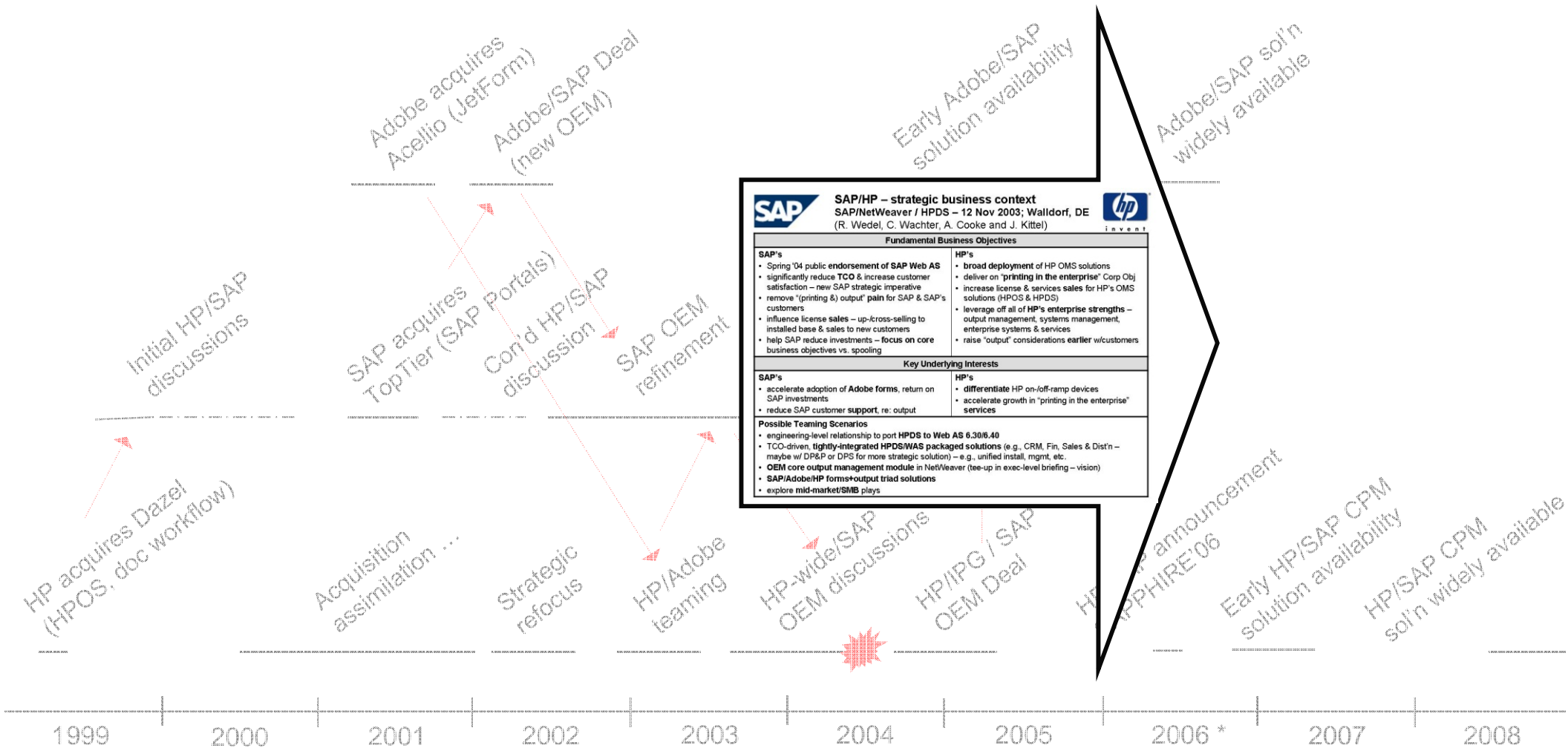- accelerate growth in "printing in the enterprise" **services**

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HP acquires Dazel (HPOS, doc workflow)

Acquisition assimilation ...

Strategic refocus

HP/Adobe teaming

HP-wide/SAP OEM discussions

HP/IPG / SAP OEM Deal

HP/SAP announcement @ SAPPHIRE'06

Early HP/SAP CPM solution availability

HP/SAP CPM sol'n widely available

1999   2000   2001   2002   2003   2004   2005   2006 *   2007   2008

* 2006 and beyond was projected

Organizational Addictions
be ready for the "Yeah Buts"

Addiction: anything we use to avoid facing the simple truth

Organizational Addictions

☐ **Complexity**

- ☐ *"Yeah but* – it can't be that simple."
- ☐ *"Yeah but* – what about XYZ technology?"
- ☐ *"Yeah but* – what about my favorite project?"
- ☐ *"Yeah but* – what about legal and regulatory issues?"
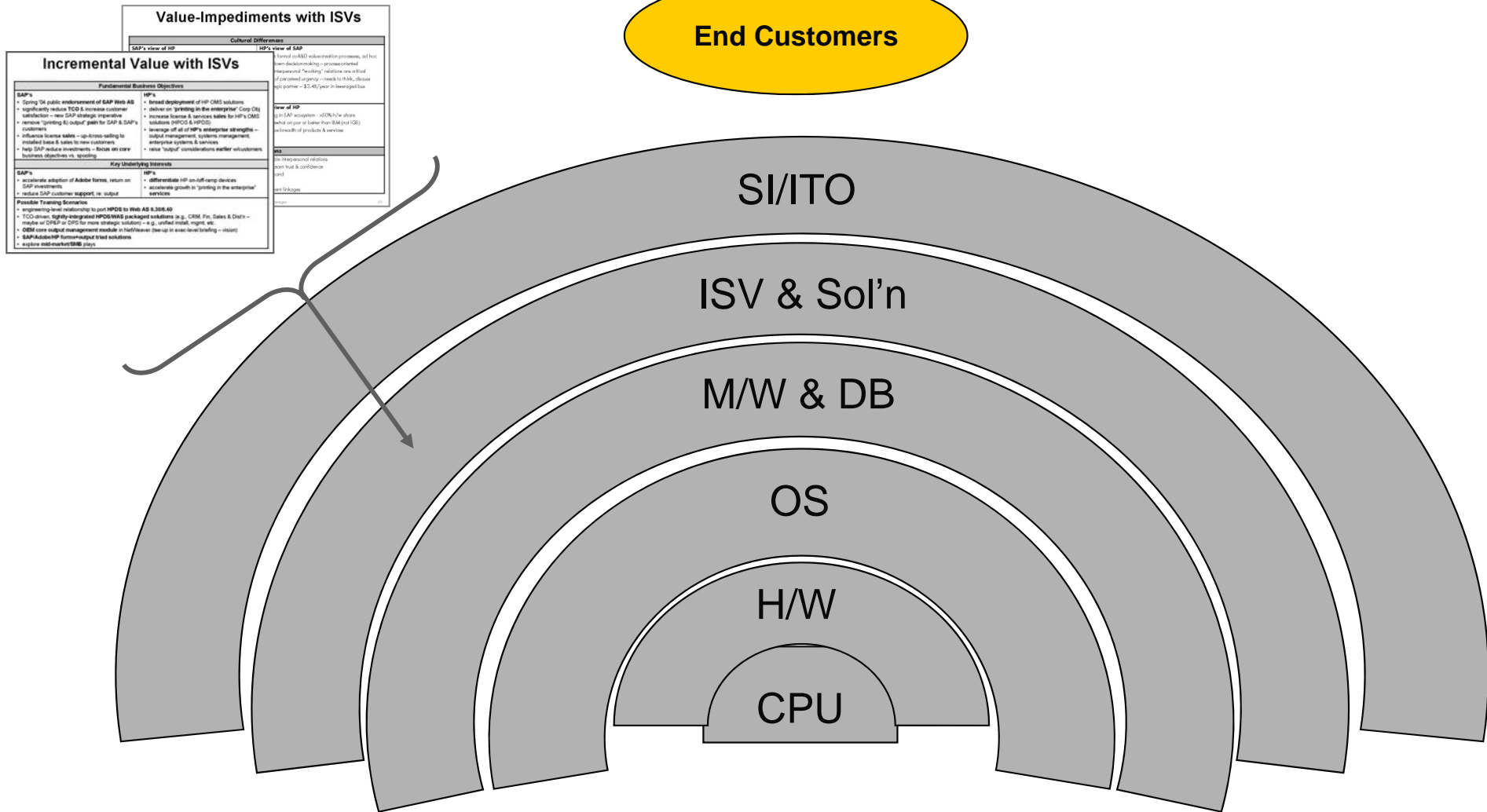
☐ **Drama**

- ☐ *"Yeah but* – what about that jerk?"
- ☐ *"Yeah but* – what about their inconsistency?"
- ☐ *"Yeah but* – what about what they did to us last year?"
- ☐ *"Yeah but* – what about how arrogant and self-centered they are?"

Managing Ecosystem Layers
layer-specific 2-Slides

Collective slides representing a layer

End Customers

SI/ITO

ISV & Sol'n

M/W & DB

OS

H/W

CPU

Ecosystem Management

- **Create 2-Slides from a Representative Sampling of Ecosystem Layer**
- **Abstract-up Layer-Specific Slides**
  - **Value-Impediments**
  - **Incremental Value**
- **Create Layer-Specific Programs to**
  - **Remove Value-Impediments**
  - **Capture Incremental Value**

Benefits
from simplicity via the 2-Slide Methodology™

A Top 10 Perspective

1. **Discover Drama-Neutralizing Recommendations.**
2. **Use Simplicity to Cut Through Complexity.**
3. **Uncover New Unforeseen Opportunities.**
4. **Gain a Clear Prioritized Set of Foci.**
5. **Bring Greater Alignment Into Your Alliance.**
6. **See a Clear, Compelling and Realistic Long-term Vision.**
7. **Create Completely Leverageable Content.**
8. **Create a Productive Community via Deep Listening.**
9. **Transform Your Alliance.**
10. **Establish a Simple Basis for Ecosystem Management.**

Contact Info

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LinkedIn group *Spiritual Principles in Strategic Alliances*