

The 2-Slide Methodology[™]: transformational simplicity

21 September 2017

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

- Albert Einstein

There is creative power in our shared light.

About SPiBR.org LLC

Founded in 2007 in Loveland, Colorado, SPiBR.org LLC is an international consultancy focused on strategic alliance managers. We are about the practical application of spiritual principles in business relationships. We help strategic alliance managers increase personal and organizational effectiveness and create a more value-enabling climate. Professional services include training, consulting and coaching services for alliance managers, alliance management effectiveness, and transformational practices.

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1. Introduction

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This whitepaper can be summarized in three simple ideas:

- 1. Simplicity is empowering.
- Traversing from complexity into simplicity is a transformational process.
- 3. The essence of any strategic alliance can be described in two slides.

Let's repeat the last point - the essence of any strategic alliance can be described in two slides. 1

The first slide illustrates the alliance's potential for *incremental value*, with creative teaming options and a long-term vision. The second slide describes *impediments* which obscure value, with practical recommendations for overcoming those obstacles.

This methodology empowers strategic alliance managers. The process establishes individual buy-in, alignment and focus throughout the alliance team. The power in collective focus cannot be over-emphasized.

The process of traversing from complexity into simplicity empowers the alliance manager and transforms their team.

Content in the 2-slides enables easy, spontaneous and effective communications about the opportunities, challenges and vision of the alliance – with anyone, anywhere and anytime. The content is directly relevant and applicable throughout all phases of alliance development from due diligence work to contractual negotiations to value-development to co-marketing and co-selling. The 2-slides help uniquely define alliance structure, governance processes and metrics.

The result is increasingly empowered and empowering alliance leadership which increases as the content in the 2-slides matures and improves with use. The 2-slides improve with age, like a fine wine.

Creating two slides sounds simple and easy. Simple? Yes. Easy? No. Sustained effort, bordering on obsessiveness is required. It will be hard work, but it is well worth the effort.

This is methodology is about fundamental transformation and greater value-creativeness in you and throughout your alliance.

This document explores spiritual concepts: *principles* (ideas) and *practices* (authentic behaviors). This is because most strategic alliances fail due to failure in *relationship*³, and spirituality is the practical *use* of principles and practices to *deepen relationship*. Thus, strategic alliancing and spirituality directly overlap. This overlap may become clearer as you look past complexity and uncover the simple essence in your alliance.

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¹ This paper describes SPiBR.org LLC's 2-Slide Methodology[™]. It is suggested that you also read Strategic Alliance Manager Role: a unique, holistic and empowering perspective (http://spibr.org/strategic alliance manager role.pdf).

² For more discussion on the need for and the value of spirituality in alliances go to http://spibr.org/strategic-imperative/, and http://spibr.org/spiritual-principles for a summary of core spiritual principles helpful in alliance and http://spibr.org/spiritual-principles for powerfully authentic behaviors.

³ Managing Alliances for Business Results by Vantage Partners, LLC, a 2006 study of 93 companies in five industries. 57% of all alliances fail; in high-tech, 68% fail. Over 40% fail due to problems in *relationship*. Frankly, most businesses 'suck' at relationship.

⁴ Can we use the word "spiritual" in business? Yes. Read http://spibr.org/defining-spirituality for a discussion of practical spirituality in business. Are we talking about religion? Not necessarily. Read http://spibr.org/questions for more questions and answers.



1.1. Spiritual Disclaimer

Most of the ideas in this document stand on their own without the need to understand or embrace spiritual principles. As I see it, spirituality sheds light on *why* and *how* this stuff works. Spirituality is useful to help understand the fundamental principles in strategic alliances.

I describe my spirituality as being open and growing; and I acknowledge that I have unseen biases or blind spots that can cause me to be close-minded. I describe the two "spiritual universities" in my life as recovery from drug addiction and dealing with my children's progressive disability. I am a long-standing student of *A Course in Miracles* and an active participant in 12-Step Recovery (Alcoholics Anonymous and Narcotics Anonymous). In my writings and in my life I am very clear about the spiritual principles, or "simple truths," which are important to me. Sometimes this bold clarity coupled with my passion for life can be perceived as zealotry or dogmatism, which I am strongly opposed to. Do *not* accept my simple truths as yours. You have the truth within you; *be true to yourself*.

"Don't be trapped by dogma — which is living with the results of other people's thinking."

- Steve Jobs

Please do not blindly accept what I say to be true. Try it out and validate it based on your own experience.

1.2. Ideal Audience

This paper is written *by* and *for* strategic alliance managers. The ideal reader has substantial experience establishing, developing and managing strategic alliances; such a person will find the ideas in this paper to be insightful and helpful. Readers who are new to alliancing may not have sufficient experiential context; initially, they may see these ideas as simplistic or naïve. It may be hard for them to readily appreciate and assimilate this material; not impossible, but hard.

Strategic alliances are **long-term**, **value-creating** business relationships. The longer-term and more value-creating the relationship, the more it is a strategic alliance. Business relationships that are shorter-term or less value-creative are still very important to the business; but they are often more tactical than strategic. This precise and demanding definition clarifies where the ideas in this paper will be most helpful: in a strategic alliance, the most challenging form of business relationship.

1.3. Purpose of Whitepaper

The concepts in this paper will help alliance managers bring simple clarity into their alliance, empowering them to cut through the overwhelming complexities and dysfunctional drama that obscures value and hinders growth. By using these simple ideas on an on-going basis, readers become more effective; they learn how to holistically listen to the voice-of-the-collective, realizing that opportunities, problems and solutions live *in* the alliance – in the between. They become empowered and empowering leaders of their alliance. Their alliances become more aligned and focused, more value-creative. Then this clarity of purpose and vision naturally attracts greatness.

As they listen to the collective, individual buy-in and organizational alignment will naturally increase. Listening to the collective involves *choosing* to hear things others cannot or will not hear. As alliance managers they distill down the

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⁵ For more a 2-page summary of my life, focused on spirituality and alliancing, go to http://www.spibr.org/joe_kittel_story.pdf.

⁶ For a list of books that have most influenced me, and in some way describe or define my spiritual path, go to http://spibr.org/good_books.pdf.

⁷ For more information on my simple truths go to http://spibr.org/spiritual-principles.

⁸ "Substantial experience" means having (a) many years of experience, or (b) substantial success or failure. Anyone looking to make fundamental improvement will find this paper helpful.

⁹ "Strategic alliances" are expected to last *longer than 3-5 years* and are about value *creation* (e.g., sales, procurement or co-selling/co-marketing channel relationships are typically shorter-term and are about value *exchange*; they are therefore *not* strategic alliances).

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voice of the collective to its simple essence. They begin to see the alliance's clear, compelling and realistic long-term vision. They also learn to pave the way over obstacles that would otherwise impede the accomplishment of the alliance's full potential. Results include greater motivation, persistency and tenacity; all of which improves the overall climate. The resultant 2-slides capture the essence of the alliance, with content easily leveraged into every situation and any audience.

Is there anything more important than transformation, fulfillment and success?

While the ideas in this whitepaper are grounded in the power of simplicity, this is *hard work*. But this hard work will empower the alliance manager to transform their alliance, resulting in greater fulfillment and success.

2. Our Challenges

This may sound unbelievable but this methodology helps strategic alliance managers overcome the following challenges: 10

<u>Value</u> – Value-creation is what a strategic alliance is about and yet achieving this value can be a challenge. We might struggle to articulate the value of our alliance and the value of our own role in the organization. And, even if we are clear about the value expected from the alliance, creating and extracting that value from the alliance can be challenging. We might feel frustrated, sensing there is untapped potential in our alliance.

This process fundamentally transforms an alliance, enabling it to accomplish greater value-creation.

- <u>Lack of buy-in, alignment and focus</u> Individuals are not necessarily committed to the alliance's purpose and so
 the alliance team often lacks a clear cohesive focus.
- <u>Cultural and strategic differences</u> In strategic alliances the cultural and strategic differences between the partners are often the greatest impediments to value-creation. Over time these differences can be used for the betterment of the alliance, but initially they can be huge challenges.
- <u>Low levels of trust</u> Trust is *the* foundation in *every* relationship, especially in strategic alliances. We constantly struggle to maintain and build trust in these business relationships.
- Overwhelming complexity Here is an incomplete list of what makes our work complex: technologies, legal
 issues, organization structures, decision-making processes, modes of communications, regulatory issues,
 financial issues, business plans, reviews, metrics, governance, co-marketing, co-selling and deal with the press.
- Dysfunctional drama Alliances involve people. Interpersonal relationships often present dramatic distractions.

It is both the *process* of the *2-Slide Methodology*TM as well as the resulting *content* that enables a strategic alliance manager to overcome the above challenges, but fundamentally it is the *process*. It is the process that builds trust, surfaces opportunities and greater creative, and it focuses teams; without that none of the rest is possible. The content describes strategic opportunities, enables the spanning of cultural differences and the overcoming of complexity and drama. And the content stays alive via the on-going application of this process.

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¹⁰ Do alliance managers deal with any greater challenges than these?
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3. Simplicity

The central theme in this methodology is *simplicity*. It is itself transformational and the process of getting there is transformative. ¹¹

3.1. Simplicity on the Other Side of Complexity

As we grow in life's experiences (e.g., when we get a new job) there are three phases we tend to grow through:

- <u>Simplistic</u> Early on, with no experience, we may use ideas based on others' experiences, but we lack authentic grounding. Scripted *actions* work, but we don't know why. When faced with unscripted situations, we struggle. Results are "hit and miss." In this simplistic phase we are weak and naïve. If we do not recognize our weakness and naïveté, we become reckless, sometimes doing more harm than good.
- <u>Complexity</u> In this phase we feel overwhelmed and maybe even disillusioned. We wonder why we ever took the job and wonder if we will succeed or fail.
- <u>Simplicity</u> After some experience, we begin to see the rationale and simple truths hiding behind scripted behaviors. As a result, we become more flexible and adaptable; we respond more authentically and effectively to a broadened range of situations. We realize there is a certain sense of *being* that is present in simplicity, something beyond mere *doing*. Simple ideas both *reflect* change and *cause* change.

Simplicity causes growth and is the result of growth; it is cause and effect. Simplicity is fundamental.

By using the transformational power in simplicity, we move beyond good toward great.

3.2. Simple - Is ... Is Not

There are subtle but significant differences between being simplistic and being simple. It is helpful to think about what being simple *is* and *is not*.

Simple			
Is	Is not		
On the other side of (after) complexity.	On this side of (before) complexity.		
Based on experience, reflection and insight.	Naïve and simplistic.		
Powerful.	Weak.		
Takes concerted effort and focus.	Quick and easy.		

Table 3.2 – Simple is and is not.

It is worth re-emphasizing – getting to simplicity *is* powerfully transformative, but it *is not* easy. But bringing simplicity into alliancing work is fulfilling and transformational. Which would you rather have: (a) easy-to-do status quo mediocrity, a "good enough" alliance, or (b) fundamental transformation leading to being a great alliance manager and managing a great alliance? It is your choice.

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¹¹ A dear friend and alliancing colleague says that he equates *spirituality* with *simplicity*.

¹² By "status quo mediocrity," we refer to the fact that 57% of all strategic alliances fail – they fail outright or only achieve the alliance's initial goals (*Managing Alliances for Business Results* by Vantage Partners, LLC, a 2006 study of 93 companies in five industries). Admittedly this is ²-slide_methodology.doc



3.3. A Clearer View of Truth

The power in simplicity is demonstrated in our personal experiences and in the following three quotes. Do these ideas ring true for you?

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

- A scientific rule of thumb known as Occam's Razor or the "law of succinctness"

"Truth is simple. Complexity is of the ego, and is nothing more than the ego's attempt to obscure the obvious." 13

- A Course in Miracles¹⁴

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

- Albert Einstein

As we apply the process of simplicity in our strategic alliance, we see *truth* more clearly. We see the alliance's true potential with greater clarity. We see the issues, problems and obstacles that impede progress. Impediments are most damaging when they go unseen and unacknowledged. No matter what we are looking for in an alliance – opportunities or answers – the following quote is relevant:

"The hidden is kept apart, but value always lies in joint appreciation. What is concealed cannot be loved, and so it must be feared."

- A Course in Miracles

Unseen issues grow in the dark; they cause disproportionate fear, leading to distractive drama. This paper describes the process of arriving at joint appreciation, *always* a valuable exercise, whether we are looking for new opportunities or answers to vexing problems. It is always valuable to share perspectives as clearly, boldly and simply as possible – but not simpler.

4. Complexities in Strategic Alliances

Consider the following list of alliancing complexities – many of these complexities actually occur simultaneously:

Organizational structures	 Technologies 	 Legal and regulatory issues
Your company	 Your partner's company 	 Customers
Financial analysis	 Budgetary processes 	 Business systems
• People	 Human resource issues 	 Cultural differences
Strategic differences	 Communication processes 	 Geography
Competitive dynamics	 Business ecosystems 	 Decision-making processes
Organizational churn	 Strategic upheaval 	 Global economy
Currency exchange rates	 Supply chains 	• Time zones
• Languages	 Sales and account control 	 Marketing processes
Tradeshows	 Press briefings 	 Executive briefings

old research. You can make it more current by simply asking yourself, "Is there untapped value-creating potential in my alliance?" I bet the answer is "Yes."

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^{13 &}quot;Ego" means the absence of love or spirit. Egoic thinking is grounded in fear, scarcity and a sense of separation (me vs. you).

¹⁴ Since its publication in 1976, *A Course in Miracles* has inspired deep thinkers and spiritual books. Since 2000, I have sought out ideas that both deepen relationships in a practical manner and are acceptable in the world of business; *A Course in Miracles* is currently top on my list in this regard. See www.spibr.org/good_books.html for other books that have influenced my thinking.



- · Formal alliance reviews
- Performance metrics
- Internal e-mail spam
- Portfolio management
- Negotiations and preparation
- Competitors

- · Executive's calendars
- · Dinners and entertainment
- Multi-partner dependencies
- Multiple projects
- Business planning
- · Industry trends

- Meeting coordination
- Celebrations
- · Travel logistics
- · Program management
- · Strategic planning
- Time/Priority management

Table 4.1 – Examples of complexities in a strategic alliance.

These overwhelming and overlapping complexities are very distractive. We and our alliance can all too easily get distracted from our two most important issues: (a) creating *incremental value* and (b) removing *impediments* that stand in the way of that value.

5. The Simple Essence in an Alliance

Two things are of paramount importance in any strategic alliance: (1) *creating value*; and, (2) *removing impediments* that stand in the way of that value. Both of these things are mostly about perception; perhaps we just need to refine and focus collective attention.

5.1. Why Focus Collective Attention?

Growth happens *where* our attention gets focused, and we do want our entire alliance to grow. We are all powerful, creative beings. ¹⁵ Our thoughts cause creation to occur; thought is *light*. The 2-Slide Methodology[™] continually focuses the alliance's collective light on the most important things and in the most constructive manner.

This practice epitomizes the spiritually-based idea of *oneness*. At times, it is helpful to think about an alliance as a relationship represented by two people, where each company is seen as a person, rather than as a relationship between two companies. With this perspective we derive a number of insightful metaphors. For example, if an alliance is like a marriage, then the alliance manager is like a marriage counselor. As with alliances, great marriages are long-term, value-creating relationships. ¹⁶

If we, as "marriage counselors," want to understand what is going on in this "marriage," we must deeply listen to each person. In other words, we must hear the alliance's collective voice. If we are to accurately understand the ideas of the "whole being," we need to listen across the entire alliance, top-to-bottom. We need to hear from all functional areas and every level in the organization. During this loving act of deep listening, both sides' attention naturally becomes more focused; assertive listening focuses the alliance's collective light.

This process embraces the idea that spirit lives *in* a relationship, *in* between, *in the midst*. This concept is quite helpful for alliance managers. Spirit is composed of strategically important things, such as enthusiasm, creativity, inspiration, light, growth, empowerment, abundance, purpose, and even love; such things are helpful in any alliance. In fact, such things are already *in* our alliance; we just need to *find* them or *uncover* them.

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¹⁵ We are now starting to more explicitly *use* spiritual ideas. I am not going to spend time *proving* these ideas. This paper is focused on *use* more than debate, on proof via use, on experience. For a more in-depth discussion, see *Spiritual Principles in Strategic Alliances: transform status quo mediocrity into greatness* by Joe Kittel (http://spibr.org/books); excerpts from that book were chosen as Best Practices by the *Association of Strategic Alliance Professionals* (http://www.spibr.org/ASAP Best Practices Bulletin July 2009.pdf).

¹⁶ In a marriage, as in an alliance, value takes on many tangible (e.g., children) and intangible (e.g., a loving relationship) forms. In addition, as with marriage counselors, if an alliance fails, it's often said to be the alliance manager's fault. And if the alliance manager does his/her job well, that work is often unseen, so success is not necessarily attributed to the alliance manager. Such is the often thankless nature of this work; but, we love it nonetheless!



"The Holy Spirit's temple is not a body, but a relationship."

- A Course in Miracles

Some people in business may be averse to the use of "spiritual" words. In such situations, we can describe this practice as "focusing collective attention" with the rationale that "things upon which attention is focused grow." ¹⁷ We are focused on finding and creating value, in all forms: tangible and intangible (invisible), near-term and long-term.

However, impediments, such as cultural or strategic differences, obstruct our ability to see value. So, we must first *look at* (acknowledge and accept) these impediments in order to then *look past* them and see the hidden value (or truth) within. This process of first focusing attention on issues or problems is counter to prevailing wisdom. Most people want to first look at the opportunities, but until we "clear the air" by dealing with the obstacles we cannot clear see the opportunities.¹⁸

The Simple Essence in Any Alliance

Looking for Incremental Value, through Value-Impediments

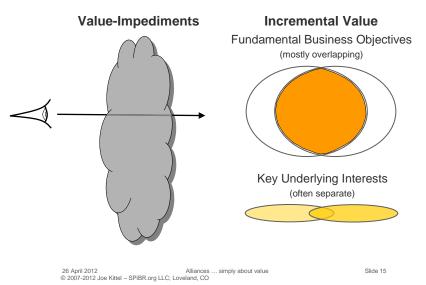


Figure 5.1 – The simple essence in any alliance.

Our first step is to examine value-impediments, the grey cloud or shadow in the illustration above. Before we can find value, we must deal with the obstructions. We need to understand what we are trying to *look past* before we can *overlook it*. Some might ask, "But isn't this suggesting that we focus our attention on 'problems'? Won't this cause these 'problems' to grow?" This is a valid concern. Not only do we need to be careful about *where* we focus attention, but more importantly, *how* we are focusing it.

Refer back to the "alliance-marriage" metaphor. If the individuals in a personal relationship are trying to fix their relationship, they first need to clearly understand what it is that they are trying to fix. For example, if one partner approached the other to make amends and set things right, but the other partner immediately said, "I don't want to talk about our problems," could their relationship move forward problem-free? Another way to look at this is to consider the act of forgiveness. Before forgiveness can occur, the situation that needs forgiving must be fully

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¹⁷ Using broadly acceptable words is not about hiding from spiritual truths, but about making practical *use* of these ideas without stirring up emotional zealotry or distractive debate. Nonetheless, in this paper, it *is* helpful to be explicit about the spiritual grounding of this practice. This improves the reader's understanding and *use* of these simple ideas.

¹⁸ On the left side of Figure 5.1 is the symbol for an eye, illustrating our need to see – to see past the obstacles (or value-impediments) in order to find the hidden incremental value.



understood. For example, if someone burned down your home and emptied your bank account, you would be foolish to say, "I forgive you," *before* you knew precisely what it was you were forgiving.

Before we can *look past* something, we must completely see that thing.

The important point is that we must first focus our attention *on* problems – with the intention of finding solutions. We seek to identify the source of an impediment so we can resolve it. Through this process we build trust and then uncover insights and hidden opportunities. Problems *always* conceal and provide opportunity. But first we need to clearly see the *entire* problem before we can find the opportunity.

"The opportunity that is concealed within every problem does not manifest itself until all the facts of any situation are openly acknowledged and fully accepted. This requires there to be no negative emotion [no fault-finding, judgment or blame] which creates defensiveness [and causes more hiding]. As long as you deny that these problems exist, as long as you try to escape from them or wish that things were different, this window of opportunity will not open up, and you will remain stuck in that problematic situation, which will either stagnate or further deteriorate."

- The Power of Now by Eckhart Tolle

We are definitely looking for "the opportunity that is concealed within *every* problem"; but first we must openly, honestly and thoroughly see and then *deal with* the problem. We must deal with the impediments before we can look beyond them; otherwise, our alliance will deteriorate or stagnate.

Openly and thoroughly deal with problems or fail; that is our choice.

5.2. Value-Impediments

When we find it hard to work together, we have run into a value-impediment. There is an obstacle *in* the relationship. Given that these impediments or obstacles are *in* the relationship, we need each other's perspectives in order to see and resolve them. We cannot do this alone. We need the help of "trusted others" to do this because we cannot objectively see ourselves. If we want to clearly understand our own thoughts and feelings and the thoughts and feelings in the alliance, we need to have open discussions with others. This process calls for trust, and so trust will come.

When we interpret the behavior of another as a sign of deviousness, incompetence, or insanity, that misinterpretation is a sign of unacknowledged differences in *perspective*.

You might ask, "Really, this is all simply a matter of *perspective*?" Yes. In an alliance, sharing perspective is a means for effectively surmounting differences in corporate culture – a complex topic that can be made simple.

Unacknowledged cultural difference is arguably *the* greatest impediment in *any* strategic alliance. Fortunately, this important and complex topic simplifies when we (a) focus on culture's impact on our *working* relationship and (b) share *perspectives*. When we openly share how we honestly *perceive each other* in a working relationship, practical insights emerge. And when we're talking in terms of perspectives, as in, "This is what I see," it is easier to discuss tough issues without negative emotions. We draw closer to the truth when we honestly and openly share perspectives.

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Below is a list of cultural and strategic differences. This list is not intended to be an exhaustive list covering all alliances in all industries. But it can be used as a catalyst for initiating discussions.

- · Decision-making processes
- Behaviors
- · Norms and assumptions
- · Organizational processes
- Role definitions rigid or fluid
- Risk-taking risk tolerance
- Strategic churn or consistency
- Perspective on time urgency
- _____

- Resource commitments
- Corporate climate/atmosphere
- Degree of formality/informality
- Information flow transparency
- Escalation processes
- Honesty, openness and trust
- · Perspective on alliancing
- Age of company/employees

- Organizational structures
- Values stated, unstated
- Organizational power centers
- Communication processes
- Measures of success, metrics
- Organizational upheaval
- Competitiveness
- Place in industry ecosystem

Table 5.2 – Examples of cultural and strategic differences in a strategic alliance.

Cultural differences are the source of all major obstacles in any strategic alliance.

Consider the slide below (Figure 5.2a), which was used in the Hewlett-Packard/Microsoft corporate strategic alliance between 1997 and 2002. 19 It took sustained effort over considerable time to create the slide you see. It evolved as we continually listened for insightful pieces of information from anyone and everyone working in the alliance. 20

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¹⁹ This slide's content was developed and refined over a six-year period while establishing and managing the HP/Microsoft corporate alliance and working in various HP business. Also see its use in *Simple Rules for Making Alliances Work* by Jonathan Hughes and Jeff Weiss in the November 2007 *Harvard Business Review* (Ref: http://spibr.org/HBR_Simple_Rules_for_Making_Alliances_Work.pdf).

²⁰ Section 5.6 of this document discusses "where to focus collective attention" (see step 4.b and its footnote). Sometimes these slides were discussed in whole, sometimes in part. Sometimes they were discussed one-on-one or in meetings. Most of the time I was the sole practitioner of this methodology as the methodology itself evolved over a ten year period. Only after I left HP and became an independent consultant and coach was the 2-Slide Methodology™ more fully developed and then for the first time used openly, explicitly and very visibly in a strategic alliance – in the Intel/Capgemini strategic alliance. The result was "a fundamental transformation of the entire alliance, top-to-bottom," per Intel's Capgemini Global Strategic Alliance Manager (ref: http://spibr.org/endorsements/#robyn_shean_endorsement). Two spiritual principles are at play here: (a) *oneness* – hearing the collective speak, wherever and whenever we choose to listen; and (b) *now* or timelessness – only by looking back in time can we see how things evolve; we see differently when we take *time* out of the picture.









Corporate-Level Strategic Alliance (1997-2002)

Perspectives				
HP's View of Microsoft Excessively competitive and confrontational Controlling, paranoid and greedy (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 world / 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: complex solution selling, long-term relation: MS's: product expertise, short-term wins, rapid d Align to different perspectives – MS is focused on comp	ecision-making, risk-taking, competitive orientation petitive wins, HP is focused on value to customers			

Figure 5.2a – HP/MS cultural differences (value-impediments).

In Figure 5.2a the top four cells summarize the problem (cultural differences) by illustrating each company's perspective of the other and each company's perspective of itself. This stirs up and deepens discussions to enable the collective to effectively deal with value-impediments. When HP tells Microsoft that their unstated corporate values *appear to be* "greed, control and paranoia," Microsoft listens and engages. When Microsoft tells HP that they *appear to be* "bureaucratic, slow and uncompetitive," HP deeply engages in the discussion.

However, if we allow attention to stay focused on the top four cells – focused only on the problem – we will end up doing a disservice to our alliance. Yes, we do need to clearly understand *why* it is so hard to work together; but then we need to move beyond the problem to the *solution*. The bottom cell focuses on-going discussion on the *solution*, answering the question, "So what?" So what do we do with our collective understanding of the problem? These recommendations should help everyone work effectively with others; this is where collective attention needs to be focused. If the recommendations don't help everyone, the slide may need updating; remember, this is a living, evolving, ever-improving document.

The value of this slide was evidenced when it was used to put a \$20 million Microsoft Hosted Exchange deal back on track. Very early in this co-selling opportunity, both the HP and Microsoft account leads started interpreting the behavior of their counterpart as evidence of deviousness and incompetence. Within one hour, I received calls from each account lead, both saying of the other, "You have to get him off of this account. He is an idiot and he is trying to screw me over!" The HP lead felt like Microsoft didn't understand the enterprise and was too controlling. The Microsoft lead thought that HP didn't understand software and wasn't aggressive enough. Both demanded that their counterpart be taken off the account.

However, after discussing this slide in detail, first individually and then collectively, they began to see the world from the other's perspective, tensions fell away and the climate improved. Both account leads were then able to see the other's "irrational behavior" in a more logical light. They were able to work together. This one slide enabled each side to look past their problematic situation and focus on their common customer, to focus on common interest and purpose.

Being less distracted by the problems between us, we can focus on our shared interests.

In co-selling situations, HP and Microsoft account leads were able to use the following practical recommendations:

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- Leverage off of each other's complementary strengths, especially in co-selling/co-marketing activities.
- Understand, align with and communicate with each other based on the other company's perspectives.

But it turned out that these recommendations sometimes lacked sufficient strategic depth to help in the alliance's more intense discussions, when we were talking about changes in corporate strategy. When discussing strategic change, communications were strained. When we tried to sell each other on a new opportunity, it was as if we were speaking different languages. When Microsoft tried to convince HP to change strategy, Microsoft talked about competitive wins. At the time, HP was in the process of emphasizing customer value and de-emphasizing HP's technology-based leadership; a strong competitive orientation was somewhat embryonic within HP. So, Microsoft's arguments based on competition did not register with HP; organizationally we could not hear them. When HP tried to convince Microsoft to change, HP talked mostly about increasing value to customers and improving Microsoft's technology. With Microsoft's predominant focus on competitive wins, HP's customer value arguments fell on deaf ears. And the only time Microsoft cared about technology was when it enabled competitive wins; at that time HP was ill-equipped to articulate such a linkage. Both companies were frustrated by our inability to communicate.

As we kept exploring our differences, we came up with progressively deeper insights. For example, Figure 5.2b illustrates the "decision space" in the alliance. What were the strategic factors affecting strategic decision-making? This slide illustrates the answer and provides added depth to the earlier recommendation, "align to different perspectives." It's always helpful to clearly understand the decision space within which an alliance is operating. The model below worked in this alliance; you may need a different model.

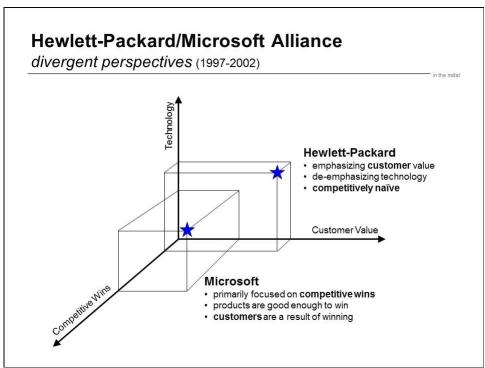


Figure 5.2b – HP/Microsoft alliance – divergent basis for strategic decision-making.

We jointly discovered that by continuing to explore, acknowledge and *use* our differences, the alliance made more impactful strategic decisions.

Before an alliance can effectively work on new strategic opportunities it must fully acknowledge and deal with any unacknowledged differences. This is an on-going iterative process of listening to the collective. As we do this, we gain deeper and more impactful insights. We uncover new opportunity and discover better ways to work together. We learn more and grow more – together.

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5.3. Incremental Value

In Figure 5.1 and the illustration below, we see that we have been dealing with a cloud (impediments) that obstructs our view of the hidden value in the relationship. We have now collectively examined that cloud from both company's perspectives. We have metaphorically "gone outside" of our own company and looked back through the cloud. By doing so, we more fully acknowledge and accept the shadows in this relationship (see the earlier quote by Eckhart Tolle in Section 5.1). Only after seeing it can we then look *beyond* it or over-look it.

Ultimately, what this all boils down to is *forgiveness*: the process of *first understanding*, then *accepting*, and finally *looking past* what impedes the creative potential in a relationship. Forgiveness is about *looking beyond* the outer toward the *inner*. First we fully acknowledge and accept precisely what it is we are forgiving, and only then are we free to forgive. On the other side are previously concealed opportunities which begin to present themselves.

Focus In Relationship

share perspective, looking through impediments

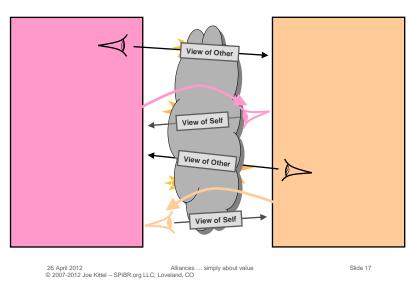


Figure 5.3a – Focus *in* relationship – by looking *through* the impediments.

In Figures 5.3a and 5.3b, value is represented by starbursts - *in* the alliance - *in the midst*. In Figure 5.3a, these starbursts are obscured. In Figure 5.3b, they become visible. But in order to fully discover and uncover incremental value opportunities, we must *share perspectives*. One partner may see an opportunity that the other cannot see. Some opportunities are so large and complex that it is impossible for one person or one partner to fully evaluate its potential. Such opportunities may require participation from the entire alliance in order to thoroughly assess its potential.

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Focus In Relationship

jointly look for value

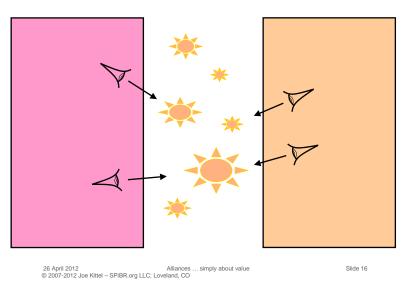


Figure 5.3b – Focus in relationship – look for incremental value.

The framework for describing incremental value is derived from *The Program on Negotiation* (PON). This methodology simplifies as we focus on the real-world use of PON concepts in alliance development.²¹ Refer to Figure 5.1, and notice that value is broken up into two areas: (a) Fundamental Business Objectives, and (b) Key Underlying Interests.

<u>Fundamental Business Objectives</u> – As illustrated in Figure 5.1, the business objectives of an alliance tend to *overlap* – this represents the primary value created *in* the alliance. This category of value describes the fundamental purpose of the alliance – why the alliance even exists. Following are key characteristics of Fundamental Business Objectives:

- These cells succinctly describe **primary motives** why the partners are working together.
- This is the idealistic outcome of the alliance incremental value to both partners.
- This type of value tends to be more **strategic** than tactical and more **general** than specific.
- This value is measured in **static** metrics, conveying a sense of **timelessness**.

<u>Key Underlying Interests</u> – Refer back to Figure 5.1, the underlying interests of an alliance tend to be benefits that the partners se*parately* derive. Underlying interests describe the secondary value that will be created as the alliance achieves its fundamental objectives. Below are important characteristics of Key Underlying Interests:

- These cells succinctly describe **benefits that underlie** the Fundamental Business Objectives they are **derived from** or **created by** the alliance's **core success**.
- These are benefits **beyond the obvious answers to** "Why are we working together?"

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²¹ Ref: www.pon.harvard.edu. I highly recommend *The Program on Negotiation* (PON). They have a series of negotiating courses derived from nearly 30 years of research, taught by experts with students from various industries. PON is excellent. And given alliance managers are *always* negotiating, this training is well worth the time and money to attend.



- These are side benefits derived after the Fundamental Business Objectives are achieved.
- These are also other benefits especially consider intangible and longer-term forms of value.

The value described as Fundamental Business Objectives and Key Underlying Interests can be tangible or intangible, near- or long-term. It may seem counterintuitive, but the greatest value gets created when there is focus on the intangible and long-term forms; these are invisible investments which in time produce tangible value. Below are examples of various type of value:

 Mutual growth Knowledge transfer · New capabilities Profitable revenue Increased market share Market penetration · Access to new markets Creation of new markets Time-to-market advantage Business process innovation Reduced competitive threat · Neutralized competitive threat · Risk-mitigation · Portfolio diversification Risk-sharing Increased brand recognition Increased brand loyalty Customer loyalty/satisfaction • Improved strategic plans New strategic options Employee loyalty

Table 5.3 – Examples of various types of value in an alliance.

<u>Possible Teaming Scenarios</u> – Based on open and trust-filled brainstorming sessions with your partner, determine the top three to five teaming scenarios (teaming options) that will lead to the creation of maximum value. This single cell ends forming the *vision* of the alliance. Key things to consider when working on teaming scenarios include the following suggestions:

- Work on this area of the slide *after* Fundamental Business Objectives and Key Underlying Interests have been sufficiently developed; Objectives and Interests provide the foundation.
- Be bold and creative "Go for broke" and "dream your wildest dreams." Only our dreams limit us.
- Take your time and <u>really</u> brainstorm Meet with as many people as possible throughout the alliance, individually and collectively; have open brainstorming discussions. Just as spirit lives *in* a relationship between people or between companies, so spirit also lives between ideas. Be willing to "go back and forth" between ideas, considering various perspectives. Open, trust-filled brainstorming will uncover solutions that benefit all parties, creative options that are more profitable and gratifying than mere win/win compromise.
- Stir, stir Remember that this is an on-going and iterative process. Some new ideas may surface concerns about impediments; so, go back to the value-impediments slide and capture those new issues. Likewise, some creative teaming scenarios may stir up additional thoughts to consider in the Fundamental Objectives and Key Underlying Interests area, and so on.
- See holistically Cover all of the Objectives and most of the Interests with the Teaming Scenarios.
- Do the greatest good for all Expand your perspective. Look for creative options that accomplish the greatest good for all concerned both partners, other companies, and the entire ecosystem. Consider options that actually help your competitors. If we are really seeking abundance, if we are trying to "expand the pie," why shouldn't our competitors benefit, too? Consider their perspective.
- *Timelessness* Do the teaming scenarios stand the test of time? Will they remain effective over a long period of time; are they timeless?

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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"

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

Figure 5.3c - SAP/HP - strategic business context.

The interesting thing about the slide above is not necessarily its content, but the story around it. This single slide had amazing impact on the HP/SAP alliance. It took both companies on a very "interesting" 18-month ride.

For four years HP had tried unsuccessfully to establish a collaborative relationship with SAP in the area of enterprise printing and document workflow. ²² Such a deal would help give HP a sustainable competitive advantage in a huge and strategically important market, enterprise printing. ²³ From 1999 through 2002, HP had initiated numerous discussions with SAP, but to no avail; most people thought such a strategic alliance was impossible. In October 2003, two of us in HP decided to try a simple approach: we started creating an incremental value slide (Figure 5.3c).

Content in any Incremental Value slide is specific to an alliance initiative. In this case, it is between part of HP (enterprise printing) and part of SAP (printing, document output and workflow).²⁴ We titled the slide "SAP/HP – strategic business context" rather than "incremental value" because it does set context.

We imagined, as best we could, both HP's and SAP's objectives and interests. We then went to Walldorf, Germany to discuss this slide with two individuals from SAP. Collectively, the four of us fine-tuned the content to represent a viable deal from both HP's and SAP's perspectives. We then discussed this slide with SAP management. We were surprised to hear SAP management say, "We will *not* do this deal with HP!" We heard "no" in at least three different ways. We flew back to the U.S. disillusioned, assuming no deal was ever going to happen; it appeared to be a wasted trip and a foolish idea.

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²² Four years seems like a long time, but in enterprise software things are measured in decades. Regarding "OEM" – when software is licensed to another company for integration into another software product, this is often described as an "OEM relationship." In this case technologies from HP's Output Management product would get integrated into SAP's NetWeaver application integration middleware product. Also, collaborative development work took place as a result of this deal.

²³ Based on primary research, HP determined that the "SAP printing" market was unique and over \$2 billion in annual revenue, with many \$ billions leveraged into adjacent markets. This market was strategically important for HP, as it would meld HP's enterprise business (systems and services) with printing and substantively differentiate HP's printing business vs. Kodak, Lexmark and others.

²⁴ SAP is the largest enterprise software company in the world and the third largest software company (behind Microsoft and Oracle), headquartered in Walldorf, Germany.



Well, as "luck" would have it, three months later, a broader set of HP/SAP discussions were initiated. These were driven out of the enterprise systems side of HP with CEO-level engagement from both companies. As momentum in these discussions increased, SAP brought in our *simple* slide and presented it to the HP team as a "given." ²⁵ SAP assumed that the enterprise printing piece needed to be part of the broader HP/SAP discussion. Apparently, over the prior three months SAP had internalized the opportunity and determined that it actually did make strategic sense. This change was a huge surprise to us. From our prior discussions in Walldorf we had assumed there was no way SAP was interested. Now, somehow, we were "in." Over three months, this slide had taken us from "no way" to a "given."

Over the next six months, HP and SAP commenced the rollercoaster ride often associated with corporate negotiations. Then, for various interpersonal and strategic reasons, SAP called a halt to the discussions. After the dust settled, our enterprise printing piece was the only remaining opportunity SAP was interested in. So, over a nine month period this one slide had taken us from "no way" to "a given" to now "the only piece left standing" – the only new opportunity in the overall HP/SAP strategic alliance.

Over the next nine months this slide continued sustaining us on our rollercoaster ride. There were days when we wondered whether or not this deal made sense, whether or not it should or could happen. We would then refer back to the vision in this slide to remind us of what we were accomplishing.

Finally, in May 2006, at SAP's annual SAPPHIRE event, HP and SAP jointly announced this alliance. HP valued this deal at over \$200 million. After the deal was inked and announced, we continued using the content of this one slide to brief executives and industry analysts, create marketing and sales collateral, and to keep the alliance focused. Over eighteen months this one slide had taken HP and SAP from an impossible embryonic idea to an announced deal. It helped us maintain alignment and buy-in all along the way. Today SAP leverages in excess of \$1 billion a year for HP's printing business. 27

Throughout this process, we continually looked for opportunities to tune up the content in this slide so that it most succinctly and completely represented our strategic opportunity. Both slides (incremental value and value-impediments) are living documents, ever-evolving and becoming ever more *value*-able.

We may never know how decisions are made in another company; heck, decision-making is often a mysterious process in our own company. But it is my strong suspicion that because of its clear simplicity, this one slide impacted SAP. It clearly described the value of a new opportunity. It was easily digestible. As it circulated within SAP, it gained momentum and organizational buy-in. If our representation of this opportunity had been any more complex, SAP's buy-in may not have occurred.²⁸

Both slides: (a) Incremental Value and (b) Value-Impediments are *living* documents. They are ever-evolving, becoming ever more *value*-able tools in the alliance.

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²⁵ I believe that the simplicity of this slide made it possible for SAP to hold internal discussions without HP's participation and advocacy. Simplicity made this deal more easily digestible; simplicity enabled this opportunity to happen.

²⁶ Refer to http://www.spibr.org/060514 HP-SAP CPM Press Release.pdf.

²⁷ This was true as of August 2005. I believe it reasonable to assume that this dollar amount of leveraged business has maintained or increased, even if HP's market share in SAP enterprise printing may have diminished since 2005.

²⁸ For other examples of the 2-Slide Methodology™ see http://www.spibr.org/2-slide_examples.pdf.

²⁻slide_methodology.doc



5.4. Benefits of Transformational Simplicity

Given that the creation and use of these two simple slides will be hard work, what are the benefits? Is it worth your sustained effort? What good is derived from the practice of focusing collective attention on an alliance's simple essence?

- <u>Greater creativity</u> Given spirit lives in relationships it thrives in the midst of an alliance. This methodology is about deeply listening to the voice-of-the-collective. It systematically taps into and surfaces unforeseen insights in value-creating opportunities, long-term vision and solutions to the alliance's most vexing challenges.
- Personal buy-in, organizational alignment and focus When others know they have been heard and know that their input has been thoughtfully considered, they buy into the alliance's strategic direction. They may still have differing opinions, which is good; but after being fully acknowledged, their objections are less emotionally-charged and, therefore, less disruptive. The act of collective listening is the most effective way to achieve strong organizational alignment. Your alliance will evolve toward a highly-productive community, a sense of home. And, as you hear the collective speak, hidden opportunities come to light.
- <u>Clearer and more compelling long-term vision</u> As new value-creating opportunities surface the long-term vision becomes clearer. With leadership the vision becomes more refined.
- <u>Leadership</u> Simplicity leads the way through complexity and you are empowered to lead the way in neutralizing dysfunctional drama. The empowerment starts with due diligence assessment and negotiations, and stays with you throughout the entire lifecycle of alliance development. As you keep collective attention focused on vision, value, and solutions to impediments, you become an empowered and empowering leader. You define the value of your formal role by increasing your informal power. As you share the ideas and insights from these two simple slides with others, they are compelled to share back. As you empower others, you become empowered, enabling greater reciprocal empowerment. You become more entrusted by others as you trust their perspectives. You attract inclusive behavior as you include others; they are drawn to the alliance. Others turn to you with their toughest problems. Using your unique perspective, you enable them find answers. As a result, you receive as you give.

This methodology enables adaptive leadership.

- Completely leverageable content The simple content in the 2-Slide Methodology™ can be easily recast for use
 in due diligence assessments, contractual negotiations, teaming agreements, developing performance metrics
 (tangible and intangible, near-term and long-term), strategic plans, alliance development and management
 plans, executive briefings, alliance reviews, marketing collateral, sales tools, press releases, press briefings,
 escalation management, conflict resolutions and spontaneous requests from anyone asking such questions as:
 - o What is this alliance all about? Why should a specific internal stakeholder care?
 - o What is the potential value we can derive from working together?
 - o What is the alliance's clear, compelling and realistic long-term vision?
 - o How are things going? What are our major challenges?
 - o What are your recommendations for working together? How should we engage?
 - o How can I help? (When someone asks this question, be ready!)
- Overcoming complexity Given this methodology is grounded in simplicity this benefit may seem obvious, but it is nonetheless worth stating explicitly. With simplicity we overcome complexity.
- Increased trust Trust is the issue in every relationship, this is especially true in these business relationships.
 Trust is an on-going challenge, to establish, build and maintain. By dealing with difficult issues, head-on and sooner rather than later, trust naturally improves. Healthy confrontation (co-facing issues in a relationship) calls for trust, and trust will come.

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- <u>More open communications</u> when cultural and strategic issues are understood and addressed, dysfunctional drama gets neutralized, trust increases and communications become more open and collaborative.
- More collaborative atmosphere With greater trust and more open communications the overall atmosphere improves. It becomes more collaborative. It enables greater value-creativity.
- <u>Alliance structure and governance</u> With a clear understanding of the unique opportunities and challengings in the alliance, its organizational structure and governance processes are naturally defined.
- Common process with partner The simplicity of the 2-Slide Methodology™ makes it easily understood and agreed to between the partners. When trying to establish common processes with a partner, any increase in complexity makes common use geometrically less likely. In an alliance, when we double the complexity of a process, its use drops to one-quarter. ²⁹ And, this simple yet powerful methodology can become the basis for ecosystem management, discussed in Section 5.8 Business Ecosystem Management.

5.5. Process Overview

Here are key attributes of the process in the 2-Slide MethodologyT^M:

- <u>Simple is not easy</u> Getting to the other side of complexity is hard work. This methodology entails the ability to listen to the voice-of-the-alliance and then distill down what is heard to the alliance's simple essence. This is hard work, but it is well worth the effort.
- <u>Listen to the voice-of-the-alliance</u> It may seem counter-intuitive but the *first* things you want to hear about are the *problems, issues and challenges* in the alliance; these things obscure the alliance's value. In addition, by proactively dealing with problems you build trust and creating a more open and collaborative climate. Then you can more clearly uncover the value-creating opportunities, again by deeply listening to the voice-of-the-alliance. This will lead the alliance to define teaming scenarios and a compelling long-term vision.
- <u>Listen throughout the alliance</u> Deeply listen to people from all functional areas, at all levels and on both sides of the alliance. The more you listen the better the results.
- An on-going and iterative process This methodology calls for a bit of obsessiveness; take the 2-slides with you everywhere and always. As you continually share its content and listen for new insights, the content improves like a fine wine. As the content improves you will become more empowered to lead the alliance.

5.6. Where to Focus Collective Attention

Value-impediment work looks at cultural and strategic differences, which tend to be consistent across an alliance landscape, with area-specific anomalies. So, it is often best to have a very broad approach when working on impediments. Incremental value, on the other hand, tends to be unique to a specific area of an alliance, with each area contributing to the overall value-creation of the alliance. Therefore, there may be incremental value slides for the overall alliance, as well as individual business units, and the value-impediments slide may be consistent across all business units.

One approach is to focus collective attention where the opportunities (incremental value) or challenges (value-impediments) are the greatest. There may be a specific area of strategic priority where there is known to be significant but ill-defined incremental value. Or there may be severe cultural misalignment, in which case collective attention should be focused on value-impediments.

Sometimes the overall culture is so toxic that the collective cannot even see incremental value opportunities; so, you need to start first working on value-impediments. In this same situation you may want to start with incremental-

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²⁹ I offer no research or references to support this statement, only my real-world experience.



value in order to build sufficient collective energy to be able to work on value-impediments. Thus, the answer to the question, "Which slide should I start with?" is, "It depends." It depends on your situation. But it's important to remember that value-impediments obscure incremental value; as these obstacles are cleared, greater value-creating opportunities will naturally surface. And remember that the process of surfacing increment value opportunities and vision will infuse enthusiasm into your alliance.

Another approach is to focus where strong organizational alignment already exists. If you or the alliance feels uncomfortable with this methodology, start where your initial success will be easiest. Learn by doing. In the process, you will teach the alliance the value of focusing collective attention by deepening your existing successes. You can then confidently expand into more challenging areas.

5.7. How to Focus Collective Attention in an Alliance

This "how to" list is numbered only to suggest a general sequence. It is not intended to be an explicit list of things you *have* to do in *precisely* this order. You may decide to skip, reorder, or do things not listed. You decide what is right for you and your alliance.

- 1. <u>Sync-up with management</u> Consider meeting with your management team(s) to reach agreement with them about how you should "weigh" the input from various individuals. From a negotiating perspective determine the N, L and I roles. Who should you:
 - a. <u>Negotiate with</u> Who needs to be in agreement with your final conclusions? Who directly affects your final recommendations? This is often senior management on both sides of the alliance.
 - b. <u>Listen to</u> Who do you need to listen to and seriously consider their ideas? They don't necessarily directly affect or control the final results. This is often functional leads in R&D, Marketing and Sales.
 - c. <u>Inform</u> Who do you need to inform of the final results? This is often the "outside world" via your marketing activities. Sometimes it is Sales.
- 2. <u>Be ready</u> Your prior personal development in specific areas will be helpful in leading the alliance through this process; however, if you haven't the time to develop these skills, know that they will be developed in you as you implement this practice. Focusing collective attention calls for the following personal attributes:³⁰
 - a. A clear sense of self Have a clear understanding of the value of your role to the business, and be aligned with your manager. Focusing collective attention may initially cause people to question your value to the business. Be ready, with management backing.³¹
 - b. *Presence* Communication with others is always deepest and most effective when you are fully present. Avoid the distractions of multi-tasking or allowing yourself to think about anything or anyone else when *listening* to others. Be entirely "now and here."
 - c. Awareness Be aware of what is going on within you and around you. Internal awareness helps you listen to others, allowing you to listen holistically with your entire being. External awareness opens you up to see and hear what others cannot or will not see or hear. Be aware of the overall atmosphere or climate in the alliance. This awareness continues expanding as you see events unfold and see the interconnectedness of events spanning an entire business ecosystem. There is a sense of timelessness when we are fully present and aware.
 - d. Be Confrontational This is a willingness to face the fire and should not be confused with conflict. Confrontation is jointly facing or *co-fronting* an issue *in* a relationship. It is about attacking *issues*, not people; attacking a person is conflict. Being confrontational calls for trust, and so trust will

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³⁰ It has been my experience that when I create a situation in my life that "calls" for certain "things" (e.g., greater trust or confidence) that those things will "come" – they will develop in me as I am experiencing that situation. These are growth opportunities.

³¹ Consider *The Role of Strategic Alliance Manager: a unique, holistic and empowering perspective* (http://www.spibr.org/strategic_alliance_manager_role.pdf).



come.³² We actually become enthused by confrontational opportunities, knowing that insight and opportunity lie on the other side of apparent problems.

- "Simplicity" is the mantra Briefer and more succinct text is always better always! Within each cell of each table, limit yourself to five somewhat-prioritized lines of bulleted text (don't get cute by using really small font).
 - a. I have *always* found five concise statements to be enough to sufficiently describe each area (cell in the table) of (i) value and (ii) value-impediments from each company's perspective.
 - b. This process of simplifying and distilling down the collective's voice is hard work. But this creative work is strategically important. Make sure that, as you distill down to the simplest text, critically important things do not get dropped. Be succinctly comprehensive.
 - c. There may be some things (e.g., programs or technologies) that get squeezed out during this distillation process; consider that those things may *need* to get dropped or at least de-focused. Hear when the collective voice says, "Let it go."
- 4. <u>Start with you</u> Prime the pump. As best you can, complete both sides of both slides yourself; try to represent both companies' perspectives. Especially when discussing impediments, be succinct, thorough and boldly honest. Even if you cannot find the politically correct verbiage, be sure to discuss what no one else wants to discuss. Talk about the elephant in the middle of the room the one issue everyone else walks around and pretends not to see.
- 5. <u>A trusted other</u> Get another person, ideally from the other company, to be a sounding board. Walk through both slides with them. See if you have missed any major opportunities or issues. Get a different perspective. Consider and incorporate their input as you deem appropriate.
 - a. As soon as possible, work with your counterpart in the other company. If necessary, this methodology can be driven only by you on behalf of the entire alliance; but it is always better when there is a practice lead on the other side, too.
 - b. It may take considerable time before others in the alliance actively engage, or their engagement may never happen.³⁴ Nonetheless, this practice is always helpful in any alliance whether or not others are on board. The critical point is to actively and deeply listen to the collective. In time, the value of this simple practice will become evident.
- 6. <u>1:1 sampling interviews</u> Individually interview five to ten people in both companies from all levels and various functional areas.
 - a. As much as possible, discuss each cell of both slides with everyone you meet by asking openended questions.
 - i. For example, ask, "As you are working in the alliance and you think about the other company, what comes to mind?" Get each individual's perspective of how each company sees the other and sees itself. Ask for recommendations for how the companies can work better together.
 - ii. Ask questions like, "What do you see as the greatest opportunity between our companies?" Ask them about the alliance's primary purposes (Fundamental Business Objectives) and side benefits (Key Underlying Interests). Ask about creative teaming scenarios. You may

_____in the mid-

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³² See *Building Trust in Strategic Alliances: enabling greater value* (http://www.spibr.org/Building_trust_and_value_in_alliances.pdf - an ASAP Best Practice). Be confrontational to build trust.

³³ There seems to be something mystical about the "rule of hand" (limit things to five) that has consistently demonstrated great effectiveness over many years of developing and using this methodology. There are no more than five strategically important opportunities or issues for any one cell in these two slides.

³⁴ In order to "enlighten" or "make healthier" a relationship, do both sides need to be enlightened? And do they need to be fully enlightened? The answer to both questions is "no." Even if only one side is interested in making the relationship healthier and even if that side is only partly enlightened, this is still great work. The point is that you may be the sole bearer of this 2-Slide Methodology™ within your alliance. Be willing to learn-by-being. It is all good and will take you toward great.



think that everyone understands the alliance's purpose; but others often have a different perspective.

- b. Especially in one-on-one meetings, you have an opportunity to really probe into deeply contentious and emotionally-charged topics.
 - i. Uncover the hidden unspoken and taboo "secrets" that cloud an alliance.
 - ii. If necessary, guarantee personal anonymity. Remind the person you are meeting with that the process of listening to the collective naturally assures anonymity. This process is about listening to the collective, not identifying individuals.
 - iii. If someone asks you to name the person who made a specific comment, you might say, "That comment was made by the collective voice of the alliance. It is the alliance's truth, and so it is my truth. If you have an issue with that *comment*, let's hear it. But, I cannot identify the person or persons."
- 7. <u>Meetings</u> Obviously, meetings are themselves collective events. Use these slides to listen to the collective and increase alignment. Pick the slide or a part of a slide to discuss based on the meeting's audience and its objectives.
 - a. If issues or challenges come up, use the value-impediments slide. Listen for new issues to refine the top four cells. Use the bottom cell to provide recommendations. Use this slide to examine problematic situations and explore solutions. Focus on practical recommendations and solutions.
 - b. If the meeting is about what the alliance is trying to accomplish, share the teaming scenarios and focus discussions on the alliance's value-creating vision. Continually look for new insights into objectives and interests from both companies' perspective.
- 8. An obsessively iterative listening and sharing process The goal of this methodology is to get input from throughout the alliance, both companies, all the time. This is an on-going iterative process. Sometimes you will only be able to discuss one cell or part of one cell with any one individual or in a specific meeting. Always carry these two slides with you. Always be on the look-out for new ideas to incorporate into the slides, while keeping content focused on the simple essence of the alliance and keeping each cell limited to five succinct lines of bulleted text.
- 9. <u>Give to receive</u> The more you give away the ideas in these two slides to others no matter how much or how little, in whatever form and whatever venue the slide's content will improve. Ideas freely shared return with gain.³⁵
 - a. The value of these slides and their ability to help you grow the alliance will increase over time as they are *used*. As you continually gather ideas from others, distill them down to the powerful simple essence and share back the results.
 - b. These slides make you able to create value thus, they become more *value*-able.

Ideas are the currency in any alliance. The more ideas are shared with others, the more valuable the alliance becomes; the more ideas are extended, the more they grow.

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³⁵ Obviously we need to be mindful of trade secrets and the protection of corporate intellectual property. However, experience indicates that we tend to protect information more than is prudent for maximizing an alliance's creative potential.



5.8. Business Ecosystem Management

By focusing collective attention on value, we are able to describe the essence of an alliance in two simple slides: (a) incremental value; and (b) value-impediments. *Simplicity* allows us to have a commonly-agreed-to tool with all of our partners. Simplicity also provides a means for managing a set of alliances in a specific layer in our business ecosystem. After we have developed enough of the two slide sets to represent an ecosystem layer, we start applying this methodology throughout that ecosystem. The alliance-specific slides are coalesced into two slides that represent a portion (or layer) of the ecosystem. These two "abstracted up" slides represent our company's collective view of the value and challenges we see *in* that specific area of the ecosystem.

Figure 5.8 illustrates two simple slides that represent a layer of the ecosystem.³⁷ Insights from these slides can drive ecosystem management processes for our company. We develop programs focused on (a) common value-creation/-extraction activities or (b) the removal of common value-impeding obstacles, specific to that layer. After developing two slides for other layers of the ecosystem, we see more clearly how value gets progressively created and extracted from layer-to-layer. We develop ecosystem management programs which (a) more holistically drive the value-creation process through the layers, toward end-user customers. We develop programs to (b) neutralize value-impediments within each layer and across the ecosystem. Such is the practical power in *simplicity*.

Assessing Value in Ecosystem Layers

coalescing incremental value and value-impediment slides

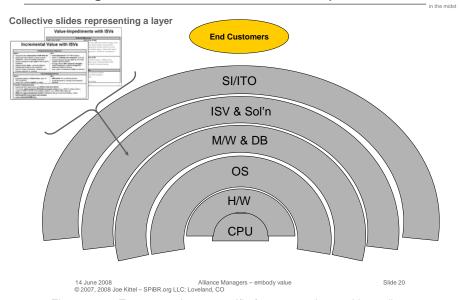


Figure 5.8 – Ecosystem layer-specific focus on value and impediments.

6. Be Ready for Organizational Addictions – the "Yeah Buts"

In late 2008, I was working on a major strategic alliance. In one month, we interviewed ten people in the alliance. With each interview we listened to the voice of the collective and distilled down what we heard. We then had a half-day meeting with executives and representatives from both teams. We listened and distilled more during that meeting. We created an incremental value and value-impediments slide which powerfully described the simple

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³⁶ In Figure 5.8 this is illustrated for ISVs – independent software vendors who develop application software and provide solutions.

³⁷ In this example the layer is "ISV & Sol'n" (application software the solutions) in the computer industry.



essence of the alliance. The content in both sides was clear and simple. People in the alliance strongly agreed that these slides captured what the alliance was all about: (a) the value-creating opportunity and vision; and (b) the alliance's challenges, with practical recommendations. Then, in almost the same breath, when people said, "Wow, powerful insight!" we also heard statements like:

- "Yeah but what about my favorite program?"
- "Yeah but what about XYZ technology?"
- "Yeah but what about their continued strategic upheaval?"
- "Yeah but what about these regulatory constraints?"

To which we answered, "We *all* just finished agreeing that these two slides represented the voice of the collective, the *truths* in this alliance. So, as painful as it may be to hear, your favorite program makes no sense in this alliance; XYZ technology is not core technology to our success; strategic upheaval is a reality, so accept it; and we do have to work within legal and regulatory constraints. Nonetheless, these two simple slides represent what this alliance is all about – where we are going and how we will get there."

I was quite surprised by all of these "yeah but" reactions. But, as I reflected on this situation, it occurred to me that the organization was acting like an addict – it was trying to hide from the truth.

6.1. Addictions

As I see it, addiction is the act of trying to hide from something. Life becomes overwhelming, so we try to escape. We use drugs, work, alcohol, sex, gambling, shopping or obsessive eating to hide from life, from others, from ourselves, and we try to hide from the infinite (God or the Universe). 38

Toward the end of their destructively-addictive behavior, addicts realize that they were trying to hide from the addiction itself. Paradoxically, as addicts recover and grow spiritually, they realize that what they were ultimately hiding from was the *truth* about *who they are*. If they are going to recover, they have to *look at* their addiction and then *look past* it. Looking past dysfunctional behavior is forgiveness. But, if we are looking past that stuff, or looking over it, what are we trying to ultimately look at?

I believe what we are trying to look *at* is the essence of our self that defines us. Who are we at our core? Who do we think we are? Recovery from addiction involves going deep within self to deal with our inner-most fears. As one grows in recovery, they have to deal with deeper and deeper fears:

"Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure. It is our light, not our darkness that most frightens us."³⁹

- A Return to Love by Marianne Williamson

Say to someone, "You are a child of God; at your core you are indestructible, all-powerful and all-knowing." Or, "You are a powerfully-creative being, creating all the time and everywhere, based on the thoughts you consciously choose to hold." You will most assuredly hear back all kinds of "yeah but" fears. Simple truths can be hard to hear.

This 2-Slide Methodology[™] is about looking at the simple truths in an alliance, what the alliance is about, or "who" it is, if you will. When people are confronted with painfully clear and simple truths, they often react adversely. Truth is simple, but it can be intense. Truth can be hard to accept and deal with.

³⁸ There are limitless addictions, things we can use to hide from the truth. Even 12-step recovery or religion can be an addiction.

³⁹ For the rest of this quote and the next paragraph in Marianne's book, plus some comic relief, go to http://www.spibr.org/our_deepest_fear.pdf. 2-slide_methodology.doc



Simple truths often put tremendous pressure on us. They stir up deep-seated and even sacredly-held fears. So, is it any surprise that when we present the simple truths collectively heard from an alliance we will hear addict-like reactions as people attempt to hide from the truths?

6.2. Complexity and Drama

What are an organization's drugs? What do we hide behind so we don't have to look at and deal with the truth? As I see it, organizational addictions primarily appear in the form of (a) complexity and (b) drama.

As we use these two simple slides, the first reaction we might hear is, "I wish things were that simple, but they're not, alliancing is complex." To which we can say, "Your wish has been granted! You can have as much complexity as you'd like." Refer back to the complexities mentioned in Section 4; there is plenty of complexity. As you show people how to look *past* the impediments and obstacles illustrated in Figure 5.1, you may hear people complain that those same complexities are still a problem. If the recommendations at the bottom of the slide in Figure 5.2a are practical, then complexity-based objections dissolve. If not, you have an opportunity to improve the value-impediments slide. Use the objections of others to improve your slides. Criticism from others is a blessing; use it.

We often hear about dysfunctional and dramatic behavior in an alliance. It is a common argument for why the simple ideas in the 2-Slide MethodologyTM will not work. There are a number of dysfunctional behaviors; recognize these when you see them, in yourself or in others. But do not allow them to distract you from the simple essence, the simple truths, in your alliance:

- <u>Drama queens</u> focus on problems in order to make themselves look important. Ultimately, they care more about personal gain than about helping the alliance grow.
- <u>Complexity kings</u> focus on all the complexities in order to make their job look difficult and important. Again, personal gain is more important than collective gain.
- <u>Gatekeepers</u> are control freaks. "Everything must go *through* me" is their motto. They impede the flow of ideas and, thereby, stifle the value-creating potential of the alliance. Do not allow this limiting behavior to exist; it suffocates an alliance.
- <u>Dictators</u> are well-advanced control freaks, forcing their will on the alliance and 'making' things happen. The gatekeeper stifles ideas; dictators stifle people the source of all ideas. If it's allowed to continue, this behavior kills alliances.
- Executive liaison or schmoozing drone is focused more on appearance than results.

We need to be especially aware of *our own* dysfunctional behavior, our own addiction to complexity and drama. Have we ever exhibited any of these behaviors? When things are falling apart and not going our way, do we revert to dysfunctional behavior in order to regain control, protect our job, or make ourselves look important?

Do you personally feel threatened by the simplicity of the 2-Slide Methodology[™]? If your alliance can be fully described this simply, what does that say about what you do, your role in the organization, and your value to others? This simple process may cause you to seriously rethink your role and force you to reinvent yourself to become even more valuable to the business. It will cause you to look past the "outer" in order to carefully examine the "inner."

Who do you think you are?⁴⁰

_ in the mic

⁴⁰ To answer this question, consider a deep evaluation of your role as a strategic alliance manager. Read *The Role of Strategic Alliance Manager: a unique, holistic and empowering perspective* (http://www.spibr.org/strategic alliance manager role.pdf).
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7. Continually Keep Everyone Focused

Carry these two simple slides with you always and obsess on the power in their simplicity; they will take you and your alliance toward the truth. Discover the powerful simplicity in focusing on (a) *incremental value* and (b) *value-impediments*. Continually look for opportunities to hear from the collective and share back what you hear. There is tremendous insight and power in the voice coming out of the alliance. It speaks of the alliance's value potential, its vision for the future. It speaks about the answers to the problems. It will help you achieve its vision – if you will simply listen.

8. Why This Methodology Transforms

This methodology fundamentally transforms strategic alliances and partnerships because:

- 1. <u>Deep listening and reflection</u> personal buy-in is established and deepened as people are deeply listened to and when they know they have been heard. Deep listening makes people less emotionally-attached to issues, less defensive and more *open* to seeing fresh new perspectives.
- 2. Spirit lives in the midst by hearing the voice-of-the-collective we draw closer to the spirit that lives in the alliance itself, right there in the interface. Spirit has intelligence; it is the source of creativity and the heart of enthusiasm. Spirit is associated with love and brings with it a sense of home, making an alliance a more attractive place to be.
- 3. The transcendental power of shared light the collective's attention sees *through* the value-impediments, obstacles and shadows in the alliance. The collective sees the problems and the answers to those problems. The collective knows how to bridge across the cultural and strategic chasms that are always present in any alliance the source of the alliance's greatest value-impediments.
- 4. The transformational power of shared light after the shadows have been overcome the collective's attention can then see all of the value-creating opportunities that no other single person can see. It sees a clear, compelling, realistic and inspiring long-term vision.
- 5. <u>Simplicity</u> by definition simplicity transcends complexity and alliances are by their very nature extraordinarily complex. Simplicity helps the alliance manager "do the impossible with nothing in the eye of a hurricane." The hurricane is comprised of both complexity and drama the two primary forms of organizational addiction.
- 6. <u>Clarity</u> by clearly seeing and overcoming value-impediments, the ever-present dysfunctional drama (because alliances involve people) gets neutralized. And by clearly seeing the long-term vision enthusiasm grows.
- 7. <u>Empowerment</u> with simple clarity the alliance manager is empowered and the 2-Slides provide the basis for empowering others via Self-Obsolescence.⁴¹ The content of the 2-Slides is the framework for the alliance manager to give and receive, teach and be taught, empower and be empowered, to love and be loved.⁴²
- 8. <u>Disruption</u> as an alliance manager realizes that the essence of their alliance can be represented in two slides it can strike fear into them. They may ask themselves, "Now what? Now what do I do?" The answers are: focus on relationships, build greater trust⁴³, enable more open and collaborative communications, and

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⁴¹ Refer to http://spibr.org/self-obsolescence/ for more information on Self-Obsolescence, the most impactful practice a strategic alliance manager can embody.

⁴² Refer to http://spibr.org/love/ for more about "love" including a though-provoking mindmap that tries to define the undefinable and parse the infinite.

⁴³ Trust is the foundation of every relationship and so it is fundamentally important as the most important issue in every strategic alliance. Go to http://spibr.org/trust/ for more thoughts on trust.

²⁻slide_methodology.doc



make the atmosphere healthier. The alliance manager is now freed up to focus where no one else in the organization can or will focus.

- 9. Focus with simplicity and clarity the alliance manager is enabled to have more focused and effective negotiations, communications, briefings, reviews, programs and business plans. At any time, in any place and with any one, they can clearly articulate what the alliance is all about and what its challenges are. They can help those working in the relationship most effectively overcome those challenges. They become more focused and effective leaders.
- 10. <u>Forgiveness</u> at its essence this methodology is about bringing forgiveness into a business relationship. It is about allowing everyone to *see past* the shadows (issues, challenges, obstacles, drama, complexity) and see the simple light on *the other side* (value-creating vision).



9. Biography

Joe Kittel has worked in the field of strategic alliances for over 25 years. For over 16 years he *did* strategic alliance development at Hewlett-Packard. For the past 10 years Joe has been focused on the practical application of spiritual principles to help strategic alliance manager's transform their alliances to increase their value-creating effectiveness.⁴⁴

In 1989 Joe established his first strategic alliance – a multi-year, co-resident and collaborative-R&D relationship that provided advanced object-oriented technology into HP C++ SoftBench (software development tool) and allowed US West (now Qwest) Communications to successfully migrate their massive Billing and Customer Care Systems from Cobol to C++ with a 10x improvement in software quality.

In 1997 he helped establish Hewlett-Packard's corporate level strategic alliance with Microsoft, leading corporate-wide initiatives and negotiations in some of the most strategically contentious areas (UNIX/NT interoperability, object technologies and encryption). ⁴⁵ In that same year Joe was a pre-founding member of the Board of the *Association of Strategic Alliance Professionals* (ASAP), assisting in its early definition.

At the conclusion of his career at HP in 2005, Joe established the first strategic alliance between HP's printing business and SAP with a deal valued in excess of \$200M and an alliance that annually leverages over \$1B in HP products and services. 46

In 2007 Joe established the first and only consultancy in the world focused solely on the fundamental transformation of strategic alliance managers and their alliances, SPiBR.org LLC. 47

He recently published the book *Spiritual Principles in Strategic Alliances: transform status quo mediocrity into greatness.* ⁴⁸ Endorsed by world-leaders in strategic alliancing and conscious capitalism. Excerpts from this book have been published as an ASAP *Best Practice.* ⁴⁹

In college Joe graduated *magna cum laude* in Electrical Engineering from the University of Utah, focused on quantum electronics (semiconductor physics and VLSI design). He applies a methodical engineer's approach to both strategic alliances and spirituality. Joe seeks to understand and use fundamental principles.

⁴⁴ See http://www.spibr.org/Joe_Kittel_resume.pdf for (obviously) a resume.

⁴⁵ Go to http://www.spibr.org/970319 HP Microsoft corp alliance simplified enterprise computing.pdf for more details.

⁴⁶ Go to http://www.spibr.org/HP-SAP_NetWeaver-HPDS_incremental_value_slide_award_PR_invite.pdf for more details.

⁴⁷ Check out http://spibr.org/spibr-org-llc/.

⁴⁸ Go to http://spibr.org/books/ for more information on this book.

⁴⁹ See http://www.spibr.org/ASAP_Best_Practices_Bulletin_July_2009.pdf.

²⁻slide_methodology.doc