Creating and Managing Chemical Industry Alliances

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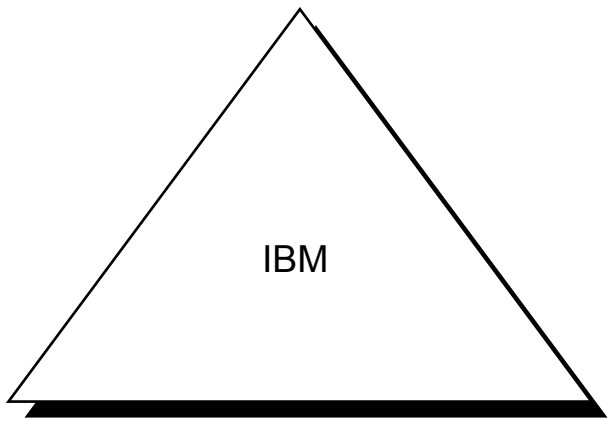
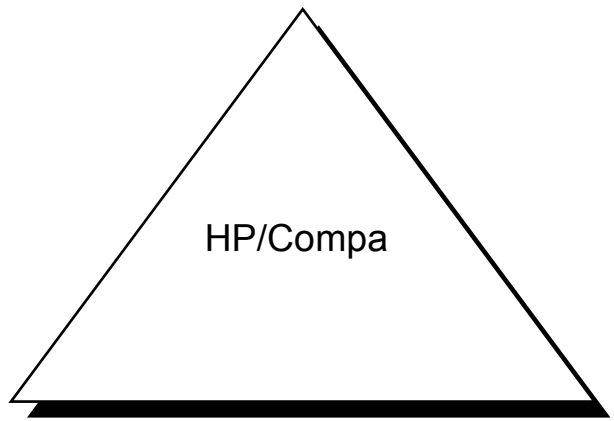
Creating and Managing Strategic Alliances

- The strategic use of alliances
- Transformational Growth: the WFGM Paradigm
  - WANT – Competitive Positioning Tool
  - FIND – hunting & gathering techniques
  - GET - Alliance Framework
  - MANAGE - Alliance Implementation Program

The Strategic Use of Alliances

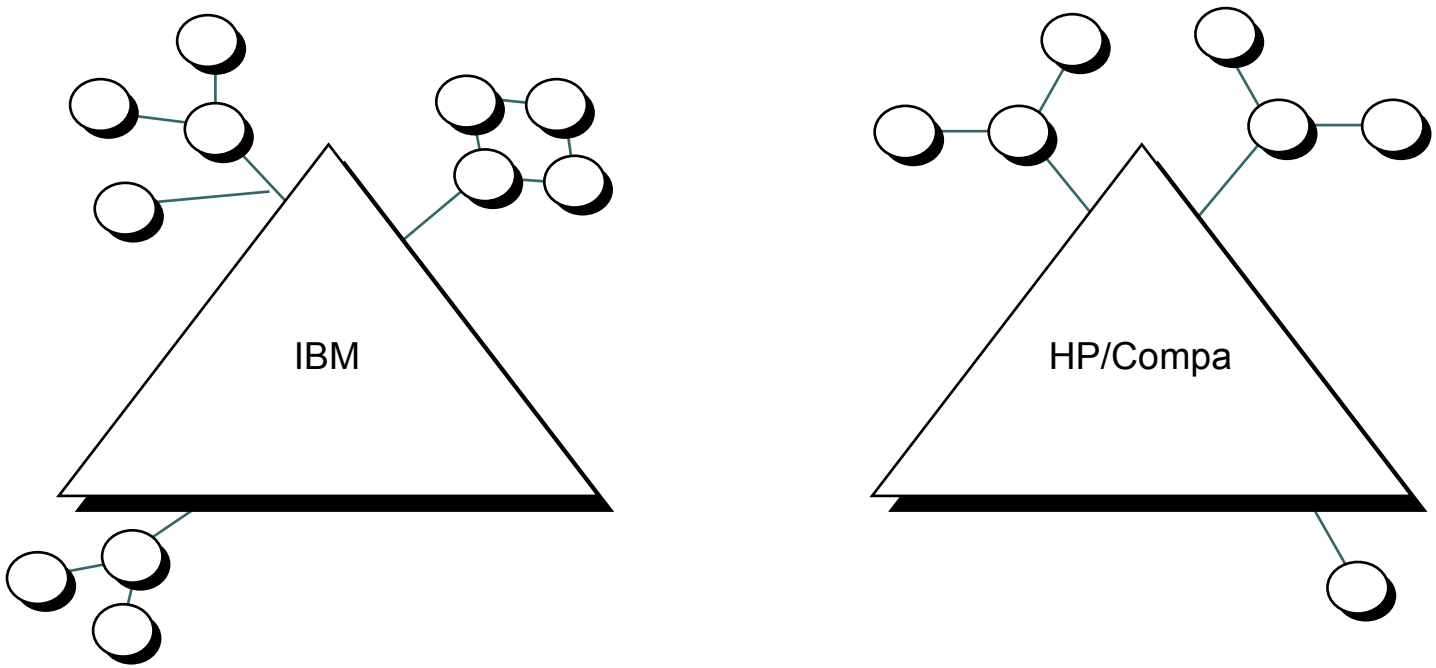
The Traditional Model





The Strategic Use of Alliances

The Network



The Network Structure of the Chemical Industry

- Where is the Chemical industry today?

Not networked Totally networked

1 2 3 4 5 6 7

The Network Structure of the Chemical Industry

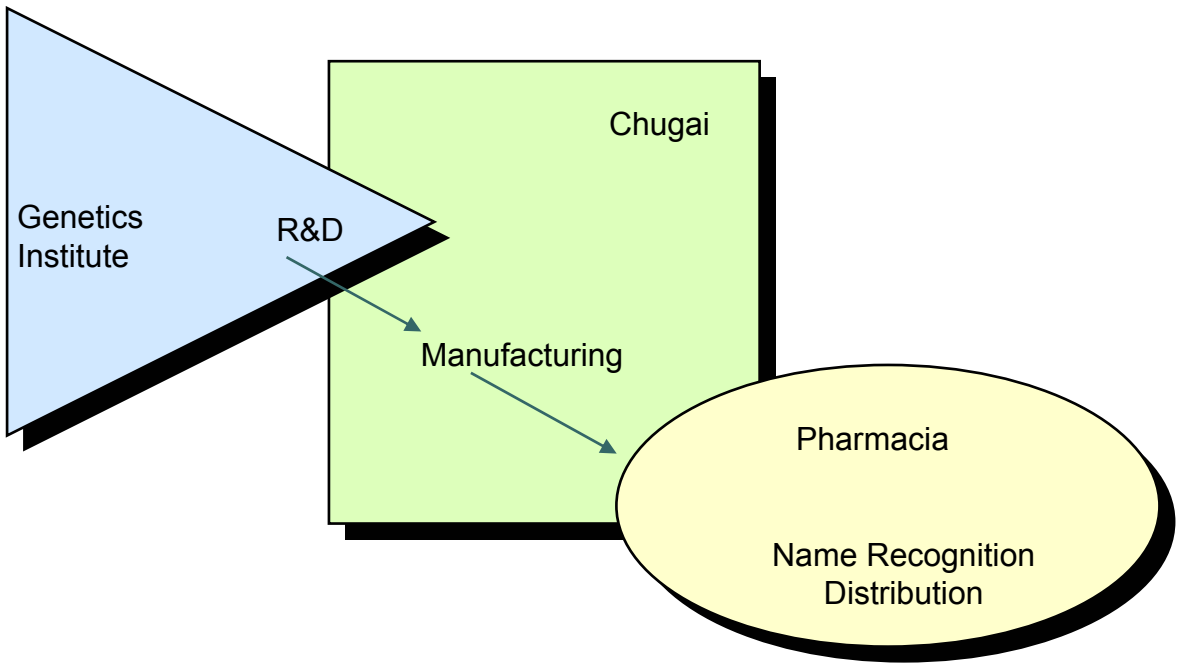
- Where will the Chemical industry be in 3 years?

Not networked Totally networked

1 2 3 4 5 6 7

The Strategic Use of Alliances

A Strategic Approach to the Erythropoetin Market: Chugai Corporation



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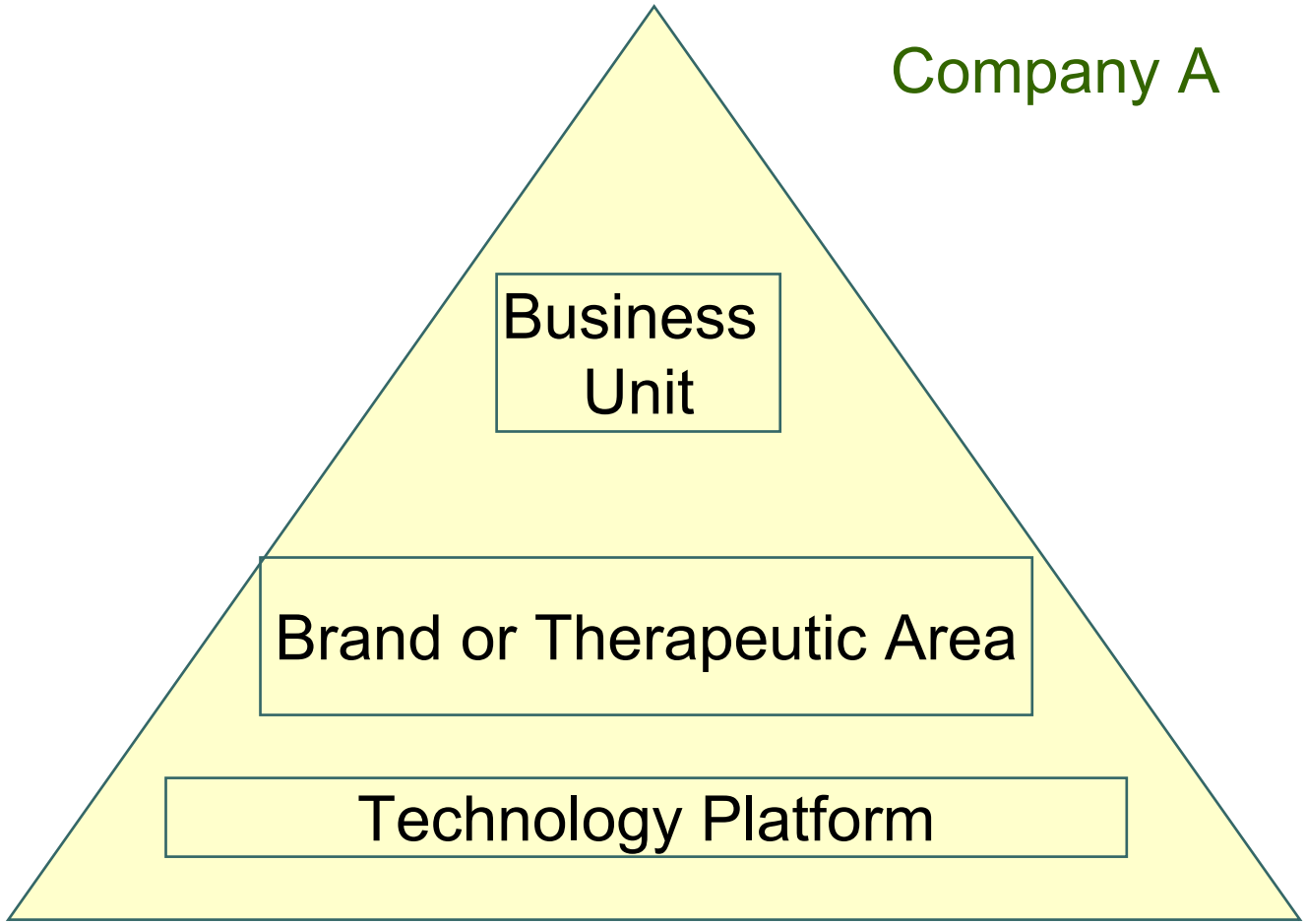
Unit of Analysis



Competitive Positioning
How Wall Street will value a firm's portfolio of alliances
Unit of Analysis = Diabetes Care

	Biotech	Bioinformatics	Global Channel Partners	E-commerce
Merc				
Pfizer				
Eli Lilly				
GlaxoSmithKline				

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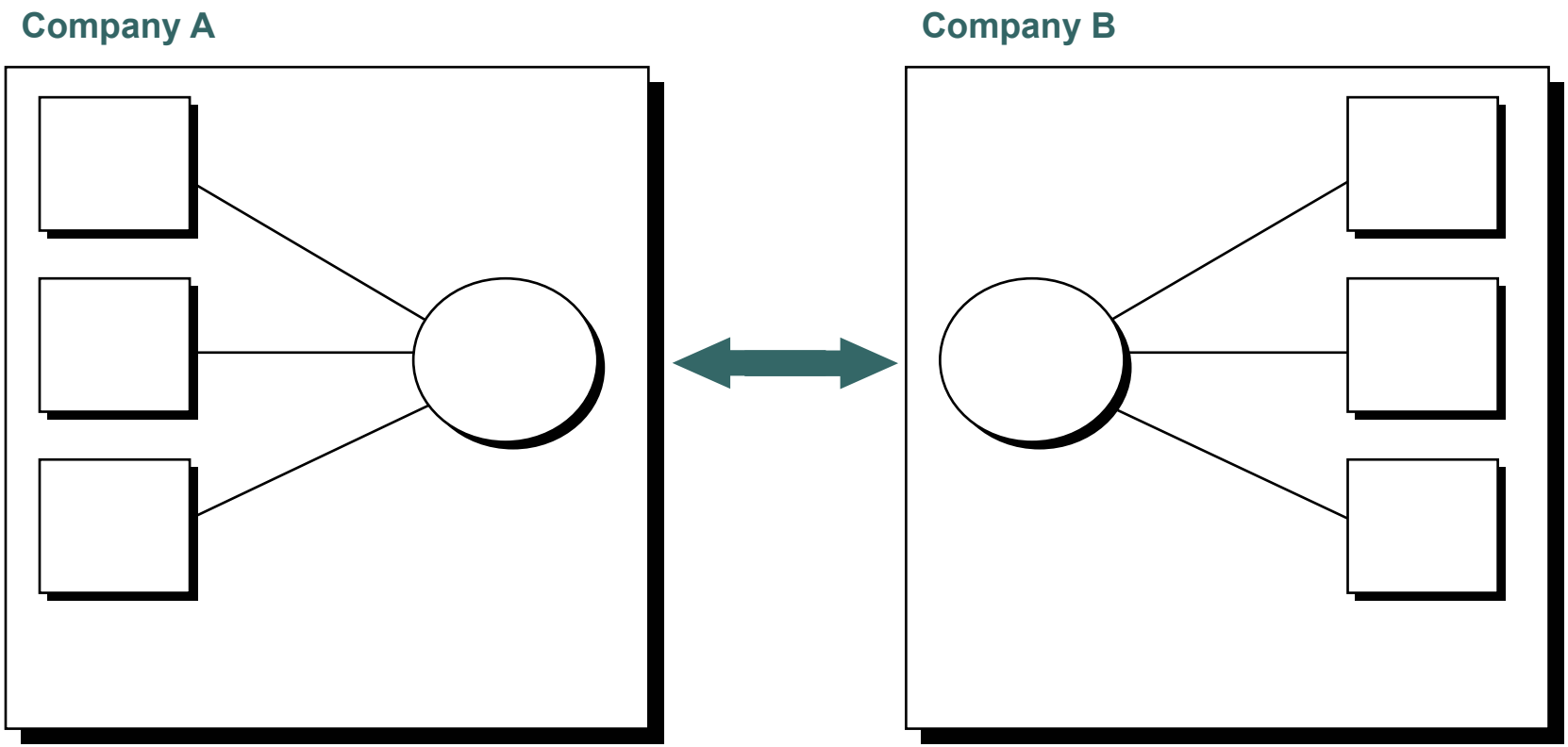
Alliance Framework®

- A rigorous process for planning and negotiating an alliance.
- Goal is to develop a high quality deal quickly or, to understand that a deal is not possible ... quickly.
- Requires internal commitment from all key internal stakeholders (anyone with a budgetable resource).
- Accelerates implementation because implementers are part of the Alliance Framework team.
- Works best when both firms use the process.

Why Alliances go bad !

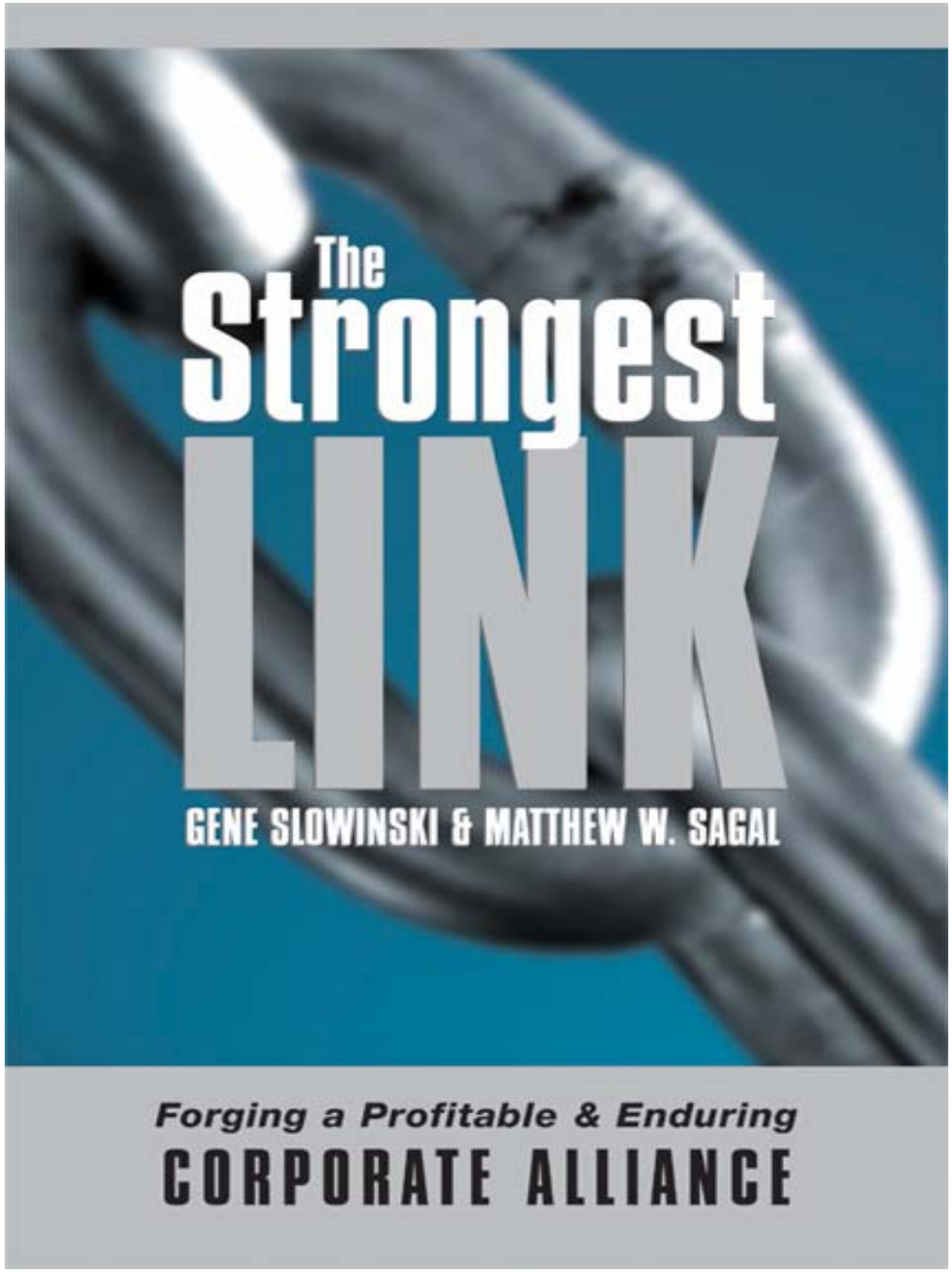


Alliance Framework Elements

Typical Elements:

- Business plan summary
- Objectives (ours, theirs)
- Roles (ours, theirs)
- Overall resources
- Boundaries
- Market model
- Exclusivity
- Intersections

- Detailed objectives and detailed resources
- Financial pie-split
- Intellectual property
- Working process and governance
- Term and termination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LINK
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Forging a Profitable & Enduring
CORPORATE ALLIANCE

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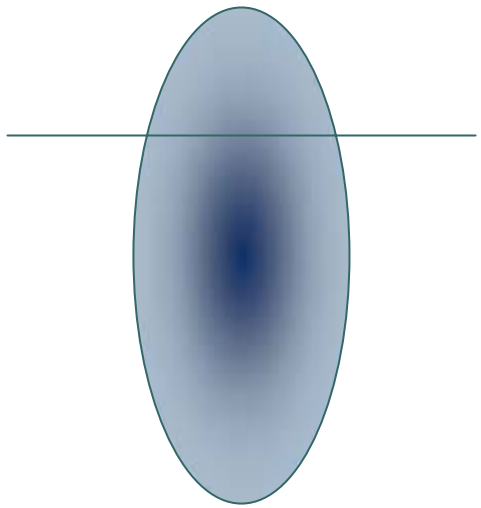
    - Joint negotiators presentation
    - Decision making analysis

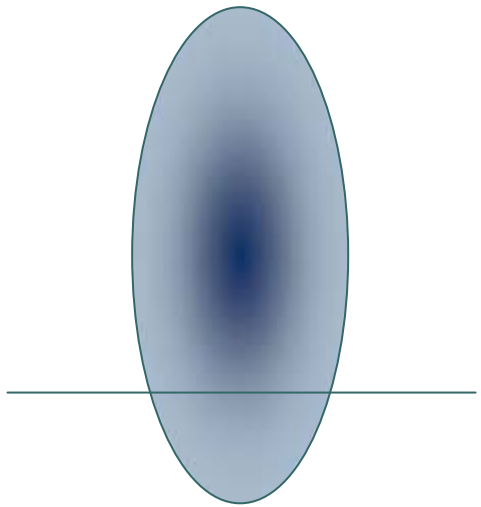
Business Development Presentation

- Team member – Company A



Business Development Presentation

- Team member – Company B



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Decision Making Analysis

How are decisions made in your

Characteristic	Key people	Formal process	Informal process	Time to decision
Capital request >50K				
Hire/Replace Employees				
Project funding				
???				

Thank You !