

Partnerships: nurture, not nature

Negotiation and communication skills don't always come naturally, which is why they are taught to sales forces. But relationship management is a skill needed by all manner of people within an organisation, so isn't it time to offer broader training support? asks Dr Leandro Herrero

John has just joined a company's sales force months ahead of the launch of its new product. During the next few weeks he is going to attend a series of training modules. For a start, there is the scientific and technical 'product' knowledge that he needs to master. Then a short refresher course on sales techniques. This entails role-playing, learning to deal with questions or objections from the specialists he is going to see, together with closing the sale and other standard sales processes. Although all these are well known to John, who has been a sales representative for some years, the company insists on any newcomer going through the same unified training in order to achieve a commonality of processes.

Also, the company has just introduced a new sales targeting system, and is providing all its medical reps with a laptop where, via remote logging, they will periodically receive updated lists of their areas' doctors, showing characteristics such as known prescription habits. The targeting system explicitly highlights those specialists that the company has decided need to be seen by their reps as a priority. John, as a new member of the team, is pretty comfortable with this. But other reps who have been with the company longer are reluctant to switch to the new system, and are *de facto* continuing to see the doctors with whom they have good relationships, whether these doctors are in the targeted group or not. To convince John's colleagues, and John himself, about the benefits of the new targeting system, there is another short course where the company can simulate the revenues gained from switching to the new target lists versus continuing as before. The course takes the form of a computer game where players have different behavioural options. John will attend

this course in the next three to four weeks. To complete his training, John will also take modules on negotiation and communication skills. He is expected to visit the so-called 'economic buyers' – key budget holders in hospitals and regional health authorities – and such skills will be much needed.

Talking about skills and competencies, the company has a small 'sales effectiveness' team which audits the skills needed – individually, collectively and from a managerial point of view – in sales operations. John will eventually be offered an objective look at his skills set via standard questionnaires.

Mary is a biologist with a PhD working in the company's research department. The firm is doing a series of deals with other companies to in-license new leads and drug candidates. The most recent and important is a multi-million dollar deal where a series of lead candidates from a partner company need to be assessed quickly before deciding whether to incorporate them into the company pipeline. In return, the company is providing the partner with some proprietary technological platform or library. It's a two-way deal. The interactions may last for at least a year until some key interchange milestones have been achieved. If everything goes to plan, this will be a long-term partnership. Mary, as the key scientist in this area of expertise, has been asked to lead the company's team that will interface with the partner. As has been the case for a long time now in other similar situations, Mary will be doing that job on top of everything else she is doing. In her capacity as key coordinator, recently elevated to the category of 'project

Building trust is not a back-of-the-envelope activity. It requires some understanding of the psychological and social dynamics within a group or between groups

While paying lip service to the importance of people and relationship issues, we do very little to support this

team leader', Mary will work with another five to ten company scientists and will interact with a similar number of people on the partner's side, and a 'commercial' person will usually join the discussions and meetings. Unlike John on the sales force, Mary won't get any particular training on anything. She is supposed to 'know' all the science she needs, after all, she has been chosen for her scientific and technical credentials in that very specialised area. Although Mary will effectively lead a team,

she has little experience in this. There are not many formal teams in the research division and this is effectively the first time she has been appointed as 'project team leader' or anything

similar. Mary will have to negotiate a lot, particularly on the disclosure of information, the pace of the scientific and technical exchange, and the progression of the deal itself. She will be assisted *ad hoc* by somebody from Commercial but this is as much and as formal as it gets. She is supposed to 'manage the communications' between the companies but nobody has spelt out for her what that means, let alone offered some support in communication techniques or tools. It is well known that the partner company has a reputation for being 'tough' or even 'aggressive'. Other people with past experience of dealing with the partner company would define its culture as secretive, arrogant and rigid. Mary is used to a rather open and informal environment in her research division. The interface is going to be a challenge. There is no provision to support Mary with any training of any kind on cultural differences or on managing different styles and approaches.

Mary and John work for the same company, they are on the same payroll and under the same CEO. Mary has little to show in terms of company support despite the fact that her success or failure has a multi-million dollar tag and long term strategic impact. John is also a key employee but his revenue impact is a fraction of Mary's. John, however, has a plethora of training and support, while Mary's is pretty much a case of the blind leading the blind.

Many people working in mainstream pharmaceuticals will recognise this picture. It's a real one. The way we approach partnerships, joint ventures, deals, in-

licensing, co-development or any other forms of company-to-company collaboration is incredibly imbalanced. While paying lip service to the importance of the people and relationship issues, we do very little to support this, and focus – in some cases almost entirely – on the scientific, technical or commercial/financial areas.

For years I have been amused by the lack of interest shown by the venture capital and investment community in the people and organisational areas. You would have thought that those investing large sums and prepared to take significant risks on the technological side (will that molecule, platform, idea, new concept, etc, work?) would be very interested in ensuring that such high risk is minimised by having in place good people with an organisational infrastructure, so that they are equipped not just with good scientific and technical skills but also with managerial ones. This is not the case. The due diligence process put in place is largely technical, legal and financially driven, but almost never organisational. The only great idea people seem to have on the organisational side is to install themselves, or a colleague from the investment entity, on the company's board to 'keep an eye on' or 'direct' operations. In many cases, this is as far as they go. I am willing to be surprised and apologise profusely to anybody who can convince me they are doing more than this – that they are genuinely influencing managerial competencies by spending time and money on the people and organisational aspects of the company in which they have put the money, other than, say, planting a new CEO.

The lightweight approach to the Mary scenario is also fascinating. As described in the vignette above, you can find completely different universes in the same company. Mary would benefit from any fraction of the support given to John. Again, lip-service management would say that of course people and relationships matter, but in reality very little may be in place to do something about it.

Mary's situation needs to be tackled within a so-called 'socio-technical' framework. This is an old term to say that in Mary's day-to-day job she'll find a mixture of technical aspects (the science and technology; the intellectual proprietary issues; the commercial and financial; the legal) and (psycho-)social aspects (the relationship with the partners; the leading of a team, both team management and project leadership; the psychology of the deal; the trans-cultural aspects of the interactions; the psychology of expectations, etc).

Partnership management programmes should look in a more structured way at several components. These may include goals, contractual framework, science and technology project management, relationship management, IP management, image management, and learning and knowledge

preferences and styles on both sides; and negotiation and communication skills. Building trust is not a back-of-the-envelope activity. It requires some understanding of the psychological and social dynamics within a group or between groups. The company is lucky if Mary, the key researcher, happens to possess this competence. But this is not a given, and in any case it's unlikely that PhDs in biology have studied trust-building as part of their curriculum. Understanding working styles, how we differ in the way we work or prefer to work, is crucial. An enormous amount of hassle in relationships can be avoided just by having some awareness of differences in the way people approach work and projects. At least four dimensions are critical: how we like to interact with others (introvert or extrovert mode), how we differ in using and managing information, how we differ in the way we make decisions, and how we prefer to organise ourselves and others in terms of structured or flexible ways.

Negotiating and communicating isn't something that comes naturally to most of us. Why on earth the John's of this world get support and not the Mary's is a fascinating topic for discussion. Deal making, partnership management, or relationship building are key competencies today, in a world of interlinked interests, where the boundaries of any company are blurred and when businesses are defined by the nature of the network of relationships. To assume that all these competencies will fall from the sky at the time they are needed is to fool oneself and the entire organisation. Mary  deserves better than that.

Dr Leandro Herrero writes on a management topic each month in Scrip Magazine. He is CEO and founder of The Chalfont Project, an international consulting firm focusing on organisational innovation, behavioural change management, leadership and human collaboration.



Illustration by Rob Wilcockson

transfer. I bring this up to illustrate that whatever the components, it's virtually impossible to ignore the psycho-social aspects, even if some of the components are obviously heavily weighted in one direction or another. The relationship management component, for example, has to deal with at least three aspects: trust-building mechanisms; understanding working

Conditions of supply

Scrip Magazine is supplied on the following conditions: - 1. All rights reserved; no part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without either the written permission of the publisher or under the terms of a licence issued by the Copyright Licensing Agency (90 Tottenham Court Road, London W1P 9HE, UK) or rights organisations in other countries that have reciprocal agreements with the copyright Licensing Agency. - 2. All abstracting of the data for republication and sale must have prior permission from the publisher. - 3. That it will not be circulated without prior agreement with the publisher outside the staff who work at the address to which it is sent. - 4. An order for additional copies at reduced rates constitutes an undertaking by the subscriber that such copies will not be exported or distributed so as to avoid taking full price subscriptions elsewhere without prior agreement with PJB Publications. - 5. While information is compiled with all due care, PJB Publications Ltd will not be liable for the consequences of anyone acting or refraining from acting in reliance on any information. Full terms and conditions available on request.