A Framework and Tools to Strengthen Strategic Alliances

By Merryn Rutledge

The complexity and cross-disciplinary nature of challenges like health care reform, emergency preparedness, and climate change suggest that inter-organizational and cross-sector alliances are increasingly important (Marcus, Dorn, & Henderson, 2005; Kapucu 2006). When parties come to the table without a common framework for understanding collaboration, this void puts the collaborative endeavor at risk. In this article, I explain a model and tools that have helped several cross-organizational strategic alliances with whom I have worked.

After illustrating how our terminology for cross-organizational work can be a drawback to successful affiliation, I define the term *strategic alliance*. I compare three strategic alliance models in order to highlight the advantages of one proposed by Bailey and Koney (2000). A case study from my consulting practice illustrates how Bailey and Koney's model (2000) helps strategic alliances clarify their purposes and understand their relationship. A second case study shows how, with the model as a foundation, eleven questions help members organize their work and make operational agreements.

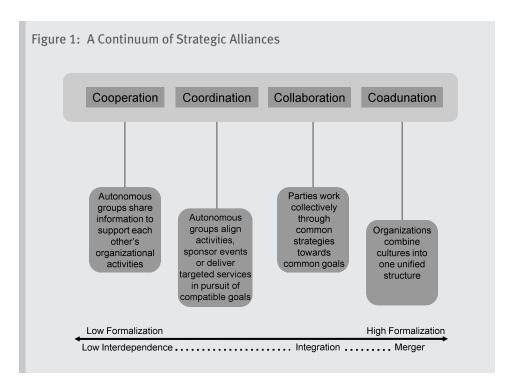## Terminology as a Drawback to Successful Affiliation

The plethora of terms that are used to describe cross-organizational and cross-sector work can create misunderstanding (Bailey & Koney, 2000; Austin & Drucker, 2002). For example, Straus (2002), like many facilitators and organizational development practitioners, uses the term *collaboration* to describe a set of group processes, regardless of whether group members come from different organizations. In contrast, collaboration can describe a relationship among several organizations, such as the New England Multicultural Collaboration, a group of independent school activists. To make it more complicated, collaboration may imply value judgments, as in the statement, "that NGO is good at collaboration."

The word *network* is similarly confusing. Following Barringer and Harrison's definition of a network (2000), the Network Against Domestic Violence and Sexual Abuse coordinates activities among member agencies. A network can also describe organizations whose only connection is through sharing information.

The different meanings of words like collaboration and network suggest one way in which forming a strategic alliance is problematic: parties come to the table with different ideas about their purposes, relationship, and social processes. Hence, I use the term strategic alliance throughout this article, not to argue for one right term, but rather to suggest that "common terminology enables organizations that are discussing or forming strategic alliances to engage in more precise conversation and to have a clearer mutual understanding of what it is their participation means" (Bailey & Koney, 2000, p. 5).

Strategic alliance describes a "relationship between two or more entities with similar interest... in ongoing relationship-building" in order to achieve "an expressed

Figure 1: A Continuum of Strategic Alliances

Cooperation	Coordination	Collaboration	Coadunation

Autonomous groups share information to support each other's organizational activities

Autonomous groups align activities, sponsor events or deliver targeted services in pursuit of compatible goals

Parties work collectively through common strategies towards common goals

Organizations combine cultures into one unified structure

Low Formalization ← → High Formalization

Low Interdependence . . . . Integration . . . . Merger

purpose or purposes" (Bailey & Koney, 2000, p. 4).

Three Strategic Alliance Models

There are several frameworks for describing strategic alliance choices. Hall's four basic forms--dyads, sets, networks, and joint ventures--conflate the number of relationships (dyads and sets), length of affiliation (sets), kinds of social systems (networks) and a specific purpose to exchange goods or services (a joint venture) (Hall & Tolbert 2005). Hall sees a set, for instance, as a temporary alliance, whereas a network is a social system. Hall's four forms of affiliation suggest that depending upon the chosen form, the emphasis of the affiliation is on size, length of affiliation, or purpose. In my experience, alliance size is not often a critical issue and length of affiliation is of much less importance than strategic purpose. But except for joint ventures, Hall's four kinds of alliance do not help clarify purpose. Hall's kinds of alliances provide no guidance for clarifying structure or making operating agreements.

Austin (2002) also proposes a framework. His framework focuses on one combination of organizations, that is, NGO's forming alliances with for-profit companies. Austin proposes a continuum of three levels of involvement: philanthropic, transactional, and integrative. These three stages (p. 19) describe the kind, duration, and scope of exchange. Both because he is speaking of relationships between NGO's and for-profit companies and because he focuses on exchange, Austin's framework is not a useful framework for many strategic alliances.

Bailey and Koney's continuum (2000) shows four choices for partner involvement (*Figure 1*). Continuum choices range from low to high formalization and low interdependence to integration and merger (p. 9). The least formal and most loosely coupled (Weick, 1976) relationship is cooperation, where "fully autonomous entities share information in order to support each other's organizational activities" (Bailey & Koney, p. 6). Moving along the continuum, when parties act in coordination, "autonomous groups align activities, sponsor particular events or deliver targeted services in pursuit of compatible goals" (p. 6). Accomplishing tasks together suggests a closer affiliation than merely sharing information. Parties "in collaboration... work collectively through common strategies" (p. 6), each giving up some degree of autonomy as they jointly set and implement goals. Finally, the most fully integrated connection, coadunation, describes mergers, consolidations and acquisitions – organizations combining cultures into one unified structure. Here one or more organizations "relinquish... autonomy in favor of a surviving organization" (p. 7).

I have worked with a number of strategic alliances that have had difficulty working together because they have no understanding of distinct kinds of alliances. A case study will illustrate how Bailey and Koney's (2000) strategic alliance continuum helped one alliance navigate through a crisis.

My client, the Interagency Coordinating Council (ICC), is a statewide alliance of early childhood and family support agencies.[1] The Council met profitably for many years before it faced a crisis of identity. A change in the Federal Head Start Act required each state to form a new super-council, the Advisory Council on Early Childhood Education and Care (Advisory Council). As an important player in the constellation of early childhood support, ICC was one of half a dozen organizations and alliances invited to the Advisory Council table.

After several meetings, ICC co-chairs were feeling restive and insecure. The Advisory Council convener unilaterally created the meeting agendas and dominated meetings. As a result, ICC felt that their value, proven by achievements like creating statewide measures of child well being, was being questioned. At the same time, the Advisory Council's mission and goals were not clear, and so the ICC did not know where it "fit." They experienced being co-opted by the Advisory Council, which was mandated but dysfunctional.

When I began working with ICC, some members believed that because the new Advisory Council had a broader mandate and more influence in state government, Advisory Council's dominance meant ICC must merge with the Council. Other members believed that precisely because ICC's voice at the Advisory Council table was muted, ICC must continue as an autonomous alliance. The ICC hired me to help them figure out how to be in relationship with the Advisory Council.

Noticing the way ICC members framed their choice in stark either/or

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1. The state in which this ICC operates is not given in order to protect client confidentiality.

terms, I began to wonder whether ICC members lacked an understanding of kinds of affiliation. I thought that helping ICC clarify their raison d'être might expand their view of choices for relationship with the Advisory Council.

I used Bailey and Koney's continuum to help ICC members clarify why they exist. After explaining the continuum, I invited the group to locate the ICC along the continuum. How would they do that? An existing strategic alliance uses its mission to figure out what kind of alliance they are. ICC's mission is to:

» Advocate for early childhood and family support at the local, state, and Federal levels
» Address any issues having to do with practices and/or quality of supports and services.

They quickly saw that while they certainly share information, both in and between quarterly meetings, their purpose for affiliating goes beyond cooperation. On the other end of the spectrum, ICC member organizations knew they did not wish to merge. Indeed, our discussions reinforced their conviction that the value of the alliance lay in the diversity of organizations, each with its own resources, expertise and perspective, and their proven ability to accomplish joint work.

As has often happened when I use Bailey and Koney's continuum, the ICC decided that they belong in more than one spot. Depending upon what activity they engaged in, ICC's purpose was to coordinate or collaborate. When they acted upon their advocacy mission, for example, convening a meeting with legislators to focus attention on a particular issue, they were coordinating. In this case, the meeting was an activity that reflected compatible goals (2000, p. 6). While ICC member organizations' goals for a specific piece of legislation were likely not identical, they were compatible.

When the ICC convened a committee to address a specific early childhood system challenge like defining measures of child well being, members were working in collaboration. That is, they shared a common goal of creating one set of measures. In

Bailey and Koney's definition, collaboration involves integrated strategies (2000, p. 7). The ICC's strategies were integrated in the sense that individual organizations, some using one set of measures, some others, and some using no measures, would share their practices and dilemmas, do research on measures used by other organizations, and then mutually decide on one set of measures.

What difference did these continuum choices make to the ICC? First, the four choices helped members realize that they had been acting from a narrow mindset:

organizations either affiliate for an indistinguishable variety of purposes or they consolidate. Secondly, ICC realized that pressure to merge with the Advisory Council was likely caused by both the Council's and the ICC's narrow perception of choices for connection. While acknowledging that at some future time it might be appropriate to merge with the Advisory Council, the ICC decided that merger should be considered only after members helped the new Advisory Council clarify its purposes and identity. ICC members decided to help the Advisory Council use the strategic alliance continuum to clarify the Council's purposes. Then the co-equal parties within the Council could better determine the forms of strategic affiliation that would serve members and the whole early childhood system.

Building on the Continuum: Eleven Questions to Solidify Relationship

Broadly speaking, strategic alliances have two components: a set of strategic purposes and a relationship-building or alliance component (Bailey & Koney, 2000, p. 4). ICC's experience with the Advisory Council illustrates how to use the continuum to

ensure that strategic purposes are achieved and to build relationship (p. 7). In this section I will use another case study to show two additional ways for alliances to address both their strategy and relationship components. First, members make sure that alliance structures align with where they are along the continuum. Secondly, alliances make agreements about communication, decision-making, the source and use of resources, and other operational matters, as appropriate to the low or higher levels of formalization called for by their place(s) on the alliance continuum.

In their work, Bailey and Koney (2000) offer many lists of questions that are intended to help alliances work. I have found these and other lists (Austin & Drucker, 2002; Mattessich, Murray-Close, & Monsey, 2001) to be impractical for use with clients. The sheer number of questions, as well as the range of topics they cover, causes alliance members to get bogged down in process detail. Such detail upsets the balance among "three dimensions of success" in collaborative endeavors: results, process, and relationship (Straus, 2002, p. 116).

At the same time, such detailed lists have helped me reflect upon the issues that contribute to relationship difficulties among my clients. I distilled eleven questions that help alliances make sturdy agreements about mutual expectations (*Table 1*).

The ICC's experience shows how the first question helps an existing alliance relate each part of its mission to a specific place on the alliance continuum. In order to illustrate the practical use of the other questions, I will relate my experience helping a national strategic alliance.

National Health Affiliates, a group of twenty-one public health organizations, had met fitfully for a decade when they

asked me to work with them. Although they had articulated a set of Relationship Principles when they formed in the late 1990s, the alliance had failed to achieve its potential.

In my experience, it is common for alliance members to want to work together and also experience tensions because some or all members compete. For Affiliates, changes in the grant requirements of the

Centers for Disease Control had exacerbated competition. In addition, tensions arose over Affiliates' differing positions on public policy and pending legislation. Furthermore, small organizations resented larger ones that could afford more programs and more member services, such as sophisticated web resource pages. Such factors illustrate how combinations of external forces and differences in member organization's purposes, interests, power, and resources contribute to the challenges alliances face as they form and maintain a relationship.

At the same time, with health reform rising to the top of the national policy agenda, alliance members wanted to explore how they could strengthen the Affiliates in order to achieve a greater good: enhancing the public health of the citizenry. I was hired to help the alliance figure out how to achieve this aspiration.

Affiliate Relationship Principles articulated several alliance purposes:
» To communicate effectively
» To help shape policy decisions
» To offer consultation to each other on matters of individual organizational development and share training resources for economies of scale.[2]

As was the case with the ICC, the Affiliates' mission did not help them organize work or strengthen relationships. When I asked members to describe the alliance, they said they were "a common enterprise," a "coalition" and "a process" and admitted that these rather vague descriptions spoke to unrealized aspiration. Once they understood the strategic alliance continuum, they, like the ICC, quickly agreed that their work belonged in three places on the continuum: cooperation, coordination, and collaboration.

They needed cooperation when the purpose was to communicate effectively, coordination when the purpose was to help shape policy, and collaboration when the aim was to share training resources, expertise, and programs. The correspondence

Table 1: The Eleven Questions and Their Purposes

Question	Purpose
Focus is on the strategic component of the alliance	
1. What does the alliance wish to accomplish?	Identifies the goals of the alliance
2. What activities are shared or combined?	Encourages matching these goals with alliance continuum choices
Focus is on the relational component of the alliance	
3. What members or groups are responsible for seeing that each goal and activity gets done?	Invites creation of structures that organize alliance work
4. Who convenes the alliance?	Invites alliance to clarify its leadership Surfaces and invites members to negotiate power dynamics
5. Who leads and how are leaders designated?	Invites alliance to clarify its leadership: structures, processes for identifying leaders, and leadership succession plans Surfaces and invites members to negotiate power dynamics
6. How do alliance members communicate among themselves?	Focuses on clear communication within the alliance, including among committees or task groups
7. How do alliance members communicate to their own organizations and other stakeholders?	Encourages alliance to identify all stakeholders and create clear communication methods
8. How are decisions made?	Members prevent misunderstanding by agreeing upon decision making methods Surfaces and invites members to negotiate power dynamics
9. How are disagreements handled?	Members prevent misunderstanding by agreeing upon norms for surfacing disagreements Encourages disagreeing openly and finding ways through differences
10. What resources are available and by whom?	Surfaces power issues based on who has more or fewer resources to contribute
11. Who is accountable to whom and how is accountability monitored?	Formalizes areas of responsibility Invites ongoing self-monitoring and continuous improvement

2. For clarity as an illustration, I have simplified the Principles, as well as the organizational structure that grew from them.
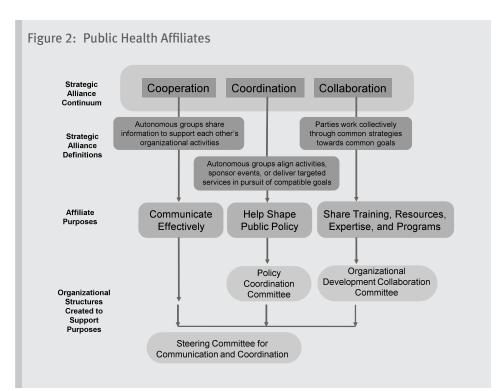
between these purposes and the strategic alliance continuum choices is depicted in *Figure 2*.

In the list of eleven questions, they had answered the first and second questions, which directly address the strategic component of an alliance. Their answers laid the foundation for clarifying the relational component, which is strengthened and maintained by the way they organize work and by operating agreements. The third question asks, "What members or groups are responsible for seeing that each goal and activity gets done?" This question invites alliance members to create structures that organize their work.

The Affiliates could sequence their work so that the lowest level of formalization (cooperation) was tackled first, then the next level (coordination), and then the next (collaboration). They could also create temporary or permanent structures, for instance, a steering committee and other committees.

The Affiliates took both approaches. One organization offered their website as a portal for Affiliate communication. This was an immediate step that would allow members to build mutual trust as well as confidence in the usefulness of the alliance. At the same time, the Affiliates created an organizational structure (*Figure 2*). Standing committees were organized, each operating at a particular level along the alliance continuum. Committee names reflected and reinforced their purpose in relation to the continuum, for example, the policy coordination committee and the organizational development collaboration committee.

Members agreed that ongoing communication was a fundamental reason for affiliating and that twenty-one organizations could not all meet regularly. Therefore, they created a steering committee. This committee would meet regularly and convene quarterly conference calls for cross-fertilizing committee work. The steering committee would also be responsible for refining communication vehicles. Finally, the committee would help members identify new opportunities for new coordination or collaboration that arise from state or national policy issues,

Figure 2: Public Health Affiliates

individual member needs and/or funding opportunities.

Maintaining Relationship: Making Clear Agreements

With committees in place, the Affiliates were ready to make other agreements that would help them operate smoothly. In *Table 1*, questions four through eleven provide guidance for making agreements about roles and responsibilities.

Questions four and five invite an alliance to clarify its leadership: "Who convenes the alliance?" and "Who leads and how are leaders designated?" These questions also help alliance members surface and negotiate power dynamics that naturally arise in organizations and are salient in change processes (Morgan, 1997; Marshak, 2006). For the Affiliates, overt conversation about the large public health organization that traditionally convened and funded Affiliate meetings helped members correct misperceptions about motives and air grudges about that organization's power. The Affiliates agreed they wanted the convening organization to lead in two specific ways: hold periodic summits to bring the membership together and find funding to do this. Question five also ensured that Affiliates discussed and agreed upon leadership structures, processes for identifying specific leaders and

leadership succession plans for the steering committee and the other committees.

Questions six and seven focus on clear communication. Question six is: "How do alliance members communicate among themselves?" The Affiliates created written communication protocols. Examples of these protocols are: a standard meeting agenda calls for discussion and agreement upon what business is communicated, to whom, by what deadline and who is responsible for this communication; guidelines specify when as-yet-unresolved business stays within a task group or committee.

Question seven, "How do alliance members communicate to their own organizations and other stakeholders?" helped alliance members map stakeholder relationships and create communication methods for staying in touch with these stakeholders. For example, the ongoing core groups, the steering committee, and the three other committees agreed upon ways to communicate, when and by whom. Communication methods would include quarterly meeting reports on important initiatives and postings to a member web resource page.

Questions eight and nine are: "How are decisions made?" and "How are disagreements handled?" Like question four, these questions helped the Affiliates negotiate power dynamics that arise

around decision-making. The Affiliates agreed to use consensus decision-making within each committee. Group norms about surfacing disagreements would be engendered by using Schwarz's (2005) group guidelines, which invite participants to disagree openly and find ways through differences. The Affiliates decided that unresolved differences would go to the steering committee.

Question ten, "What resources are available and by whom?" also surfaces power issues. As I have explained, smaller Affiliate member organizations had long resented the larger ones. Discussions helped these smaller organizations appreciate the money and staff support that the convening organization had been providing. In addition, another large organization stepped forward to offer the technology capacity that would support web-based Affiliate communication.

Question eleven asks, "Who is accountable to whom, and how is accountability monitored?" This question formalizes areas of responsibility, invites ongoing self-monitoring, and encourages continuous improvement. For the Affiliates, these areas of responsibility would be documented in a new charter, drafted by a principles working group, reviewed by the steering committee and the three other committees, and then ratified by all member organizations. The charter was created and ratified, and the Affiliates have been operating effectively for two years.

The purpose of each of the eleven questions is summarized in *Table 1*.

The Alliance Continuum is not a Developmental Path

Bailey and Koney (2000) imply that their continuum not only describes choices for levels of engagement but also suggests a developmental path (p. 8). In other words, they suggest that with the exception of coadunation, increased connection and interdependence are a good idea.

In my experience, such a developmental path applies to only a few alliances and so should not be embedded in or suggested by the continuum. To do so would have been detrimental to both the ICC and the

Affiliates, who needed to see a range of non-prescriptive choices. As I refined my use of the continuum, I asked for feedback from the New Hampshire Center for Rural Partnerships, who have a track record of helping regional alliances form and flourish. From the Center's perspective, suggesting that the continuum is a developmental path would also scare emerging alliances, who need to see choices for their purposes and relationships. The idea that low formalization and integration are less desirable or less mature clearly introduces value judgments.

Conclusion

Forming and maintaining a strategic alliance is difficult work that is complicated by member confusion about how to describe their endeavor, clarify their purposes, organize their activities and make operating agreements. Two case studies have shown how Bailey and Koney's (2000) strategic alliance continuum helps members in three ways. First, the continuum helps members understand how their alliance purposes reflect four specific choices for engagement. Secondly, the continuum gives members a common language for describing themselves and their activities. Thirdly, matching their purposes with the appropriate continuum level helps members figure out how to organize their work – for example, in a steering committee, standing committees, and temporary task groups. Building upon these foundations, eleven questions can be used to help alliance members solidify relationships and operate smoothly.

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