

GLOBAL ALLIANCES: WHY CROSS-SECTOR PARTNERSHIPS CAN TAKE ASSOCIATIONS AND CORPORATES TO THE NEXT LEVEL

Cross-sector alliance and partnerships between corporates and associations are widely commonplace, and in some cases even vital, to the very survival of an organisation. However, the motivation to get into a cross-sector partnership for a *for-profit* organisation may differ completely from a *non-profit* organisation.

The word 'motivation' in this context is applied to explain the *conscious values and explicit goals and objectives* that initially drive individuals and organisations to seek out partnerships and explore the possibility of working across sectors.

Such strategic partnerships continue to increase and are becoming the cornerstone of modern business models. Gone are the days when non-profits could just survive and build on the emotive value of their cause, as it is a proven fact that they need for-profits as a critical source to reach their objectives.

At the same time, these alliances lend tremendous credibility to corporates, providing them with solid PR and brand enhancement possibilities, whilst they focus on building the economic value of their organisation for shareholders.



Clearly, cross-sector partnerships do not just happen; they are built by a desire for **joint value creation** for both partners. They are intense, they are deep, and they require long-term relationship management. On the flip side they can be highly rewarding, as they trigger a relationship built on an emotional connection with a social purpose.

HBR CASE STUDY

Our industry is rife with several great examples of such partnerships, as well as some within my own immediate business circles. However, in order to remain impartial, I refer to an HBR case study of such a collaboration which was between a well-established Social Foundation and Global Pharmaceutical giant, showcasing what it

takes to make them work. The Foundation had for several years invested into research of prevention of tropical diseases and was now seeking to implement its findings into the affected communities. Positively impacting and changing the lives of many at grassroots level was at the very core of their mission.

There was just one problem: the Foundation's funds were running dry, and they simply lacked the bandwidth and resources to reach the far-flung and remote areas of these communities. Meanwhile at the Pharmaceutical Company, an internal volunteer committee was set up to explore the right philanthropic initiative, which matched with the company's stated value of providing care to those in need.

Similar to the Foundation, the Pharmaceutical Company took pride in the fact that one of the key reasons it attracted and retained top talent was because of its extensive medical research that helped eradicate illnesses that plague the developing world. With such shared context, by all measures this was a match made in heaven! But connecting on the social platform alone is not enough: the alliance had to be compatible on several levels both socially and economically, for both parties.

Here are just some of the fundamentals behind a successful alliance: the most critical and foremost is the chemistry between the key personnel, driving such a partnership. Bad chemistry can kill a partnership as quickly as it starts. Therefore, a "getting

acquainted" period and process is highly recommended, to foster compatibility and a positive relationship. The Foundation and the Pharmaceutical Company had a pilot phase which lasted almost three years, where they started to engage on several smaller projects, before embarking on a formal long-term plan.

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This 'one step at a time approach' helped both sides to undertake a due diligence of an incremental assessment of each other's attitudes, commitments and capabilities, all the while gradually building the key ingredients of mutual respect and trust.

This long-term prism helped the two partners to foster a culture of mitigating risk, unstable economic climate, and the unknown, in a collaborative environment, allowing the alliance to evolve in some unpredictable directions by the most natural of circumstances.

EMOTIONAL CONNECTIONS

Then there were a range of 'personal or emotional connections' across both parties that helped define what success could look like between the two organisations. It just so happened that the key contact at the Company had once served on the volunteer board of the Foundation. He understood the importance of the good work and research that the organisation had invested in over the years. He was passionate about the cause. He also understood that the cross-fertilisation of activities between the two organisations would ultimately help to uplift the

lives of many in those rural communities. He reached out across many in his own organisation to build consensus and lobby for the 'cause'. Meanwhile there were many on both sides who had 'jointly' undertaken several technical field visits to implement the successful prevention programmes of such scale and magnitude.

Some of these connections were staged, and some were by pure chance, and became instrumental in building support for this collaboration within their respective organisations. It just so happened that some of the researchers funded by the Foundation had worked previously with the Pharmaceutical Company's scientists, so the two organisations had a small historical base of co-operation.

Then there were those volunteers from the Foundation, who had partaken at the clinical trials run by the Company. These employees coupled with the marketing

team of the Company understood that whilst they were good with the commercial side of things, they needed help to launch an international humanitarian effort, all to strengthen its brand as the market leader in such initiatives. The Foundation was the most credible route to help position the Company with a soul.

In order to meet its goals, the Company then offered to fund and stage an organic programme around the Foundation's objectives to reach its beneficiaries in the most effective manner over a set period of time. They even agreed to fund the Foundation's further R&D in therapy areas which were not currently prevalent, and not part of their mainstream portfolio, without any strings attached, allowing the Foundation to innovate and grow organically, and never risking to compromise the trust of its stakeholders or its 'compliance' principals.

Both organisations operated within a systematic framework. Both had clear objectives and achieved desired outcomes. Finally, the ultimate winners were the wider effective communities, benefitting both on economic and social levels from such a cross-sector collaboration.



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