

The Future of Strategic Partnerships

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It is no longer 'Business as Usual'...

1. Global trends : Anthropocene, Planetary Boundaries, Food and Water Security, VUCA world
2. Technological Disruption : Fintech, Uber/Grab Taxi
3. Geopolitical developments:
 - Brexit, Trump
 - **China's 21st Century Silk Route Economic Belt**

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



THE GLOBAL GOALS
For Sustainable Development

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



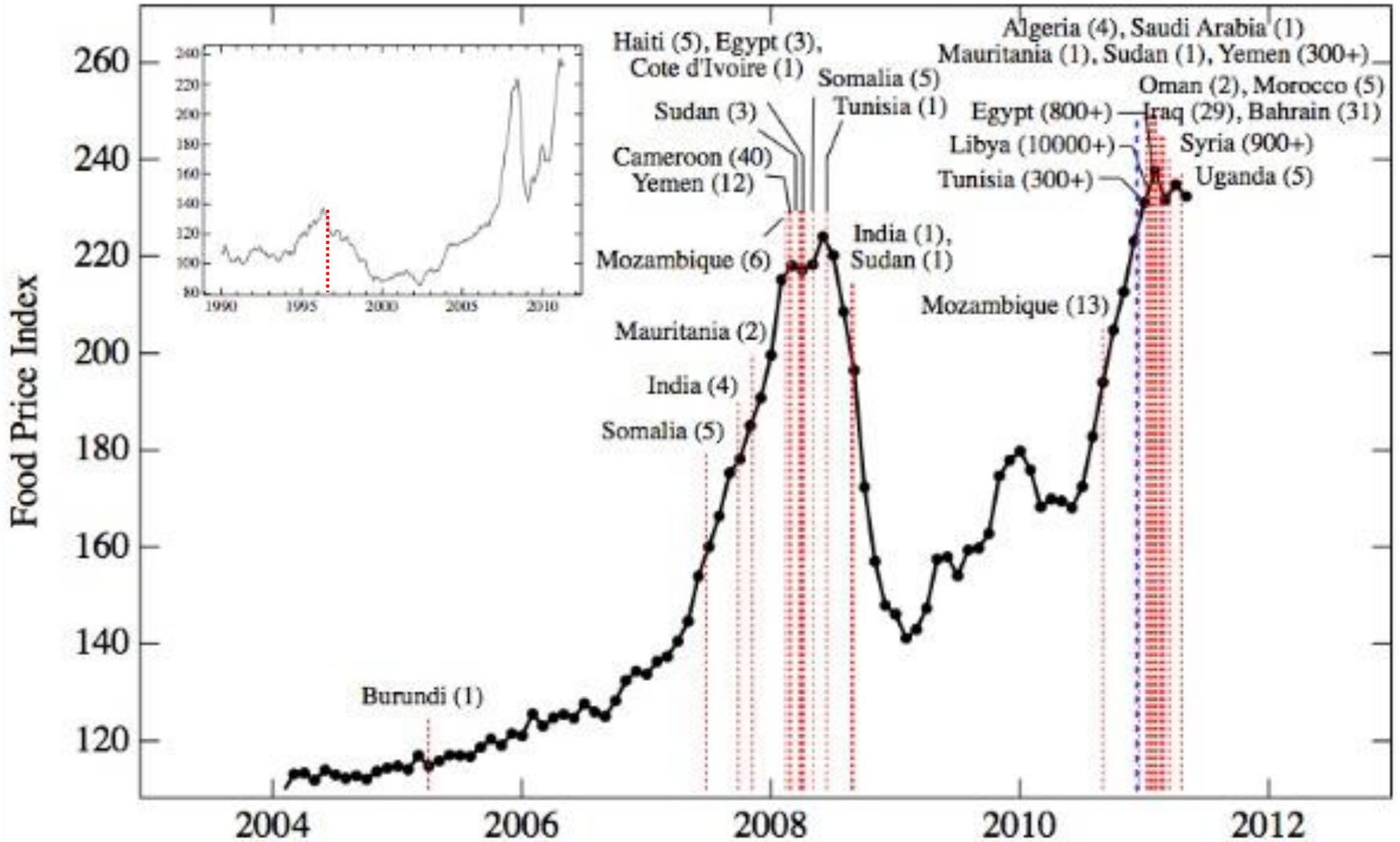
16 PEACE AND JUSTICE STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



Food Price Index Hikes & Riots (Nos. dead)



The Main Idea

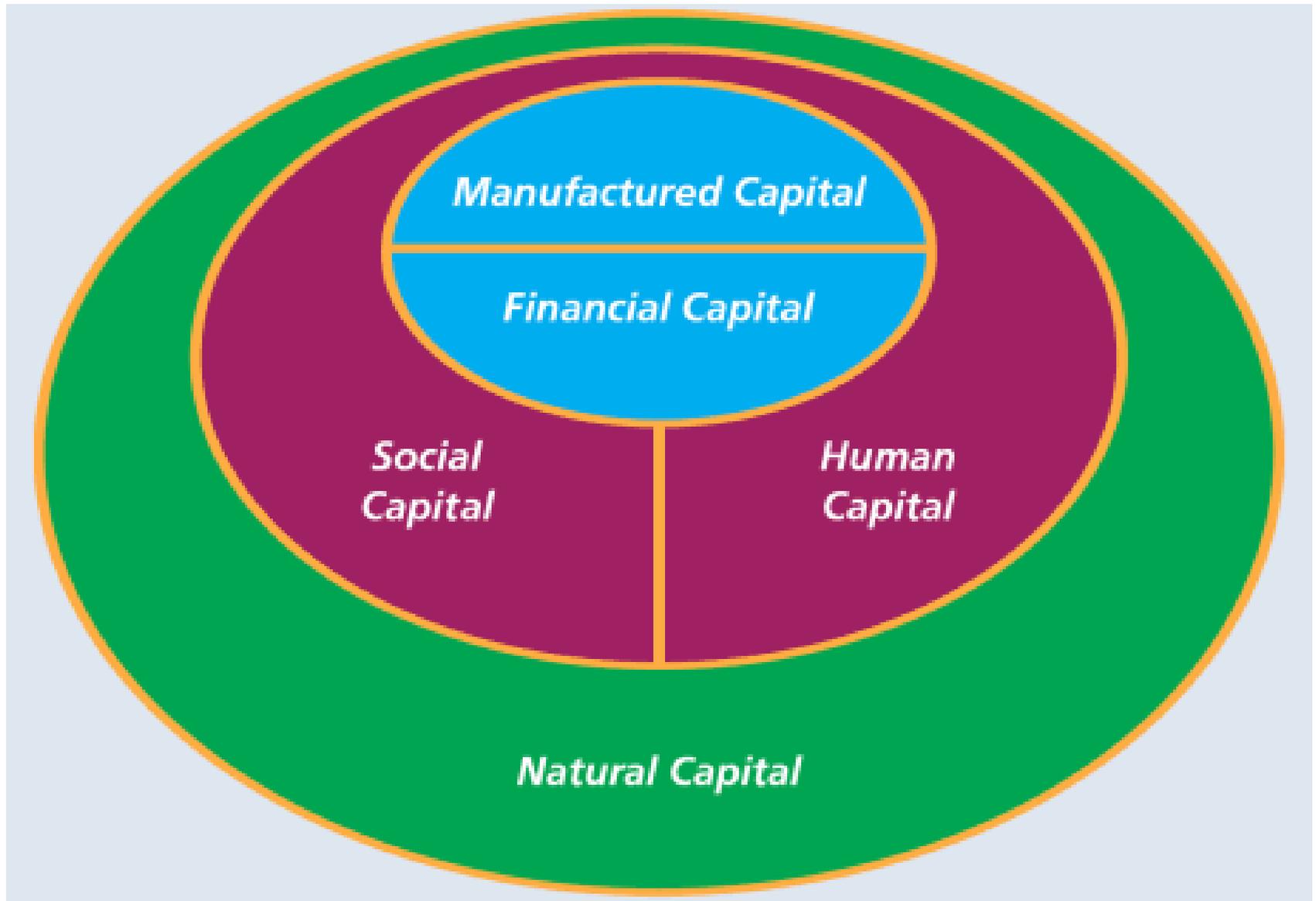
THE GOLDEN EGGS:

A GOLDEN egg, one every day,
That simpleton's Goose used to lay;
So he killed the poor thing,
Swifter fortune to bring,
And dined off his fortune
That day.

GREED OVERREACHES ITSELF



The 5 Capitals



3 Types of *Unexpected Partnerships*

3 Types of *Unexpected* Partnerships

Industry/Sector Alliance

Description	Examples	Why Unexpected
<p>Competitors (& some immediate suppliers and customers) jointly set industry standards (e.g. Carbon emissions/SDG 13), share resources/cut costs, etc.</p>	<p>Global Agri-business Alliance;</p>  <p>Green Freight Asia/Europe</p> 	<p>Competitors co-operating!</p> <p>©2017, Sriven Naidu</p>

3 Types of *Unexpected* Partnerships

Customer Segment-Centred Collaboration

Description	Examples	Why Unexpected
Non-competing MNCs, SMEs & entrepreneurs serving same customer segment	BOSCH-JFDI “agile collaborative venturing” on Smart Aging products for silver/elderly market. (According to a spokesman, this approach can reduce innovation costs by a factor of 8 and time to market by a factor of 4)	Trust and Intellectual Property rights complications

3 Types of *Unexpected* Partnerships

Cross-sector Collaboration

Description	Examples	Why Unexpected
<p>Partners from across business, government & civil society/NGO sectors collaborate to align strategy with SDGs and ‘social licence to operate’</p>	<p>Asia P3 Hub (WASH - SDG 6)</p>  <p>DSM (Good Health - SDG 3)</p>  <p>Green Digital Finance Alliance (UNEP + ANT Financial) (No Poverty/Decent Work SDGs 1/8 and ...)</p>	<p>Profound sectoral differences (e.g. time horizons, decision-making processes);</p> <p>Variations even within each sector</p> <p>©2017, Sriven Naidu</p>



Cross-Sector Collaboration

Beyond States and Markets

- Tragedy of the Commons; Strong Incentives wrt 'Negative Externalities'

Increasing Cross-border challenges

- e.g. Transboundary pollution; Technological Disruptions disregard Borders/National Laws

Even domestically, 'one size does not fit all'

- Market Regulation and Public Policy work at Macro scale; Inclusion and Equity better handled by Collective Governance that involves the 3rd Sector

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**When should Organisations Invest
in Pursuing Strategic Partnerships?**

**What Does a “Burning Platform”
mean?**

Motivations for Change

CHALLENGE

~~PROBLEM~~

CURRENT



OPPORTUNITY

SITUATION: “If we act immediately, we can take advantage of this situation.”

PAIN: The loss of a potential advantage that is within our grasp.

ANTICIPATED

SITUATION: “We’re going to be in trouble.”

PAIN: The impending loss of our market dominance, job security, and organizational survival.

SITUATION: “In the future, we could be in a position to profit from what is going to happen.”

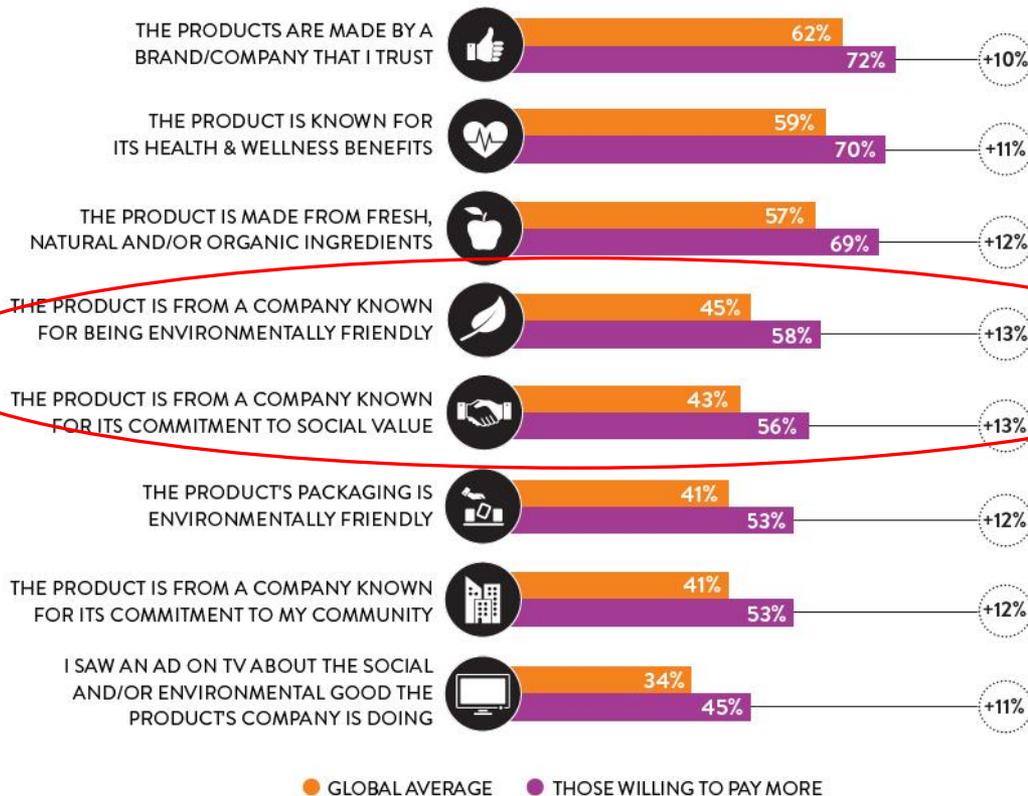
PAIN: The loss of a potential advantage that is possible to achieve in the future.

Millennials Pay Premium for Sustainable Offerings

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TOP SUSTAINABILITY PURCHASING DRIVERS

Global Respondents vs. Those Willing To Pay More*



“Despite the fact that Millennials are coming of age in one of the most difficult economic climates in the past 100 years, a (2015) Nielsen global online study found that they continue to be **most willing to pay extra for sustainable offerings - almost three-out-of-four respondents in the latest findings, up from approximately half in 2014.**

“Brands that establish a reputation for environmental stewardship among today’s youngest consumers have an opportunity to **not only grow market share but build loyalty among the power-spending Millennials of tomorrow, too,**” says Grace Farraj, SVP, Public Development & Sustainability, Nielsen.

*Note: Key sustainability purchasing drivers were categorized as either "very heavy influence" or "heavy influence" by the indicated percentage of respondents

Source: Nielsen Global Survey of Corporate Social Responsibility, Q1 2015

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Position as industry leader
(Profit + Purpose)
= **Burning Ambition**



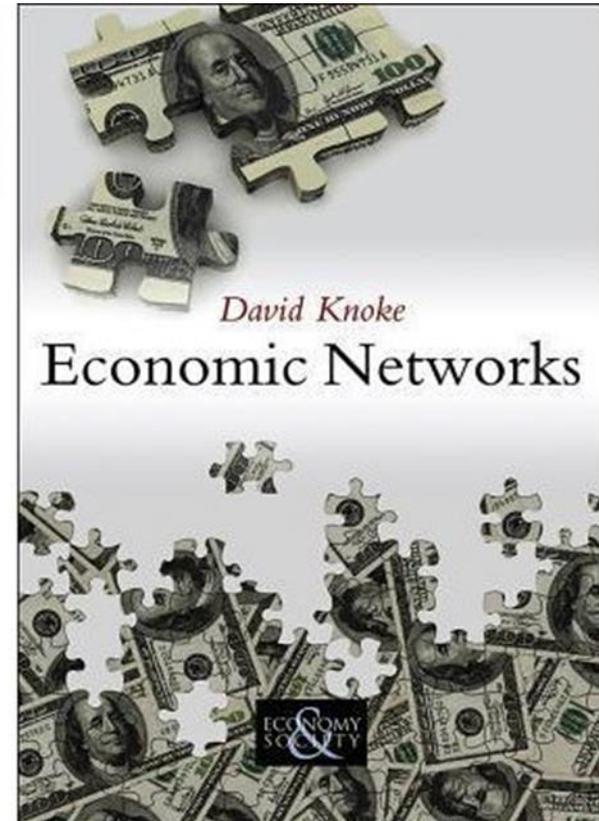
FROM BURNING PLATFORM TO BURNING AMBITION: HOW LEADERS SUSTAIN CHANGE

Strategic Alliances & their Objectives

Organizations collaborate to **achieve diverse goals such as**

- organizational learning,
- legitimacy,
- coping with uncertainty,
- R&D innovation,
- penetrating international markets,
- formulating industry standards, undertaking collective political actions

- Knoke, D. (2014). *Economic Networks*



**Strategic Partnerships
can address both
urgent ‘Burning Platforms’ and
strategic ‘Burning Ambitions’**

Types of Strategic Partnerships & Benefits

Benefits	Industry/ Sector Alliances	Customer Segment-Centred Collaborations	Cross-sector Collaborations
Product/Process Innovation; R&D	?	?	?
Social Licence to Operate; Building Goodwill against PR Crises, etc	?	?	?
Talent Retention + Leadership Development	?	?	?
Strategic development of a Leadership position (e.g. aligned with relevant SDGs); Influencing industry standards; Loyalty from 'millennial' customers & key stakeholders	?	?	?

3 Reasons these Strategic Partnerships are Difficult

- Each Partner (esp. if from a different Sector) is **profoundly different**
- **Trust** is hard to build ... and maintain
- Potential benefits of strategic partnerships require **exploration**

Issues that Must be Proactively Managed

Legal:

- Risk of collusion/anti-trust, and ...
- IP capture; Protection of confidential information

Organisational:

- Internal hostility to disruption by external(!) 'skunkworks'
- Impatience with ambiguity and exploration

Overcoming the Challenges

Examine “Endearing Myths”	Manage “Enduring Truths”
Top level support is enough	‘Line managers’ are constrained by their own accountabilities and legitimate concerns
Common Goals at early stages are necessary (to ensure commitment) - and sufficient	Complimentary Activities may be enough to get started, but individual partners’ priorities must also be addressed regularly.
Partnerships can be purely transactional	Values (and personal relationships at the beginning) are important to maintain trust, (e.g. when new influential players seek to enter the partnership)
Aligning on short/long term time horizons can be done at the organizational level	Time horizon alignment is needed at the level of individuals too (VP Sales vs CEO vs Chairman)

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Product/Process Innovation; R&D	✓	✓	✓
Social Licence to Operate; Building Goodwill against PR Crises, etc	✓✓	?	✓✓
Talent Retention + Leadership Development	✓	✓	✓
Strategic development of a Leadership position (e.g. aligned with relevant SDGs); Influencing industry standards; Loyalty from 'millennial' customers & key stakeholders	✓	?	✓✓

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