

CULTIVATING GROWTH BEYOND BORDERS

STRATEGIC ALLIANCES UNLOCK
THE PATH TO INNOVATION AND
STRATEGIC ADVANTAGE

Thought Leadership



In the dynamic business landscape, strategic alliances between two or more organizations serve as bridges to uncharted territories. These collaborations are not mere contracts but catalysts for growth and innovation to conquer complex challenges in our increasingly interconnected world. Companies are forming strategic alliances to diversify revenue streams, access difficult-to-obtain resources and skills, and enhance knowledge transfer, particularly in emerging digital and artificial intelligence (AI) capabilities.

Alliances can orchestrate a symphony of ideas, harmonizing innovation. Imagine gaining access to a treasure trove of knowledge—the kind that fuels innovation. To be successful, organizations must take a systematic approach. Unfortunately, many alliances don't, and they fail due to overlooked organizational, structural, and human factors. By adopting effective strategies and a comprehensive framework, organizations can leverage their alliances to forge a common destiny that achieves mutually beneficial business objectives and creates sustainability. Recent research shows an enduring positive impact of strategic alliances on organizational performance, especially with a diverse portfolio of alliances. This underscores the business case for investing in understanding alliance dynamics, highlighting their growing necessity and integral role in business.

Historically, the collaboration ecosystem has focused primarily on the value of buying partnerships through mergers and acquisitions. However, Korn Ferry extends its scope to include the increasing need for organizations to enter broader types of alliances and collaborations. In unpredictable markets where quick action is key,

strategic alliances are often the optimal collaborative decision—for example, 94% of tech leaders view innovation collaborations as a strategic necessity. And this trend isn't confined to tech: recent studies reveal that over 80% of senior leaders across industries expect to increase their alliances, seeing them as vital to growth.

Building a Foundation of Ambidexterity

At the heart of Korn Ferry's strategic alliance framework lies a familiar question: *How do we enable organizations to perform and transform, and therefore, become ambidextrous in business?* As organizations seek to create value both internally and across organizational boundaries, Korn Ferry's foundation of ambidexterity (see Figure 1) remains critical.

Ambidexterity—that is, the ability for organizations to perform for today while transforming for tomorrow—is a core capability within Korn Ferry's Enterprise Leadership model. It balances alignment with a readiness for change, enabling organizational effectiveness. Korn Ferry's research reveals an insightful correlation: companies led by strong performing-transforming Enterprise Leaders grow 6.74% faster in EBITDA growth than the average of other companies. Building on this success, the next strategic step involves performing and transforming beyond a single organization. Collaborating through alliances becomes a vital path forward in creating value and achieving common success.

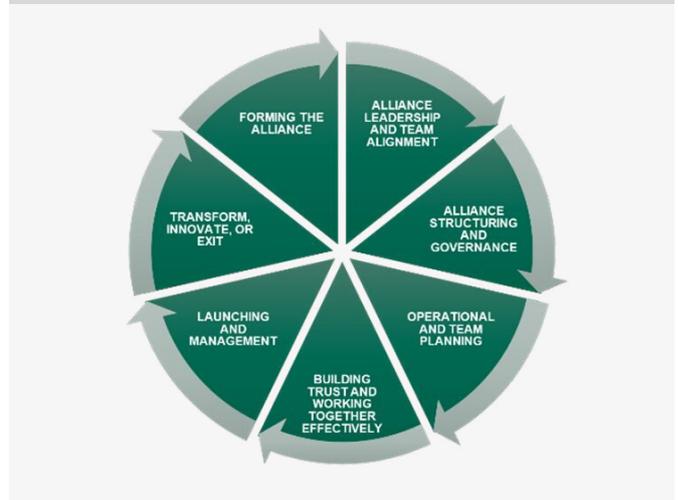
Figure 1: The Korn Ferry Ambidexterity Foundation


Alliances with the greatest potential for change focus on setting common goals and creating a vision that aligns with transformational needs, while also having a deep understanding of their organizational systems. In one recent study, 71% of sustainability-focused high-potential alliances **rated themselves highly in establishing shared goals and vision**, compared to just 27% for alliances with low potential for transformation. Moreover, Korn Ferry's research on **organizational transformation** revealed a significant positive correlation between the number of strategic alliances and financial outcomes. Highly transformative organizations, on average, had substantially more alliances—32% more than companies in the bottom third. Overall, this underscores the role of effective alliances in ongoing transformation.

Guiding Organizations Through the Maze of Alliance Complexity

Organizations need advisors who can expertly navigate the organizational, structural, and human complexities that make alliances and collaborations thrive. Developed through extensive **market research** and **intelligence**, Korn Ferry's Strategic Alliances Success framework (see Figure 2) offers a data-driven solution to these challenges. This framework empowers organizations to master the complexities of forming and sustaining successful alliances—from strategy to team collaboration—ensuring every potential pitfall is anticipated and overcome.

Strategic alliances come with significant risks, such as unclear common ambitions and potential cultural misalignment. Our framework tackles these challenges head-on, identifying and mitigating foreseeable obstacles so that organizations can resolve them before they escalate.

Figure 2: The Korn Ferry Strategic Alliances Success Framework


Maximizing value creation in alliances is essential for driving financial returns, fostering knowledge sharing, spurring innovation, and ensuring sustainability. Proactively addressing alliance issues relies on collaborators' ambidexterity levels and requires attention to five key areas:

- **Organizational Strategy:** Successful alliance structure requires a clear and shared ambition, a clarified purpose, and well-defined accountabilities and priorities. Aligning the mission and purpose of leadership with the overall organizational strategy ensures that the team and organization support this alignment.
- **Team Effectiveness:** Choosing the right team with a collaborative mindset is fundamental for achieving business goals. Effective teams foster open communication, build trust, and align on common objectives. Opportunities for ongoing collaboration and skill development enhance team cohesion and performance. Understanding the dynamics within individual and cross-organizational leadership teams is critical to advancing the alliance's mission.
- **Culture and Mindset Alignment:** Aligning culture and mindset within the alliance is foundational for success. Identifying potential conflicts and strengths helps organizations navigate collaborative challenges while fostering mutual understanding and trust. Ensuring stakeholders share a common vision and are receptive to change further enhances alliance effectiveness.

- **Talent Upskilling:** Investing in continuous learning and development initiatives equips organizations to adapt to evolving market dynamics and manage complex alliance environments effectively. This proactive approach enhances individual capabilities and strengthens the collective capacity of the alliance to achieve shared goals and deliver sustainable value.
- **Immersion:** Staying informed about the external environment proves advantageous. Examining strategies employed by companies in different industries enhances alliance value, providing value that yields tangible results.

Navigating Tomorrow: Strategic Alliances in a Connected World

Beginning with a systemic view via the Korn Ferry Enterprise Scan, we capture the ambidexterity needed to understand crucial information for building a curated roadmap within the alliance framework. A key takeaway is the need for flexibility, as the path to success may not be linear and the organizations may not be fully aligned at the beginning. Korn Ferry works with organizations to leverage Enterprise Scan insights to create a tailored plan that accelerates an alliance's impact and boosts success across the organizational system. Regardless of where these organizations are in their alliance journey, we amplify their impact by identifying and deploying the right combination of advisory solutions and expertise to meet their current and future alliance needs.

In our rapidly evolving global landscape, strategic alliances are the key to unlocking unparalleled competitive advantage and driving future growth. While organizations must embrace the power of collaboration to stay ahead, successful alliances require careful planning, a shared vision, and an understanding of potential cultural and organizational challenges. Korn Ferry's Strategic Alliances Success Framework offers clients a powerful tool to enhance performance and drive transformation through ecosystem collaborations. This intentional approach maximizes alliance value, saving time, frustration, and costly investments.

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About Korn Ferry

Korn Ferry is a global organizational consulting firm, bringing together strategy and talent to drive superior performance for our clients. We work with clients to design their organizational structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward, develop, and motivate their workforce. And we help professionals navigate and advance their careers.