

Growth and Partnerships in the Technology Sector

Interviews with CEOs and Chief Strategy Officers



How do companies ensure they have the right organizational structure and leadership talent for successful partnering?

In the fast-paced, innovation-driven technology sector, tech companies and their leaders face a primary challenge that must be met in order to continue to meet consumer expectations and drive growth and revenue: a strategy for creating successful, sustainable partnerships with organizations outside of their own product and service lines to enable a focus on innovation in their core offerings.

The ability to partner with companies that come with a range of corporate cultures and different individual backgrounds and competencies is key to developing and sustaining productive relationships. In conversations with CEOs and Chief Strategy Officers at leading, global technology organizations, we undertook to find out how companies create these successful partnerships, and what kinds of organizational structures and leadership traits and skills are needed to make them work.

Executive summary

In the following pages, the individual competencies and leadership styles that contribute to success in partnering are presented in greater detail. In summary, the survey confirmed that for companies focused on growth and innovation, partnering is a critical tool. However, there are specific recruiting, talent and cultural challenges in creating structures that lead to successful partnerships.

We spoke with leaders from the world's leading technology product and service providers, including:

- Alcatel-Lucent
- Ciena
- Nokia
- Tata
- Bharti Airtel
- IBM
- Orange
- Telefonica
- Capgemini
- Lenovo
- PwC
- Vodafone

Survey Findings

Current executive talent does not match the requirements, and there is a consensus among senior leaders regarding which skills and competencies are most needed to create and manage successful partnerships.

- Companies of all sizes do not have the capabilities to independently get where they need to be; complexity and the need for speed preclude building all of the capabilities internally
- Partnering is a critical tool to drive growth and its importance has increased significantly; the stakes are high and organizations are taking significant commercial risks
- Best practices in partnering include:
 - the need for deep cooperation and trust
 - a shared vision and aligned goals, driven from the top
 - sensitivity to different cultures and decision making styles
 - clear governance
 - commitment in difficult or ambiguous situations
- Partnerships that fail share common problems:
 - poor cultural fit between the partners
 - lack of open, honest communication
 - larger partners trying to control smaller partners
 - partners unilaterally redefining the goals or rules of the game

Competencies for managing external relationships

Lead and influence without control	Increased cultural sensitivity	New mindset, not new skills
<ul style="list-style-type: none"> • Shared vision • Clear relationship framework and governance • Comfort with ambiguity 	<ul style="list-style-type: none"> • Awareness of differences • Adaptability • Early identification and addressing of differences 	<ul style="list-style-type: none"> • Empathy • Relationship focus • Mutual success

Comments from respondents:

“We have functional, commercial people who have impact, but this service offering implies more a business orchestration, ability to connect and federate many partners.”

“It never ceases to amaze me how many people in commercial life want to control a process from end-to-end, and they find it disturbing when they lose that sense of control.”

“The whole thing about culture is understanding the meaning when people say and do things. What do they really mean? It means different things in different companies and cultures, and you have to get underneath that in terms of realistic expectations.”

“The success factors are one, humility, two, transparency and three, trust. The technical and commercial acumen are no different to what you need for the execution of any idea, but the dynamics are completely different when you are working with a partner. There is much more give and take, there is more dialogue and more bending over backwards is required.”

“Every time we have lacked cultural sensitivity in international partnerships, it’s gone south in a few minutes.”

The Challenge

The executive profile required to drive innovative partnerships is both distinctive and rare.

A combination of experience, plus leadership style and behaviors

Lead and influence without control	Styles and behaviors
<ul style="list-style-type: none">• Has worked across multiple segments and in companies of varying scale• Has operated at an international level and has an international network• Has delivered growth through innovative models• Experienced across different roles, including commercial positions• Understand commercial drivers in their business and in the business of their partners	<ul style="list-style-type: none">• A 'rule breaker' who is not afraid to go challenge traditional models and take a non-conforming position• 'Comfortable with chaos'—can deliver results and take calculated risks in a changing environment• Inspires others to go beyond functional boundaries and take on new challenges• Owns outcomes rather than resources• Able to 'stand in the shoes' of others—can show empathy across cultures and sustain trust when things go wrong• 'Legacy creator'—achieving exceptional results that defy industry norms, beyond self-interests

Meeting the Challenge

Are your leadership competencies aligned with your partnering strategy? Can your leadership team deliver on your business objectives? Do your executives work together effectively to drive innovation?

We work with our clients to assess their leadership teams and organizational culture, using a range of techniques including competency based interviews, leadership style questionnaires and culture fit analysis. We provide a clearer understanding of the strengths and development needs of your team, in relation to your specific partnering strategy. We are able to benchmark individuals against "best-in-class" leaders and look at the steps you need to take to ensure you have the right team to drive successful partnerships.

Our understanding of the specific challenges facing technology companies, combined with our market access and understanding of the leadership skills and competencies required to develop and sustain effective partnerships across a range of business environments enables us to identify and recruit the best team for your specific needs. Making the right leadership and talent decisions creates a distinct competitive advantage in today's innovative, global marketplace.

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Leadership for a Changing World. In today's global business environment, success is driven by the talent, vision and leadership capabilities of senior executives. Russell Reynolds Associates is a leading global executive search and assessment firm with more than 300 consultants based in 39 offices worldwide. Our consultants work closely with public and private organizations to assess and recruit senior executives and board members to drive long-term growth and success. Our in-depth knowledge of major industries and our clients' specific business challenges, combined with our understanding of who and what make an effective leader, ensures that our clients secure the best leadership teams for the ongoing success of their businesses. www.russellreynolds.com

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