



Managing Alliance Conflict

Conflict Is Inevitable.
How You Deal with It Can Be the
Difference Between Success and Failure

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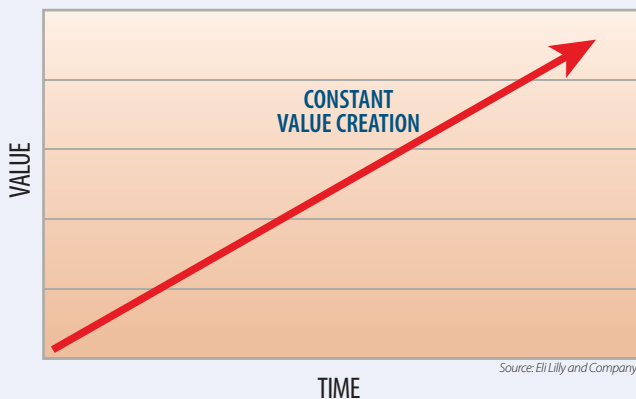
Every day we manage conflict. Whether dealing with friends and relatives or coworkers and customers, we constantly resolve issues by applying the conflict management approaches and skills at our disposal. Those of us working in alliances certainly work our way through such situations frequently. While it might be part of our jobs, most people do not like to hear the word “conflict” associated with their own name. Just hearing the word is sometimes enough to make your stomach churn or your muscles tense.

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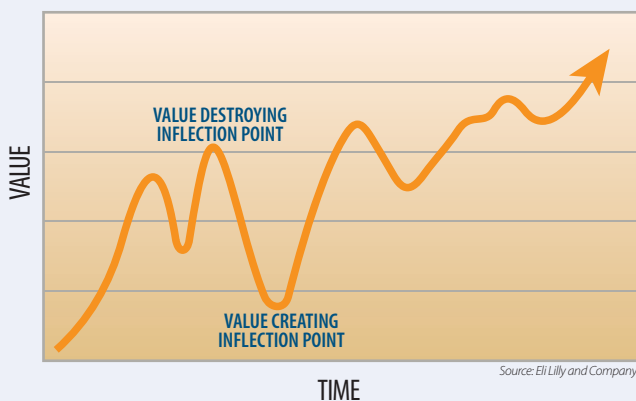
Conflict, however, is one of the greatest sources of creative power, if it is managed effectively. Examples of fruitful conflict are found throughout human history in a wide range of categories: the formation of an independent United States, the songs of the Beatles or Fleetwood Mac, the Los Angeles Lakers NBA championship teams that featured Shaquille O’Neal and Kobe Bryant, and all the Apple products created through the efforts of Steve Jobs and John Sculley.

We all have experience dealing with conflict, we all share a need to improve in this area, and we all stand to benefit greatly from these efforts.

**FIGURE 1:
CONSTANT VALUE vs TIME**



**FIGURE 2:
VALUE CREATION AND DESTRUCTION
POINTS OF INFLECTION vs TIME**



The value of alliance management, if graphed, would not be a pure linear function, where value is being generated at a constant rate (Figure 1); rather, the graph has points of inflection where value is created or destroyed. These points of inflection represent points of conflict, while more linear parts of the graph represent the daily value generated from the more administrative aspects of alliance

management (Figure 2). At these conflict points, great value can be produced or lost depending on the outcome. For example, when a teacher takes the time to help a child who is struggling with math, that teacher is creating a potential inflection point. The student who currently loathes the subject could eventually develop a love for math as the skilled teacher helps build the necessary foundational skills in that student. That teacher’s thoughtful intervention and the child’s willingness to develop skills creates an inflection point in that child’s life, affecting that child’s career opportunities and chances of creating and keeping wealth, and perhaps affecting our lives if the child eventually creates something that contributes to the greater good.

Conflict Defined

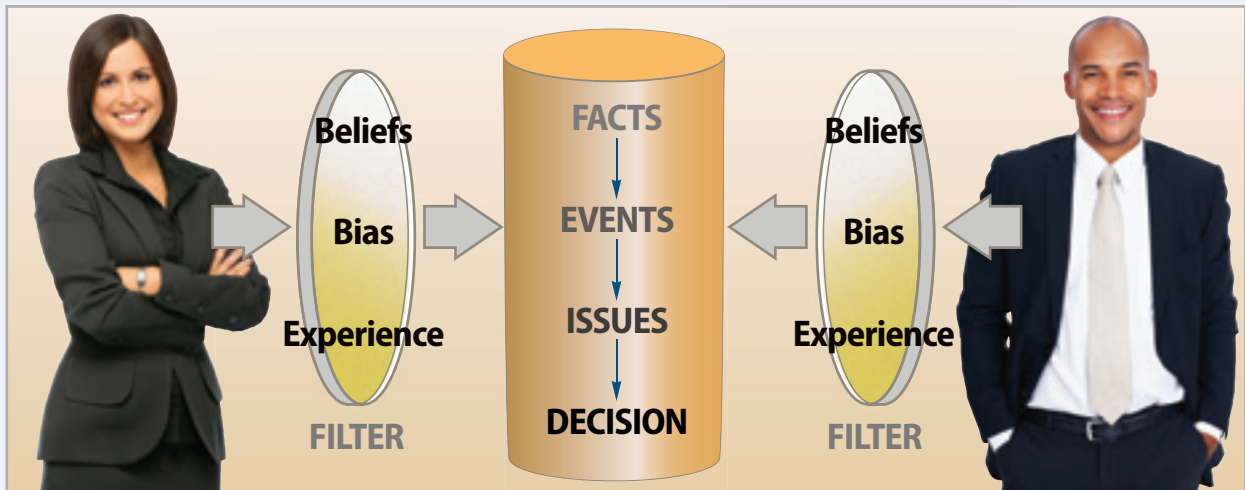
An operational definition of conflict might be a situation where people hold at least two different views of how to resolve an issue. (This article will not address inner conflict, or the conflict created by a person’s unique personality traits. While these factors do influence alliance conflict significantly, they invite separate discussion and are beyond the scope of this article.) Most of the negative feelings associated with conflict are not based on two people seeing radically different problems; rather, negative feelings are more often generated in the execution phase of conflict resolution. That is to say, people often agree about the existence of a problem, but disagree vehemently about how it should be addressed.

In the teaching example above, both student and teacher recognize that math is a challenge for the student. They use different words and have different perspectives and interpretations regarding how to address the issue, but they both agree on the central issue: math is a challenge for the student. The student might say, “Math stinks!” while the teacher might say, “The student lacks a fundamental grasp of the basic principles of math and fails to see how the mastery of the subject will influence the rest of his life.” Success, therefore, depends not on identification of the issue, but on the implementation of a resolution. The focus of this article is to highlight tools and techniques that are helpful in the execution of alliance conflict.

Modeling Conflict and Resolution

One school of thought useful in describing conflict holds that a person does not experience any event without first passing the event through a “perception filter.” This filter is the way in which we assign meaning to the things we perceive or experience. People’s filters are made up of personal and cultural elements including past experiences,

**FIGURE 3:
A BASIC MODEL FOR EXAMINING CONFLICT**



Source: Eli Lilly and Company

beliefs, biases, education, and so on (Figure 3). It is not surprising, therefore, to note that two people could experience the same event and assign it very different meanings.

Study of this model reveals the basic steps of managing conflict:

Step #1 Fully understand the event.

Step #2 Understand your own filter as well as the other party's in order to understand the meaning both parties are ascribing to the event. Take the time to really listen to your partner. Ask open-ended, unbiased questions. Find out why that person believes what they believe about the events that took place. How are they interpreting the events? Really listen. Use tools like structured listening to help understand. During this listening phase, see if you can agree with your partner on the events and their timelines. Establish boundaries for separating actual events from beliefs or interpretation of events.

Step #3 Use your understanding of the meaning each party has given to the event to modify the filtering on both sides, if possible. Your goal should be to move toward more shared meaning of the event, and consequently toward a mutually acceptable path to a solution.

**Master the Basic Business Tools for Conflict:
You Cannot Really Overcommunicate**

Although the tools for conflict management all involve communication, it is useful to think of three main categories of business communication: verbal communication, written communication, and a special subset of verbal and written communication that is upheld by the force of law, otherwise known as litigation! In this situation, often a third party (for example, an arbitrator or ombudsman) filters and interprets

the facts on behalf of the disputing parties and renders a decision that carries with it the force of law. It is intuitive that one's success in implementing the first two tools often determines whether the third ever needs to be employed.

Here are some basic tips:

Establish an agreement with your partner about how to communicate. This conversation would range from how to handle highly emotional topics to more mundane considerations. Generally, the more emotional the topic, the more it needs to be handled verbally and preferably face to face. The converse is also true: the more mundane the issue, the easier it is to put into writing.

A wise man once said, "Among my most prized possessions are words that I have never spoken." This is a valuable concept in managing alliance conflict.

Do not attack the filter of the other party. It only leads to bad feelings and defensiveness. Remember, we all have our own filters, and understanding your own as well as your partner's will more likely lead to agreement than if you simply reject the conclusions your partner naturally reached by interpreting an event through filters other than your own. It is, however, acceptable to point out:

- New data regarding a person's filter: In the context of our earlier example, the teacher might say, "Did you know that the more math a person knows the more money he can make?"
- What's right with a person's filter: "Math is a difficult subject."



— The feelings associated with a person’s filter: “I completely understand why you feel so frustrated with math right now, but it seems as if we both can see why it is an important subject for your future.”

In addition, it is good to keep several other principles in mind to ensure that you are managing conflict constructively:

1. Know the difference between pointing things out and attacking, and know how to make that difference felt by the other party.
2. Have a trusted colleague read any written communication being sent to a partner. Have him or her focus on looking for “loaded” or biased wording and overall tone. This is especially true of any highly emotionally charged communications.
3. Don’t be afraid to change your own perception of the events and facts when given better and clearer information. Be the change that you want to see in others.
4. Allow enough time for your partner or your own organization to process new information. Change does not always happen quickly.
5. Become an expert in gauging how much time it takes for each organization to process new information.
6. Develop the ability to correctly determine the importance of a particular issue to your company and to your partner. Some conflicts can be quickly diffused when you realize that the issue is not really critical to your own company and perhaps is very meaningful to your partner.
7. Adapt your strategies for dealing with conflict to suit the

matter at hand. Some conflicts should be largely ignored, while others may need immediate attention. Know the difference and whom to call for advice when you don’t.

8. If you make a mistake, stop and take time to apologize and get the resolution process back on track.
9. Continually read and practice the art of positive conflict management. Here are a few books that have influenced our way of thinking:
 - *Crucial Conversations: Tools for Resolving Broken Promises, Violated Expectations, and Bad Behavior* by Kerry Patterson (McGraw-Hill, 2004)
 - *The One Minute Manager* by Kenneth Blanchard and Spencer Johnson (William Morrow, 1982)
 - *Getting to Yes: Negotiating Agreement Without Giving In* by Roger Fisher, William Ury, and Bruce Patton (Penguin, updated and revised edition, 2011)

Effectively managing conflict is a skill that can take years to master. There are full-day, week-long, and semester-long courses on how to manage conflict. While this article provides several commonsense techniques that should be added to your arsenal, we as alliance managers need to pursue our personal journeys toward being better conflict managers. The opportunities we have to create value for the alliance when managing through critical inflection points further solidify the value our profession can add to each company’s bottom line.

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