
CONFERENCE ABSTRACT

The evidence base for successful alliancing

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Introduction: There is increasing recognition that collaborative and integrated working is needed to meet the challenges faced in UK health and care and other public funded services. Alliances and alliance contracts have generated interest as a possible tool that commissioners can use to drive collaboration. There are examples in healthcare from New Zealand and recent alliance developments in services in England.

In adopting alliance methodologies for the context of public sector commissioning and provision it is imperative to consider the evidence for creating successful alliances. This literature review was undertaken to identify the key components.

Theory/Methods: A literature search was conducted in the summer 2015 commencing with Google Scholar searches for variations on the word alliance and alliance contracts. The reference lists of papers identified and requests to specialists in alliancing yielded further materials.

The literature was analysed to draw out the key components that influence successful outcomes in alliances.

Results: The search revealed over 80 references relevant to performance in alliancing and alliance contracting.

Alliances can take many forms and in the literature overall there is a dominant representation of project alliances as used for public service capital build projects (e.g. construction and infrastructure) and strategic alliances across industries often seen in the private sector. Next to these well-defined types of alliances variations have emerged to cater for particular needs.

Alliance success is also broadly defined. Traditional economic measures and achievement of objectives are commonly used but other benefits are described including creation of new skills and capabilities, durable relationships and competitive advantage.

Analysis to identify themes defined four interrelated dimensions to successful alliancing.

a. Trust and loyalty between parties

Trust substitutes for hierarchical control. Partner selection and strategic, goal and incentive congruence are critical. Uncertainty about partner behaviour hinders the establishment of trust. Reducing the risk of partner opportunism requires attention to differences in economic benefits, cultural diversity and the time horizon for return on the investment for each partner.

b. High quality decision making processes

Alliances create a unique context for decision-making with unanimity and participatory processes. Appropriate governance arrangements are needed as well as trust and reciprocity between partners and the ability to employ various means to co-ordinate interactions and activities over time. Constraints are multiple decision making centres, uncertainty about partners, ambiguity about the evolution of the alliance and political and micropolitical actions.

c. Alliance management capability and skills

The multiparty context of alliances requires distinct skills for co-ordination of joint tasks, communication with sharing of relevant knowledge and information and a bonding process for social integration. Proactiveness and ability to modify the alliance activities over time are positive aspects. All these are self-reinforcing, building management effectiveness as experience grows. Challenges arise when there are divided authority structures, information asymmetries and underdeveloped personal relationships.

d. Flexibility and dynamism

Alliances are, by design, flexible and must evolve to accommodate contextual changes. The co-ordination, social norms, planning and capabilities must all reflect this and the leadership and management need to be able to function with ambiguity and uncertainty.

Discussion: There was a wealth of material on performance in alliances and components of success from basic research, observational studies and enquiry and theoretical frameworks.

The multitude of contexts, different meanings of alliances and definitions of success limits direct comparisons. However there are commonalities in findings and four themes emerge as critical for alliance success. These are trust and loyalty between parties, high quality decision making, alliance management capability and skills, flexibility and dynamism.

The emphasis on partner selection, goal congruence and early relationship formative processes stands out. Specific focus needs to be given to creating trust, robust decision making, adequately resourced co-ordination and management and ensuring those in leadership and key management roles can operate with uncertainty and ambiguity so that they are able to flex and adapt as the alliance evolves.

Conclusion: The interdependent four dimensions and the concepts within them provide those developing alliances in new environments with important lessons. Success does not happen by chance. Active management is required throughout the life cycle of an alliance to ensure there is a maximum chance of achieving success.

We can now apply these findings to alliancing in health and care sectors. Although we focused on alliances specifically, they have relevance to all forms of collaborative and partnership working.

Keywords: collaboration; integration; alliancing; alliance contracting; success factors
