
The Darker Side of Collaborations: 12 Common Mistakes

BERNARD L. SIMONIN

“The TPP is a horrible deal. It is a deal that is going to lead to nothing but trouble. It’s a deal that was designed for China to come in, as they always do, through the back door and totally take advantage of everyone.”

— DONALD TRUMP (November 10th, 2015 in the fourth GOP primary debate)¹

“When it comes to joint ventures, India has again proved to be a difficult terrain for Japan’s \$100 billion auto giant Nissan, with partner Ashok Leyland dragging it to court alleging violation of local licensing conditions and breach of partnership agreement”²

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*“Some health experts believe UNICEF made a poor choice by partnering with a company [Cadbury] that makes high-calorie food targeted at children, especially considering that one of the charity’s causes is promoting proper nutrition for children.”*³

“Shell is polluting our kids’ imaginations. Tell LEGO to end its partnership with Shell.”

— **GREENPEACE** (released video “Lego: not everything is awesome”)⁴

There are no solitary creatures; every form of life depends on other forms.⁵ The impulse to form partnerships and engage in collaborative arrangements is the oldest, strongest, and most fundamental force in nature. In our organizational ecosystems, these forces may be more novel, but are no less pervasive and significant. They are indicative of a paradigm shift, from competition to collaboration.⁶

How should organizations balance this collaborative imperative within the competitive landscape? Organizations of all sectors and sizes collaborate on a broad range of endeavors. Along the way, successes have been claimed, but often at significant costs to organizations. Early terminations of partnerships and alleged failures are common and are a sober reminder of how difficult it can be to visualize, structure, implement, manage, and sustain meaningful collaboration between organizations.

This article aims to shed light on the darker side of collaboration. Drawing upon decades of research and pertinent insights from the field, we highlight the competencies needed to manage classic problem areas, and both harness and leverage collaborative opportunities. We have identified twelve common mistakes that are particularly damaging and illustrative of the range and severity of problems in collaborations. This overview of critical mistakes can serve to warn practitioners and help them better prepare for future collaborations.

HOW TO THINK ABOUT COLLABORATIONS

Partnerships between organizations are everywhere. In the nonprofit sector, collaborations are at an all-time high, noted recently by the Bridgespan Group and the Patterson Group: 91 percent of nonprofits currently engage in some kind of collaboration.⁷ For decades, *Strategic Alliances* have captivated the minds of business executives and researchers alike. Not a day goes by without the announcement of the formation of a new equity *Joint-Venture* or *Licensing Agreement* between two companies, often competitors.

More recently, *Cross-Sector Partnerships*, *Multi-Stakeholder Initiatives*, *Public-Private-Partnerships*, *Collective Impact Initiatives*, and *Catalytic Collaborations* have emerged in response to larger-scale challenges and “wicked problems,” from fighting public health problems like obesity or the AIDS epidemic, to social issues such as homelessness. They span sectors and tend to involve numerous partners concurrently. Inter-organizational collaborations are heterogeneous and not limited to a specific context or sector. They also evolve and give rise to new forms of collaboration.

Despite the diversity of partnerships, researchers and practitioners tend to focus on subsets or particular types prevalent in their field. They risk ignoring the full range of possibilities and overarching themes. In contrast, this article calls for a more universal interpretation of collaboration, one that elevates the study of partnership to its core principles. Striving for a common denominator does not distract away, or negate, the presence of specific, contextual realities. Rather, it aims beyond narrowly defined views and findings that can mask greater insights.

Our attempt to pinpoint the universal principles of collaboration starts with a snapshot of rich and diverse partnerships. A closer look will reveal that these choices are factoring on a few underlying dimensions that help map and understand the greater collaborative space in a more unified way.

Collaborations are increasingly perceived as essential to a successful organizational strategy. This has not always been the case; collaborations and related mindsets have evolved over time. There have been significant changes in the technological, economic, and legal environment that have favored new collaborative ecosystems, while mutations of organizational genes have given rise to diverse collaborative species. This list of key characteristics will help classify these collaborative species, allow for meaningful comparisons, and invite further development of a general theory of collaboration.

Competitive intensity. [From the partnering of unrelated organizations, to competitors, rivals, and enemies]. Partners may occupy different stages on the competitive spectrum, be it for customers, funding, resources, influence, and reputation. Competitive intensity between partners shapes many aspects of collaboration, from conception to management. For instance, due to the fear of antitrust laws and collusion, there have been periods when firms have shied away from even engaging in talks about collaboration.

Degree of necessity. [From accidental, experimental, to desirable, and ultimately, necessity]. Some first-mover organizations think very purposefully about potential collaborations, while others jump more casually on

opportunities under a “bandwagon effect.” Partners’ perceptions and expectations vary and can evolve over time, depending on the collaboration and its value.

Intent. [From basic to wicked problems]. The strategic intent behind a collaboration may range from addressing simple, trivial issues to tackling dense and complex (so-called) wicked problems.

Legal. [From a requirement to a choice]. Many legal forms and structures exist to operate in a given market. At times collaboration may be precluded, while in other instances, the only choice allowed by the laws of the land, such as a joint-venture with a local partner in a newly opened market or sensitive sector.

Form. [Equity-based (de novo entities, minority vs. majority participation, cross-ownerships), contractual, or informal]. The structure of a multilateral partnership can reflect and influence the degree of control and exposure one partner has over others. It sets the *de facto* bargaining power and codifies duties and expectations among the partners.

Autonomy. [From separate to joint entities, to *Mergers and Acquisitions*]. Collaborations require a rapprochement between partnering organizations. It can manifest in different ways. Partners can remain independent and separate from one another, or produce a new, separate collaborative entity; they can also fuse and integrate fully as in the case of a merger or an acquisition.

Geography. [Domestic to regional or international; centralized, dispersed]. Location matters: where the collaboration itself takes place, where the partners are based, and the extent to which the various collaborative activities are centralized or dispersed geographically.

Distance. [Organizational, cultural]. Both organizational and cultural distance between partners can be sources of misunderstanding, miscommunication, and tension. At the same time, greater distance brings about greater heterogeneity of shared information, which can lead to superior decision-making. While differences in “national” culture are often anticipated, differences in organizational culture, like values, belief systems, and ways of operating, are no less potent.

Locus. [Intra- versus inter-organization]. There are two distinct classes of collaborations: inter-organizational and intra-organizational. Intra-organizational collaborations are between two departments or teams within the same organization, or two subsidiaries of the same multinational enterprise. They can be construed as an analogous, legitimate type of collaboration subject to the same underlying principles as those in inter-organizational partnerships.

Boundaries. [From same sector alliances to *Cross-Sector Partnerships*, *Cross-Sector Social Initiatives*, and *PPPs*]. Some collaborations are within a sector; others, very prevalent today, cross sectors. Some problems, particularly social in nature, are so complex or so multi-rooted that they call for stakeholders in various sectors to come together to have a realistic chance to make a difference.

Experience. [From novelty to bandwagon; novice versus expert]. Collaborations take on the characteristics of partners and their level of past collaborative experience. For some, collaborations are novel, even a reaction against a bandwagon effect. For others, collaborations are the next well-thought-of installment in an already rich collaborative past.

Scale. [From dyadic arrangements to *Coalitions*, *Consortia*, *Networks*, and *Collective Impacts*]. Dyadic collaborative arrangements—between two partners—vary greatly from arrangements involving more than two partners in dynamics and management. More partners add degrees of difficulty in operating and higher levels of complexity.

Scope. [From simple functions to full-fledge value-chains]. Collaborations can differ regarding the type and the number of functions. Some are limited by operation or value-chain level. Others integrate vertically and extend to include the entire value chain.

Timeline. [From short-term to long-term; first-time to repeat encounters]. Many collaborations are short-term commitments, while others are planned with a long life-span in mind. Time horizons matter. Likewise, one-time or first-time partnerships will compete with repeat collaborations, and deeper partner relationships.

Ubiquity. [From exclusive to ubiquitous]. Given pre-existing collaborative relationships with a given partner, new collaborations in the same sector may rely exclusively on the same partner, while others may invite another matching partner.

Portfolio: [From singular to constellations]. In terms of focus, singular collaborations can serve as the main unit of analysis, as can the constellation of alliances for a given organization. A strategic outlook on the portfolio of collaborative arrangements of an organization is a worthy, complementary view on collaboration.

Partner sizes. [Symmetric versus asymmetric]. Not all collaborations are equally matched. The case of a large organization partnering with a small one is particularly delicate as it may lead to an imbalance of power between partners.

Intensity. [From transactional to relational]. The intensity of a collaborative agreement ranges from transactional (more arm-length,

singular, and shorter term) to relational (based on trust between partners, repeat exchanges, and longer term).

Goals. [Shared versus divergent, asymmetric]. Partners may align differently on the purpose of a collaboration. Their respective goals may coalesce into a shared goal; they can be asymmetric but compatible; or they can be divergent and not fully compatible.

Aim. [Exploitation versus exploration]. Some collaborations are centered around the exploration of new possibilities, while others focus on exploitation of existing capabilities.

Asset. [Physical, human, knowledge]. Different collaborations are anchored to different strategic assets.

Impact. [From conventional to catalytic]. The impact of a collaboration can be conventional (i.e., contained to a pre-defined scope, based on limited and controlled contributions by partners) or it can be catalytic (learning-driven, systems thinking and acting, open-access to assets, and transformational).⁸

Nature. [Strategic versus tactical]. Collaborations vary in significance. Some are strategic while others are purely tactical.

Degrees of Benefit and Harm. [Mutualism, commensalism, parasitism]. Like in nature, partners can experience different collaborative outcomes: all can benefit (mutualism), one can benefit and others remain unaffected (commensalism); or one can benefit while others are hurt (parasitism). It is important to guard against opportunistic partners and to recognize that benefits are not always shared symmetrically.

Imperative. [From a second best, last resort, to a first reflex]. Mindset and posture matter. For some partners, collaborations are viewed as a “second best” or “last resort” option after every other option has failed. For others, collaborations are so natural that they become a first choice, preferred alternative for new projects or initiatives.

Dominant Paradigm. [From cooperation to cooptation; from competitive advantage, collaborative advantage, to competitive advantage]. Collaborations can be understood under various theoretical lenses, giving rise to different meanings and views on the source and nature of strategic advantage. Cooptation occurs when organizations interact with partial congruence of interests. It is a mindset that helps maximize value (grow the pie vs. split the pie). It combines the advantages of both competition and cooperation into a new dynamic which can be used to not only generate more “profits” but also to change the nature of the “business” environment in your own favor.⁹ Depending on the context, “profits” can be viewed as benefits (e.g., funding or influence for a nonprofit) and “business” as the sector.

NO COLLABORATIVE PANACEA

While the collaborative universe seems to have been expanding forever, that has not always been the case. In the absence of a big collaborative bang, one can point to periods in the past marked by collaborative paranoia, legal worries about collusion, tit-for-tat mindsets, calculated alliances, desire for self-sufficiency, and collaborations as second best. The past three decades have seen an exponential growth in collaborations, as if collaboration were the new norm. Globalization, rapid advancements in technology and communication, and new types of threats and challenges are partly responsible for this collaborative growth spurt. But, today, there are signs of fractures, reminders of ceiling effects if not weaknesses in the collaborative space. Maybe the most vivid event recently is Brexit. Are we pausing or coming back full circle to an era of strength through independence? What is wrong with collaborations, if anything?

After all, partnering is no panacea. Collaboration is usually thought of in positive terms because it gets people and organizations together to achieve a common goal. However it can also be counter-productive and contentious. Partners may not be compatible; some may even be opportunistic. Collaboration can slow down decision-making; getting partners on board and working together may be perceived,

at times, as more important than delivering results. Collaboration with a competitor may run afoul of competition laws; collaboration may entail divulging trade secrets or sharing sensitive knowledge that can damage the organization's competitive advantage. Scholars and practitioners have proposed models intended to help structure and manage successful collaborations. For instance Austin's 7 C's of strategic collaboration¹⁰ breaks down issues into: 1) Clarity of purpose; 2) Congruency of mission, strategy, and values; 3) Creation of value; 4) Communication between partners; 5) Connection with purpose and people; 6) Continual learning; and 7) Commitment to the partnership. Other models focus on distinct phases in the partnering process, following the lifecycle of collaborations.¹¹ As

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collaborations can be decomposed logically and each tenet unpacked critically, a frightening realization is that each strategic step and micro-event can be the doom of the partnership or of the partners. Mistakes can occur at any level.

Understanding what makes collaborations successful is valuable, so is identifying pressure points where partnerships often fail. Be it for an international equity joint venture, a joint military operation, a large research consortium, a cause-related marketing arrangement with a small nonprofit, an economic partnership of nation-states, or a cross-sector partnership that brings together public, private, and plural sector players, we are interested in the pitfalls of collaboration. We propose a set of twelve critical mistakes that are common to all types of collaborations. These mistakes are of two types: missed opportunities (opportunity cost of not collaborating and not collaborative well) and mistakes related to poor performance (actual cost).

TWELVE COMMON MISTAKES

#1 Know when not to collaborate.

At times, it seems that collaborations are so prevalent that they have become the norm. Increasingly, there is a belief that if not engaging in collaborations, an organization will be left behind. There are growing expectations, if not pressures, to commit to collaborations. But, jumping

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on the collaborative bandwagon can be risky, particularly without a proper strategic outlook and due diligence; it can be distractive and aggravate an already fragile situation, and disperse scarce resources away from critical core activities. Short-term collaborative gains can jeopardize long-term strategic stands and opportunities. The key is to know when to say no to specific collaborations.

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 An organization like Doctors without Borders (MSF), for instance, has always placed a great deal of importance on maintaining independence between NGOs and military organizations. While tremendous resources could be deployed to a struggling population if MSF and a fleet hospital ship such as the USS COMFORT

were able to work together in a post-crisis area, MSF will refrain from considering it. As part of its ethos, MSF maintains that it would jeopardize its neutrality and access in future endeavors. Unlike the UN, which has political objectives and positions, and unlike some NGOs, which are affiliated with religion, the International Committee of the Red Cross (ICRC) follows a similar path of neutrality. As a neutral intermediary, ICRC takes a firm stance on the principles of neutrality (not taking sides), impartiality (non-discrimination), and independence (no political affiliation). These principles cannot be guaranteed if ICRC collaborates with organizations that do not share the same beliefs. Such collaborations could jeopardize staff's security and safety when reaching out to people in vulnerable, sensitive areas.

#2 Exit strategy.

First, one should realize that the termination of a collaboration is not necessarily a sign of failure, it can also be a manifestation of success. Partners have achieved their respective objectives and it is time for them to move on, possibly until the next collaborative opportunity. At the same time, knowing that collaborations are prone to failures (as expressed by early termination), organizations must carefully, and early on, think about the end point of a collaboration and devise an explicit exit strategy. Proper monitoring mechanisms and trigger points must be envisioned; provisions and contingency plans must be developed. This may seem paradoxical and anticlimactic in the early stage of discussing a new collaboration and negotiating its terms, when the worry is about building trust with a partner. Nevertheless, not having a clear exit strategy and plan may be the single most damaging "collaborative" mistake for an organization as 1) it invites the perpetuation of chronically underperforming collaborations, and 2) generates additional and, potentially, tremendous costs by having to rush or improvise a late exit, possibly in crisis mode or in contention with a partner.

#3 False expectations.

Misreading and misspecifying expectations are the two sides of the same problem in collaborations. Both result in a misunderstanding that may prove costly. Misspecifications of one's expectations can be intentional in order to mislead a partner, but it can also be the product of poor due-diligence, an incorrect situational analysis and ill-defined strategy, and

an improper measurement of performance. It can simply boil down to a lack of ability to define and clearly communicate individual and collective objectives. Misreading the expectations of a partner may be due to the presence of a hidden agenda or the inability to detect a change of course by the partner. In the study of collaborations, the “marriage” metaphor is often used to drive a few points. In this spirit and at the risk of shocking some sensibilities, the reader should be reminded of a Chinese proverb that captures well the source of the problem: “One bed, two dreams.” The question here is how accurate the interpretation of the dreams is and to what extent a partner can manipulate the disclosure of its own dream.

Safeguarding against the hazards of opportunism is important. Reputation is a major barrier against opportunism. Firms with a bad history of collaborative ventures tend to be catalogued as black sheep in subsequent quests for partners, barring them from future beneficial cooperation. Expectation of future exchanges and projects between organizations serves as a valid source of retaliatory power against opportunism.¹² Trust in collaborations is not only based on both reputation and past performance of the partners, but is also forged through daily interactions, personal friendship, and social bonds. Contracts can also be drawn in innovative ways or adapted to address foreseeable problems or sources of contention in advance.

A top executive at Exxon maintains that for the chemical industry, protection comes through the elaborate design of a contractual agreement that limits the domain of application of an alliance and defines what partners can and cannot do. Based on this belief, Exxon feels relatively comfortable with its alliance in Japan, where the company is to transfer a new resin technology. Originally, a first resin technology was licensed to the Japanese company. Later, more sophisticated resins were developed from the French subsidiary, attracting the interest of the Japanese licensee for this new family of products which was still not competing with the older one. The initial reaction of Exxon was to firmly deny the request in order to research, develop, and exploit the product itself. The thinking was to build a plant in Japan. After more careful consideration, it was understood that with or without the collaboration of Exxon, the Japanese licensee was nevertheless going to try on its own. The prospect of a “free” competitor finally motivated Exxon to enter into a new alliance with them, so that they could still retain some control over the potential competitor in a domain where they are the world leader. In this case, safeguarding takes the subtle form of an anticipatory and preventive controlling interest in the flow of technology transfer and competitive threat. In addition to gaining access to the existing manufacturing capacity of the Japanese

partner for the older products, Exxon also gained access to manufacturing capacity for the new products through a joint investment and well-defined geographical territories, in exchange for sharing the new resin technology and an equity investment in the new facilities. The joint venture markets to Japan, whereas Exxon retains the sole exclusive distribution rights for the rest of the world. From Exxon's perspective, the contract is sufficiently well-designed to protect the company from any opportunistic moves or spin-offs by the Japanese partner. Regardless of the safeguarding mechanism, opportunism must be dealt with.

#4 Beware of pet projects.

From time to time, some collaborations occupy a special place in the mind and heart of leaders. They are symbolic and receive particular attention, but tend to be problematic. At Sony, for instance, some alliances were born without any clear vision or strategic agenda, only because of the entrepreneurial spirit and curiosity of Mr. Akio Morita, the late founder and CEO of the company. Some collaborations at Sony only started because of personal friendships between Mr. Morita and other executives as in the case of Wilson sporting goods and The Prudential. Long-time golf buddies can develop such trust, respect, and appreciation for each other that in a "eureka" moment, a collaboration is born on paper. It can be frustrating to professional managers who inherit a vague idea but are then responsible for making it a business reality. Such collaborative ventures become pet projects and benefit from disproportionate personal attention rather than strategic reasoning. They prevail for awhile, not on their intrinsic merits, but on the basis of popularity with key stakeholders. The cost can be significant to the organization.

#5 Do not underestimate cultural differences.

Most of the problems encountered in collaborations can be traced back to cultural factors, be they national or organizational. From the collaboration's inception onward, the partner's national and organizational cultures have the potential to affect in depth all aspects of a collaboration. Both conflicts and cultural misunderstandings are rooted in cultural differences. These differences manifest themselves in a variety of ways: communication, language, views on short versus long term objectives, and cliquishness of the partnering teams. They are costly and counter-productive with respect to operational efficiencies and friction between partners.

A common language and common goals are key ingredients to collaboration in both international and domestic settings. Joint military operations, for instance, are vivid reminders of the difficulties engendered by differences in organizational cultures across partners, even in a domestic context: “For Airmen, working with other services can bring unique challenges. There are often miscommunications and difficulties as a result of the different cultures and languages that exist within each branch.”¹³ For many years the Air Force and the Army have used different terminology for similar procedures and tactics. These differences involve re-teaching units the “new” way to say things. Services must come together and agree on a single definition. This carries into the combat arena: in the heat of battle when the Air Force is protecting Army troops on the ground, using common terms can save seconds and minutes of dialogue back and forth, which could mean life or death. Likewise, streamlining procedures and equipment between services increases interoperability. Deciding which radio is best for all branches to use, for instance, is minor compared to the rewards of clear and concise communication when participating in joint operations. The magnitude of the challenges ensuing from cultural differences between partners are best summed up in Henry Ford’s famous “Coming together is the beginning. Keeping together is progress. Working together is success.”

#6 Reputation and brand equity matter.

To many, an organization’s brand and reputation are its most valuable assets. They must be nurtured and protected at all costs. As the saying goes, it takes a lifetime to build a reputation and only a few seconds to destroy it. Collaborations must be understood as brand-altering vehicles. Brand alliances have the potential to modify attitudes towards the partnering brands.¹⁴ There can be both positive and negative attitudinal spillovers across partners. As such, brand equity matters. Brands are a valuable asset that must be factored in the setup of a collaborative agreement. One must be vigilant about the risks a partner assumes in terms of reputation and brand meaning. In addition to negative brand spillovers due to the perception of the partner itself, a bad fit of brand identities and system of meanings represent a real risk. You must watch for poor brand associations and approach collaborations with a deliberate assessment of the consequences of the organization’s brand and reputation.

Lego’s partnership with Shell, which lasted over 50 years, came to an abrupt end in 2014 when Greenpeace unleashed a campaign to prevent oil exploration of the arctic, targeting Lego directly. Since the 1960s, Lego had

sold in toy stores Shell gas station play-sets that included filling stations, tanker trucks, and race cars branded with the Shell logo. As the turmoil continued, the \$110 million contract between Lego and Shell was not renewed. The Greenpeace campaign produced a viral video against artic drilling that parodied the song from the Lego Movie, “Everything is Awesome.” The video received more than six million views and the associated petition gathered more than one million signatures worldwide, putting enormous public pressure on Lego. Jørgen Vig Knudstorp, the CEO of the Lego Group, lamented that “The Greenpeace campaign uses the Lego brand to target Shell. As we have stated before, we firmly believe Greenpeace ought to have a direct conversation with Shell. The Lego brand, and everyone who enjoys creative play, should never have become part of this dispute between Greenpeace and Shell.”¹⁵ This Lego-Shell-Greenpeace saga illustrates how partner brands and reputations are intertwined in collaborations and subject to the vulnerabilities and attitudinal spillovers from the other side. They must be managed carefully and very strategically.

#7 What about your collaborative portfolio?

You must manage your collaborative portfolio strategically. A great deal of attention and resources must go into shaping, running, and sustaining any given collaboration: from partner identification and selection, negotiation, structuring of an arrangement, implementation, management, performance monitoring, scaling up, learning, and possibly terminating. Each collaboration has a lot of moving parts, areas in need of coordination, and stages in its evolution. Stakes can be high. Such dynamics tend to create a silo effect around each collaboration. There is a risk to default to a one-transaction-at-a-time approach to collaborations and operate blindsided. Organizations must fight these centrifuge forces that isolate individual collaborations from one another and pull focus and resources from the center. Collaborations at the periphery of an organization absorb time, demand resources, and start to compete with each other at the expense of the overall health and balance of a sound collaborative strategy. An explicit and well-integrated portfolio management approach to collaborations is needed.

Some organizations have dozens, others hundreds, of significant collaborations. For organizations of all sizes, there is a need to centralize expertise and practice in this area to better orchestrate activities, harness and redeploy best practices, and develop efficiencies. A portfolio view and management of collaborations must be developed to capitalize on cross-

activities and synergies, remove inconsistencies or possible conflicts of interest, and reorient the strategic posture of the organization by divesting from some misaligned collaborative engagements for the benefit of new, more promising initiatives. Strategic decisions regarding new collaborations should not be made in isolation, but instead in conjunction with the greater collaborative reality encapsulated by the entire portfolio of past, current, and imminent collaborations. From Cisco to the UN or the World Wildlife Fund, many organizations rely on an articulation of their overall collaborative principles to potential partners and elevate their strategic outlook to the entirety of their collaborations. Such a portfolio approach to collaborations requires commitment and discipline, but it ultimately saves organizations from some of the hazards and inefficiencies that threaten shared goals.

#8 Missed learning opportunities.

Collaborations are learning laboratories. Learning opportunities exist at several levels: 1) learning from partners (e.g., knowledge transfers); 2) learning from the collaborative project itself; 3) learning about collaborating, particularly in the pursuit of furthering collaborative know-how; and 4) humbly learning from failures. Not capitalizing on these learning opportunities is indicative of a type of organizational myopia, if not recklessness, that is likely to catch up with the organization.

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The case of EMPath, a Boston-based nonprofit, is illustrative of the power of learning in collaborations. EMPath offers new pathways to economic independence for low-income women and their families through a learning-centric, collaborative model that combines direct service, research and policy advocacy. President and CEO Elizabeth Babcock observes, "Every intervention we make has an

eye to figuring out how to improve outcomes through data collection, and then sharing the resulting knowledge with others."¹⁶ EMPath was inundated with requests for help from other organizations and responded by developing shared learning groups with over 130 members.

While other organizations might instinctively protect their signature

programs for organizational survival, EMPath openly shares its programs, including its signature Mobility Mentoring model, through the Economic Independence Exchange—a growing network of 50+ organizations applying EMPath tools to systematically disrupt poverty. This work has yielded exceptional results, helping beneficiaries increase their income by over 70 percent. The driver is not to grow EMPath as an organization but “scale the learning for the sector as a whole...to deliver a better product to as many families as possible.”

Rather than only engaging in learning activities for reporting out its own impact metrics, EMPath leads with open, collaborative learning for greater impact for its entire field. By sharing its models and real-time learning with partners nationwide and encouraging others to share their own lessons, EMPath and its network are now poised to help lift over a quarter of a million women out of poverty. A strong learning orientation is one of the pillars of catalytic collaborations.

#9 Cannot trust your enemy?

There may be no greater missed opportunities than not to engage rivals and “enemies” in joint endeavors. Of course, this may be viewed as impossible, heretic, or too risky, and dismissed quickly. By the same token, doing so may just forfeit a chance to make a significant difference or have the greatest impact on an old problem. Entertaining the thought that it may actually be possible and even desirable is both courageous and eye-opening. A pact with the devil? Some may posit. Working with an oil, gas, or mining company, for instance, may be the most controversial undertaking an NGO may consider.¹⁷ An extractive company and an NGO may not have similar values or missions on the surface, but they might have complementary interests that could be very valuable to both and justify collaboration. In fact, some NGOs are convinced that they will never be able to change the world without engaging these actors. This often results in a moral dilemma that NGOs must resolve, case by case, on the basis of a thorough due-diligence. When implemented, the famous signature phrase of President Ronald Reagan “Trust But Verify” proves useful. The original Russian proverb “doveryai, no proveryai” was frequently used by President Reagan with his counterpart General Secretary Mikhail Gorbachev when discussing U.S. relations with the Soviet Union. If prudence is in order, so should a sense of untapped opportunity.

A strong misconception about the nature of collaboration lies in the belief that friendship is a necessary condition. Based on an examination of the evolution of cooperation in biological systems and the case study of

trench warfare during the first World War, Axelrod refutes such a logic.¹⁸ The latter case of the live-and-let-live system is particularly enlightening, since it demonstrates how antagonists may cooperate based on the principle of reciprocity. Under the tragic circumstances of trench warfare, infantry battalions facing each other for long periods of time learned to develop a mutually satisfactory system of reciprocal behavior through the emergence of tacit rules, codes of conduct, and refrain from hurting each other. Mutual restraint as opposed to mutual punishment created the vital condition for cooperating. In fact, the extent of this endemic cooperative system was such that headquarters had to introduce new warfare tactics that could be enforced and controlled by officers despite the inertia of the troops.

#10 Trust: slow and steady.

The importance of trust in all stages and aspects of a collaboration can never be overstated. Trust is a self-reinforcing process that feeds itself on genuine cooperation. It is the single most influential factor in a make-or-break decision in the life of a collaboration. Difficult to generate and propitious to instantaneous breach, trust manifests itself along a tedious path of mutual commitment and reciprocal efforts. The early cooperative problems of Japan MITI's VLSI project, where researchers from rival companies were brought together for the first time, are revealing:

"But company rivalries created serious barriers to the free flow of information. The mutual distrust was so great that some engineers installed locks on their doors. Although the Association held monthly seminars to exchange information, this arrangement was too formal. Finally Nebashi resorted to taking small groups of scientists out for drinks in the evening to break the ice. After a while, the barriers began to dissolve."¹⁹

While it takes time to build trust, the same trust can fuel a healthy collaboration for years. Honeywell's venture with Yamatake in Japan that lasted over 40 years best illustrates this point. Starting as a licensing agreement to produce in Japan, the flow of technology was primarily from Honeywell to Yamatake, but eventually, that technology was improved by Yamatake to a degree that was later utilized in the United States for product and component parts. As seen here, a collaboration can last and evolve over time from child-to-parent, to brothers or equals, and finally to parent-to-child. Collaborations are dynamic and the nature of a relationship between partners can change dramatically.

There are moments of truth in trust building. For Honeywell and

Yamatake, it was the remarkable episode of WWII leading to the actual take-off of the joint venture between the two companies. Since the collaboration started before the war, business relations between the two companies were stopped during the war because no economic relations existed between Japan and the United States. Nevertheless, Yamatake continued to manage production based on the original license. Not being able to remit the royalties, they accumulated the fees and deposited them in the bank. When the war ended, they had a small amount of money deposited that the president of Yamatake offered to Honeywell counterparts, to their great surprise (they did not expect any royalties for the war period), admitting that it was a small amount of money but offering it sincerely as a token of their sincerity. In response, Honeywell thanked them and suggested not sending the money to the United States, but rather using it in a meaningful way for the future, such as investing it into a joint venture. Based on this exemplary display of good faith and trust, the executive at Honeywell stressed the importance of mutual understanding and trust at the CEO's level as an antidote to unhealthy threats or defamation regarding technology theft or product imitation. If CEOs trust each other, one can always allude to an existing rumor in the company and directly ask the partner about it.

#11 Think coopetition.

While much has been written about collaborations and developing a collaborative advantage, shifting the paradigm to coopetition and competitive advantage will serve organizations and managers well. Reframing collaboration with respect to competition as part of a greater reality will help 1) generate greater awareness of the risks of collaborations, develop better warning systems, and be more realistic about a partner's intent and range of behaviors; and 2) adopt a more enlightened view of collaborative benefits and how to prosper, of what is possible, and of how to interact with others and influence one's environment:

“Co-opetition recognizes that business relationships have more than one aspect. As a result, it can occasionally sound paradoxical. But this is part of what makes co-opetition such a powerful mindset. It's optimistic, without being naive. It encourages bold action, while helping you to escape the pitfalls. It encourages you to adopt a benevolent attitude towards other players, while at the same time keeping you tough-minded and logical. By showing the way to new opportunities, co-opetition stimulates creativity. By focusing on changing the game, it keeps business forward looking. By finding ways to make the pie bigger, it makes business both more profitable

and more personally satisfying. By challenging the status quo, co-opetition says things can be done differently—and better.”²⁰

To better engage rivals, preempt and cope with opportunistic partners more effectively, as well as amplify the range of possible returns in a sector, organizations of all types (nonprofits and public, in particular, since the notion is less familiar) will benefit from rethinking their collaborative endeavors under a co-opetition point of view.

#12 *No miracle cure, no dues ex machina.*

Poorly integrated collaborations can be a sign of organizational chaos and dangerous precipitation into what seems too often a miracle cure. A major trap and fallacy for many organizations is to view collaborations as divine intervention and to see partners as remedies to their deficiencies. This is an invitation for trouble, particularly for organizations that are vulnerable. The “Boomerang” and “Trojan Horse” effects are colorful reminders of the actual dangers facing organizations with limited understanding of collaboration mechanics and of their partner’s real motivations. The Boomerang effect is best illustrated by a situation in which one partner licenses or shares a technology with a firm which returns the favor by competing directly against the original technology holder, based on the newly acquired technology. The Trojan horse effect more appropriately portrays a situation in which one partner shares its market knowledge with a newcomer that eventually turns into a self-sufficient competitor for that market. This is true of companies that open their home markets to an aggressive competitor by piggybacking their products. It is also true of nonprofits that nurture a partner that then can credibly access foundations and agencies for funding purposes on competing proposals. Ultimately, collaborations can expedite the faith of highly dependent and troubled partnering organizations. Collaborations can put additional strain on struggling organizations or those with limited resources and capacity: additional time commitment, mission creep or drift, possible conflicts with a partner, loss of flexibility, or slower joint decision making. Common sense must prevail: collaborations are no miracle cures, no *deus ex machina* for challenged organizations. Collaborations, instead, can have devastating effects.

FOUR COMPETENCIES NEEDED.

While the twelve mistakes exposed above are a serious reminder of the darker side of collaborations, they should not take the wind out of collab-

orative sails. They are meant as a cautionary tale of what can go wrong with collaborations and as an invitation to always be strategic and vigilant about an organization's collaborative practice. Both the actual costs and opportunity costs of engaging in collaboration must be reconciled with its benefits. Collaborations of all types are here to stay; proper preparation is key. We singled out twelve common mistakes of great significance from an unfortunately much wider universe. Collaborations are prone to failure. Many mistakes pave the way from inception
 to maturity. In response, we point to
 four competencies as a general antidote. *Collaborations of all types
 are here to stay; proper
 preparation is key.*
 Organizations will be well served in
 developing strength and expertise in four
 areas: 1) Collaborative Know-How—
 formal, well-codified and disseminated
 in the organization; 2) Portfolio Management of Collaborations—a portfolio
 view, management system, dedicated team and expertise; 3) Coopetition—
 reframing and extending collaborative expertise to competitive settings, and
 leveraging collaboration with direct rivals and competitors; and 4) Cross-
 Sector Partnerships—from experimentation to wider management expertise
 across sector boundaries. May the collaborative force be with you. *f*

ENDNOTES

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