Competition and Collaboration: The Good, the Bad and the Ugly

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Competition and Collaboration: The Good, the Bad and the Ugly

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Thoughts on Collaboration

- No single organization is good at everything – especially with limited resources
- Cooperation is time consuming, full of frustrations and depends on tact and trust
- Taking time to establish the relationship is a key to success
- Reciprocity is a key to collaboration. For this to work, both parties need to be repeatedly in contact with one another
- Relationship management – not only outcomes lead to successful partnerships
- If organizations can find an operational overlap, they can successfully collaborate
- The only agreement you need to have with a potential partner is what you are going to do together – you don’t have to be totally strategically aligned
- Leadership needs to be supportive and must let go of ego ownership issues
- Face-to-face contact is a critical component for success – plan and budget for that
- It takes a change in ideology to view your peers as partners and not just competitors
- Trust is the cornerstone of a collaborative relationship
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Session Outline

1) Welcome and Session purpose

2) Background on collaboration
   - The science of collaboration
   - Management strategies

3) Types of Collaborations
   - From informal to formal
   - Legal considerations

4) How to collaborate
   - Collaborative assessment
   - Asking the right questions
   - Rules of collaboration

5) A Case Study
   - American Gastroenterological Association (AGA) and American Society for Gastrointestinal Endoscopy (ASGE) – A Decade and Beyond

6) Sharing and Questions
Competition and Collaboration
The Good, the Bad, and the Ugly

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Session Purpose

At the end of our presentation, we hope you take the following with you:

• A better understanding of the advantages and challenges presented by collaboration
• Some knowledge and tools to analyze potential collaborative opportunities
Background on Collaboration

The Science of Collaboration

SuperCooperators – author Martin A. Nowak

- Evolutionary theory – survival of the fittest
  Vs
- SuperCooperators – ability to cooperate is the reason humans survive in every ecosystem on earth

- Underlying principles – direct reciprocity (when I scratch your back, I expect you to scratch mine in return)
  - Tit for tat
  - One good turn deserves another
  - Quid pro quo (something for something)

- For reciprocity to work, both sides must be in regular contact, so there is an ability to repay one positive act with another
The Science of Collaboration

SuperCooperators – author Martin A. Nowak

- Underlying principles – the property of being nice
- Never be the first to defect
- Doesn’t bear a grudge beyond immediate retaliation
- Perpetually furnishing the opportunity to establish trust

Management Strategies

Coopetition

- Term coined by Nadar, CEO of Novell
- Introduced into management theory in 1996
- Definition
  - A complex structure where cooperation and competition are simultaneously present and intertwined

Management Strategies

Coopetition

- Competitive success = the defeat of another
  - Zero-sum game

- Coopetitive success = the more successful one partner is, the more successful the other one is
  - Positive-sum game

- Coopetition = a system of interaction and continuous relationships, which progressively strengthens reciprocal commitments
Management Strategies

Coopetition

- Characteristics
  - Competitive and cooperative issues are simultaneously present and interconnected
  - Stresses that the supreme interests of one partner do not have to be aligned with the supreme interests of the other partner
  - Relationships are characterized by trust levels
    - Weak
    - Semi-strong
    - Strong/trustworthy
    - Distrust
  - Most parties work together because they hope to generate common returns to share

Coopetition

- Dangers
  - The control process of both partners is weakened and may result in an incentive to behave opportunistically
  - One partner may try to learn more to exploit the other and then exit
  - Some may take what they learned in one alliance and apply it to others, which creates conflicts

Coopetition as a Strategy

- Achieves value creation by combining competition and cooperation, a paradoxical behavior
- Nurtures value creation and favors an entrepreneurial-oriented behavior
- If reviewed over an extended period of time, coopetition strategy proves very helpful to the creation of knowledge and economic value
- Contrary to conventional wisdom, a long-term commitment to a cooperative relationship does not preclude competition
- Pursue coopetition to improve position, resources, and capabilities
Types of Collaborations
A smorgasbord of options

Three Categories of Collaboration

- Cooperation/coordination
- Coalitions
- Formal Collaborations

Why?
- Interest in eliminating duplication of effort
- Interest in minimizing risk of conflicting public messages
- Interest in maximizing communications between organizations on specific issues

How?
- Share information and resources
- Independent leadership retained
- May have joint budgeting/staffing of effort
**Cooperation/coordination**

*How AGA and ASGE Cooperate*

- Group of Eight (not to be confused with the G8 Forum)
- Monthly calls between elected leadership and staff of four GI Societies to share information
- Monthly follow-up calls between staff leadership
- Identify areas for coordination of policies, advocacy efforts, and communications
- Staffing/Chair rotates every year
- Group has no authority to act without consent of each organization’s Board

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**Coalitions**

**Why?**

- Share resources/ideas
- Strength in numbers
- Urgent and ongoing matters

**How?**

- May be formal structure (dues, officers)
- Shared leadership
- Frequent/formal communications

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**Coalitions**

- **Alliance for Specialty Medicine**
  - Members are all medical specialty societies

- **National Coalition on Healthcare**
  - Members are widely diverse: medical societies, consumer groups, industry, labor

- **Digestive Disease National Coalition**
  - Members are GI societies, patients, and GI foundations
Coalitions

Not All Coalitions Are Good – Some turn bad/ugly

"I NEVER want to hear about Barium Enema again!"
Senator John Breaux

Formal Collaborations

Why?
• Accomplish shared vision
• Build interdependent system
• Meet members’ needs
• Economic advantage when both parties bring something the other doesn’t have

How?
• Create formal, written agreements that bind parties
• Consensus reached by all parties on major decisions
• Frequent, formal communications

Formal Collaborations

Mergers
• ACP and ASIM joined forces in 1998 – “Internal Medicine now speaks with one voice.”
• Multi-year process
• Careful legal/financial planning required
• Tricky to merge organizational cultures
Formal Collaborations

Joint Ventures

- Digestive Disease Week® (DDW®)
  - AGA
  - ASGE
  - AASLD
  - SSAT
- Limited Liability Corporation established in 2005 to protect individual societies
- AGA and ASGE ~ 85% of meeting revenue/programming

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How to Collaborate
Collaboration Assessment

Includes a review of:

- Vision and mission of each entity
- Leadership commitment – volunteers and staff
- Level of collaboration hoped for
- Common understanding of collaboration
- External factors impacting collaboration
- Internal factors impacting collaboration
- Assets each organization brings to the table
- Goals for strategic alliance
- Internal capacity and will

Asking the Right Questions

Creating a strong collaboration – Is the purpose right?

- What are we trying to accomplish for our members/stakeholders?
- Is collaboration a viable method for reaching that goal?
- What are the challenges in time, turf, and trust?
- How do we explain this collaboration? When and to whom?
- How do we structure this relationship with accountability for activities and outcomes?
- What kind of metrics can we create?
  - Process
  - Outcomes
  - Satisfaction

Asking the Right Questions

Creating a strong collaboration – Is the match right?

- Is it a good culture match?
- Is the leadership/staff open to a successful collaboration?
- Can you find some common goals/overlap?
- Can you agree on a win-win scenario?
- Is there equity/balance in the relationship?
- Is the timing right?
- Are the resources adequate for a collaborative effort?
- Do the parties have the right attitude?
- Is the chemistry between leadership and staff positive on both sides?
Rules of Collaboration

- All parties must want to collaborate
- Practical and achievable
- Start small
- Identify natural opportunities
- Clear understanding of resources needed to succeed
  - People
  - Revenue/Expenses
  - Time
- Sufficient alignment between goals and strategies
- Both sides must be trustworthy, credible, and authentic
- Listen carefully – check for understanding

- Time consuming – challenging – frustrating
- “Soft skills” are a critical component
- Must build relationships – regular interaction
- Understand both parties’ objectives – how will they impact each other?
- Harmony is nice, not essential – expect occasional conflict
- Drive collaboration deep into the organization
- Both parties must have equal opportunity for benefit
- Put scope and expectations in writing
- Establish clear understanding of brand identity needs

Rewards of Collaboration

- Power of working together
- Competitive advantage
- Expand knowledge/capacity
- Potential expense reduction
- Enhanced marketing opportunities
- Increased fundraising outreach
- Maximize impact
Key Takeaways

• Collaboration takes twice the effort for half the reward – Make it worth it!
• Trust is the underlying component necessary for collaboration
• Soft skills/relationship management is key to success
• For reciprocity to work, both sides must be in regular contact, so there is an ability to repay one positive act with another
• Cooperation and competition can successfully co-exist
• There are many different ways to collaborate – Start small

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Resource Guide

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