

Master Class: Alliance Startups

ISV-GSI Case Study Pre-read
March 15, 2021

Case Study Disclaimer: All information describing this alliance is fictitious and is designed for educational purposes only. Although representative of typical co-development and co-commercialization biopharmaceutical alliances, similarity to any specific alliance is unintentional.



The Alliance between Cyberunicorn and Powerhouse Integrators— Excerpts from the Press Announcement

Cyberunicorn and Powerhouse Integrators Form Strategic Alliance to Bring New Cyber Security Services to Market

SAN FRANCISCO, CA and LONDON, March 15, 2021. *Strategic alliance brings together the strengths of Cyberunicorn’s industry leading IT security and operations platform together with the deep technical security expertise, threat intelligence and global consulting practices of Powerhouse Integrators, the leading cybersecurity advisor to the financial services industry. The partners will formally announce their agreement in a webcast on March 16 at 9:00 EDT .*

- Under the terms of the partnership, Powerhouse will introduce new Cyberunicorn Accelerators to its cyber security practice, helping organizations enhance threat intelligence capabilities, thus giving customers industry-leading, five-second insight into potential network threats
- Separately, Powerhouse is announcing a three-year exclusive arrangement with BigCloud to host the partnership’s offerings. Customers will be able to use BigCloud credits they have already purchased as part of their core subscription to access joint Cyberunicorn-Powerhouse services
- Megabank will join the webcast to announce that it is implementing the partnership’s threat intelligence offerings initially in its North American operations, with plans to expand globally
- The joint offerings will be sold by each company’s field forces and through select geo- and industry-specific managed service providers (MSPs) on a world-wide basis
- A joint global, multi-media marketing campaign is set to launch early summer 2021
- The partners are building a joint customer co-innovation lab, to develop specific customer applications with a select group of customers from banking, brokerage, insurance, and fintech verticals. The lab will initially be located in London City. Future locations in leading financial hubs are planned

Additional detail

About Cyberunicorn

- The company is funded by top venture capital firms and strategic investment from two of the venture funds of the brand name technology companies
- The founders are experienced entrepreneurs with two successful startups under their belts, which means they had the resources to not seek investment until they had a commercial-grade product; they have been profitable since the day they released the commercial product
- The technology works—and really does break new ground in the fight against cyber threats—but it is complex and hard to learn
- Initial attempts to partner have been unsuccessful. The attitude throughout the company is that no partner can deliver cyberunicorn like Cyberunicorn. Field sales doesn't believe the partnering organization delivers much value
- The executive team has recently been expanded to include leaders with stellar partnering resumes, as the CEO has become convinced their very aggressive growth targets cannot be met without key strategic partnerships

About Powerhouse Integrators

- Powerhouse is known more as a traditional strategic advisory firm than an a technology integrator. It has deep relationships in the boardrooms of the majority of major companies in its core industries across the globe.
- As its clients have evolved to no longer be willing to pay for advice, only outcomes, it has built up its capabilities to implement the technologies that will allow customers to effectively implement its digital business transformation strategies
- Despite this strategic alignment, it has trouble partnering with software companies, as their sales motions and economic models are very different
- As an advisory firm, the client service partners call the shots and for software company alliance professionals, this can represent an overwhelming number of relationships to develop and maintain to gain real traction
- Powerhouse already has a strategic alliance with one of Cyberunicorn's major competitors and a very prominent partner is its executive sponsor. Because of the transformative nature of Cyberunicorn's solution, it has a services attach rate of twice that of the competitor, so Cyberunicorn hopes to displace the competitor over time

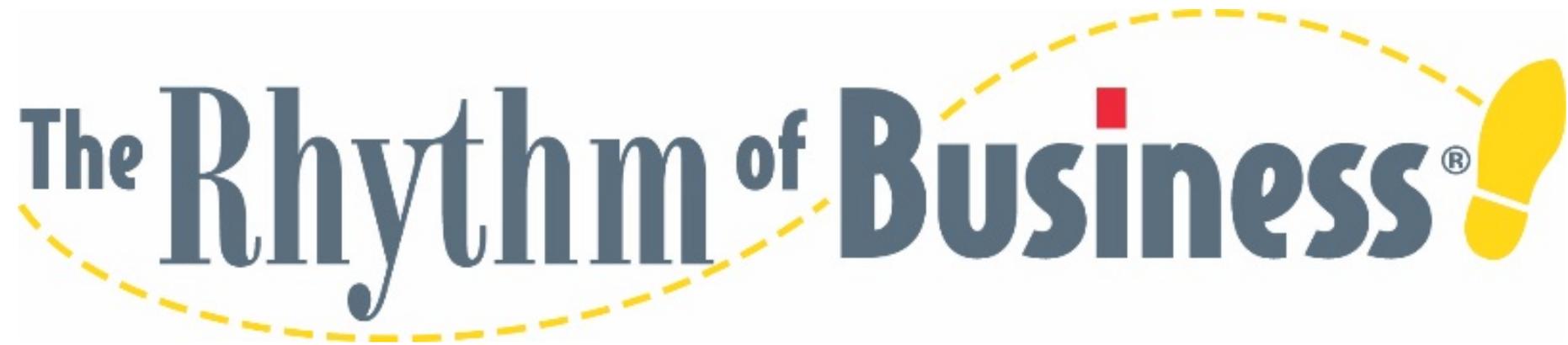
Breakout Sessions Guidance

- Participants will be directed to breakout rooms loosely based on their industry
- Each breakout room will have 20 minutes to discuss their assigned questions and align on recommended actions based on the facts of the case study and any other reasonably intuited information
- Agree on someone to keep notes and be prepared to provide a 2 minute summary of your recommendations
- Please either put your summary in the chat or email it to jsilver@strategic-alliances.org so that we can produce an unattributed write-up to be shared with the ASAP community highlighting your guidance

Breakout Questions

Based on our presentation and the case studies, plus other reasonably intuited information from your experiences with similar alliances, consider the following questions:

- **Rooms 1 and 4:** What value-eroding inefficiencies and potential risks should the alliance managers plan for? What steps might they take to manage each major risk?
- **Rooms 2 and 5:** Identify up to five of the most critical actions to properly launch the alliance
- **Room 3 and 6:** What value do the alliance management services provide to stakeholders? How would you capture and communicate the value?



Empowering Partnering and Collaboration Success

The Rhythm of Business, Inc.
jan@rhythmofbusiness.com
jeff@rhythmofbusiness.com
rhythmofbusiness.com
+1 617.965.4777

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