



Building Ecosystem Alliances

The CEO of the GAVI Alliance speaks to INSEAD professor Yves Doz on increasing access to vaccinations in the developing world.

The GAVI Alliance (GAVI) has acted as an ecosystem catalyst for vaccination in developing countries, and is making an extremely important contribution to preventive medicine and to social and economic development in poor countries. Interestingly, prior to GAVI's founding, all the key potential actors and contributors to addressing vaccination issues were already in place but they did not work together.

Manufacturers of vaccines, such as GSK or Pfizer, committed to supplying low price vaccines to developing countries. This was because the high cost of developing such vaccines (viral strains were often not similar to those in developed countries) and the purchasing volumes to justify development and production could not be guaranteed by governments whose budgets might shift on short notice. Further, the culture of some of the United Nations' agencies was far from that of major pharmaceutical corporations, and mutual understanding of business models and objectives was limited, leading to conflicts over product development priorities.

Bringing charitable financial support from the Bill and Melinda Gates Foundation and the Rockefeller Foundation, and then from other sources such as developed countries' governments and matching funds from corporations and private donors allowed

sponsoring vaccine purchases. Over the years, in a programmed way, developing countries are paying for a growing share of their purchases and as they reach higher GDP per capita levels (currently US\$1,500 per annum), they "graduate" from the GAVI sponsorship and continue vaccination efforts on their own.

By advising and helping developing countries' health ministries build effective healthcare delivery processes, and bringing in UNICEF (the United Nations' agency for childcare) and NGOs such as MSF to deliver vaccinations on the ground in remote areas of poor countries, GAVI made the execution of effective vaccination campaigns reliable, justifying very significant sustained funding from foundations and developed countries' governments. The World Health Organization provides scientific and technical oversight. Innovative financing tools have been developed, in particular to securitise donors' pledges allowing firm financial commitments by GAVI and frontloading the funding of immunisation campaigns.

Over time, as countries "graduate", as diseases get eradicated (polio is very nearly there), and as new vaccines are developed (for example, against human papillomavirus as a precursor of cervical cancer), GAVI redeploys its efforts to new countries and different diseases. Frontloading expenses

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against pledges also calls for renewed fund raising efforts.

GAVI is representative of a wider range of alliances - the purpose of which is to foster the emergence of new ecosystems - by bringing into collaboration a wide variety of parties whose contribution to the collective success is needed. In considering who needs to collaborate, it is useful to keep asking a few key questions:

1. What is the minimum effective value proposition for the end users (end consumer in a business setting) but also for each of the key contributors we absolutely need? Otherwise, if they see no net benefit to themselves according to their goals and logics, they may not play, not even in a charitable effort.
2. What are the critical “gateways” to success, and the enabling conditions (for vaccines it turns out the local supply chains are critical given the temperature-sensitive nature of vaccines, and the precariousness of local deliveries).
3. What needs to be introduced simultaneously for the new ecosystem to become real?
4. How can we capitalise on the various contributors’ business models and activity systems, so that we leverage them, rather than require them to change? (For UNICEF and NGOs, who have healthcare personnel in the remote corners of Africa, being more active in vaccination was capitalising on these resources and reinforcing their activity systems.

What can the leaders of ecosystem alliances contribute? Essentially they are the impresarios of the effort which requires them to successfully perform several leadership tasks:

1. **Providing a strategic framing for what could be achieved and its benefits.** In GAVI’s case, Bill Gates had identified vaccination as a high impact, “bang for the buck” area in helping developing countries. Interestingly, vaccine economics are not very different from those of software products (high development costs, low unit production costs if mass produced) and Microsoft’s success resulted from building a whole ecosystem of partners and developers around the company, acting in duo with Intel, which provided the core hardware. Showing the high benefit/cost value of vaccination, with the help of the World Health Organization and prominent early supporters, such as Nelson Mandela, was not an insurmountable barrier.

2. **Identifying true common ground.** The very mission of GAVI, and the crying need for effective vaccination campaigns provided an obvious genuine ethical common ground. Who could be against this? [1] In other cases the exercise is more difficult but one can appeal to the need for standards for industry growth (like Intel did for USB ports or wi-fi connections, two obvious drivers of the personal computer industry growth).
3. **Focusing on removing bottlenecks.** In the vaccination sector, there were many bottlenecks, which largely explains why the various potential partners were in place but not acting. This ranged from the reluctance of the pharmaceutical industry and of public research labs to commit R&D resources (GAVI funded part of various R&D efforts) to concerns about the effectiveness and integrity of local vaccination efforts (GAVI spent parts of its resources strengthening developing countries’ healthcare delivery systems and imposed a tough stance on corruption).
4. **Removing uncertainties, stabilising expectation and enabling commitments.** Ecosystems cannot be created without credible mutual commitments, in this case of purchase and supply, so a market could be created and shaped, to continue to operate without a formal alliance later on.
5. **Monitoring contributions and exercising quality control.** Trust needs to be built between parties who can harbour deep misgivings about each other’s. To call for high trust from the start would fall on suspicious ears, to build it over time through monitoring and control of the various ecosystem participants’ roles provides a more realistic approach. If, and when, ecosystem collaboration becomes routine some of this may be relaxed.
6. **Measuring outcomes, not just activities.** This is both more meaningful and can provide a common rallying flag to the various ecosystem participants by emphasising collective results and shared value creation, not just contributions and benefits of each participant. Performance rewards the quality of collective collaboration, not that of individual contribution. The team results prevail over the individual excellence, or weakness, of each player.

Our research suggests that the priorities above apply across domains. One can use the same set of priorities to analyse and explain the success of Bernie Ecclestone in building Formula One racing into a global multibillion dollar ecosystem as to explain that of GAVI, or of Intel catalysing the

growth of mobile internet connectivity with wi-fi.

Of course, however, even when the situation is ripe and the need crying out, none of this is likely to happen by itself. It takes the catalyst - GAVI in this case - to exercise disciplined imagination, to conceive, paint and communicate a different more valuable future than the current situation or its natural future evolution. One has to create a possible better future for all to see. This is an act of leadership.

One also needs to constantly work, diplomatically and discreetly, one-on-one to maintain the disparate partners, each with its different objectives and logics, aligned. In another alliance, we also developed a case on The Open Seamless Alliance [2], where the alliance leader would work with all partners constantly, one by one, to the point where he wrote minutes of formal alliance meetings between partners before the actual meetings and saw it as a setback, for his diplomatic skills, if the pre-written minutes were not quickly approved without change in the meeting itself! The point of the meeting was to visibly register consensus and agreement not to re-open a discussion.

As society faces increasingly complex problems (in the true sense of complexity, i.e., without once-and-for-all known solutions) which also require collective actions, multilateral “grand alliances”, the more we will need both the visionary and leadership skills exemplified in the GAVI case.

[1] Some donors, though, saw the benefits but decided to pursue them directly, for instance the German government. It favoured direct bilateral help over a multilateral alliance such as GAVI, where the visibility of its contribution would be diluted among many others and dwarfed by the magnitude of the Gates Foundation.

[2] The “Open Seamless Alliance”, OSA in short, an alliance among telecom operators, around Orange to better interface and optimise their roaming services.



Yves Doz is the Solvay Chaired Professor of Technological Innovation at INSEAD. He was Dean of Executive Education (1998-2002) and Associate Dean for Research and Development (1990-1995) at INSEAD.

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