Partnership Makers & Shakers

Ankura's 2022 Scoreboard of Corporate Partnering Activity

James Bamford, Shishir Bhargava,
and Peter Daniel

New partnership formations are surging worldwide, up 173% in 2021 compared to 2020, while JV restructurings, including exits, are up 99%

ankura

Partnership

Makers & Shakers

Ankura's 2022 Scoreboard of Corporate Partnering Activity

James Bamford, Shishir Bhargava, and Peter Daniel[1]

New **partnership formations** are surging worldwide, up 173% in 2021 compared to 2020, while JV **restructurings**, including exits, are up 99%

Companies that enter into a **higher volume** of new partnerships – and restructure existing ventures at **a faster rate** – generate higher returns than industry peers

Activist, high-volume partnering requires companies to **rethink how they organize to do deals**, what contractual terms they negotiate into new agreements, and how they govern existing ventures to **intervene in a timely manner**

Find out the industry **leaders** and **laggards**

Successful companies actively shape and reshape their portfolio of businesses. That's true for their wholly-owned operations. It's also true for their partnerships – that is, joint ventures, minority investments, and non-equity alliances.

Companies enter partnerships for many reasons – to access new technologies and capabilities, gain scale, secure financing, share risks, or meet local ownership requirements in restricted markets. According to research by Ankura,[2] there's been a historic escalation in new partnership formations since 2020, with global deal volumes up almost two-and-a-half fold **(Exhibit 1)**. This increase is outstripping the pace of M&A, which also has been at stratospheric levels. New partnerships are everywhere – with the highest volumes occurring in markets driven by transformational technological and societal change, especially sustainability. This includes renewable energy, plastics recycling, mobility, digital health and immunotherapies, and fintech.

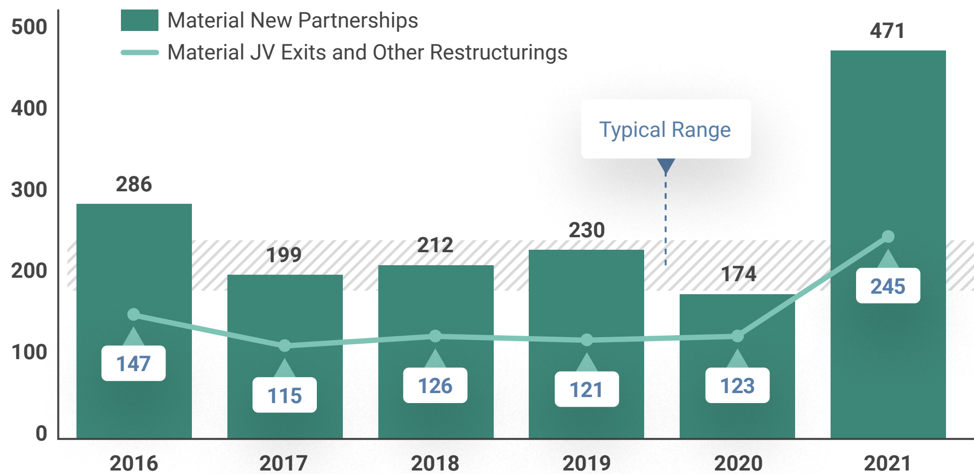
There's also been an unprecedented surge in joint venture (JV) restructuring, including changes in authorized scope, ownership shifts, buyouts, exits, and terminations. In 2021, the number of restructurings was almost double the average restructurings of the prior five years. Companies are actively restructuring their JVs for all sorts of optimistic and pessimistic reasons – to unlock growth, monetize investments, jettison misaligned partners, or exit businesses that are underperforming or no longer fit with the firm's strategy.

[1] This whitepaper draws on, and materially extends and updates, an analysis first published in *Harvard Business Review*. Please see: "Joint Ventures that Keep Evolving Perform Better," Shishir Bhargava and James Bamford, *Harvard Business Review*, April 2021

[2] See James Bamford, Tracy Branding Pyle, Lois Fernandes, and Saadhika Sivakumar, *Ankura Joint Venture Index*, First Quarter 2022.

Exhibit 1: Global Partnership Volumes, 2016-2021

Number of Material New Partnership Formations and Restructurings, 2016–2021



Source: Ankura JV & Partnership Transactions Database (for material new venture, and exit and other restructuring announcements)

© Ankura. All Rights Reserved

Given all this activity, we wanted to know if entering new partnerships and restructuring existing JVs was a sign of weakness, capability gaps, and strategic miscues – or whether it was a sign of corporate dynamism and strength. To find out, we analyzed almost 100 of the largest companies in the world across eight industries and scrutinized more than 3,200 of their partnerships to determine how often these firms revamp existing ventures and enter new ones, and whether this has any correlation to financial performance (See *About the Research*).

We found that companies that actively enter new partnerships and more frequently restructure existing JVs tend to have a higher return on capital (ROC) than industry peers. In other words, the old formula of forging a few large JVs and staying married for life no longer defines success. To keep pace with the partnership makers and shakers, many companies will need to rethink how they organize to partner, who they partner with, what contractual terms they negotiate into new agreements, and how they govern existing partnerships to spot weakness and intervene in a timely manner.

LEADERS AND LAGGARDS

Industry Trends

Joint ventures, minority equity investments, and non-equity alliances have different starting points – and face different market forces – in individual industries. Oil and gas companies - increasingly re-branding as energy companies - have the largest historic installed base of partnerships both in terms of volumes and materiality. For example, joint ventures account for 70% or more of upstream production for many international energy companies, and are also important in downstream refining and, increasingly, renewable energy.

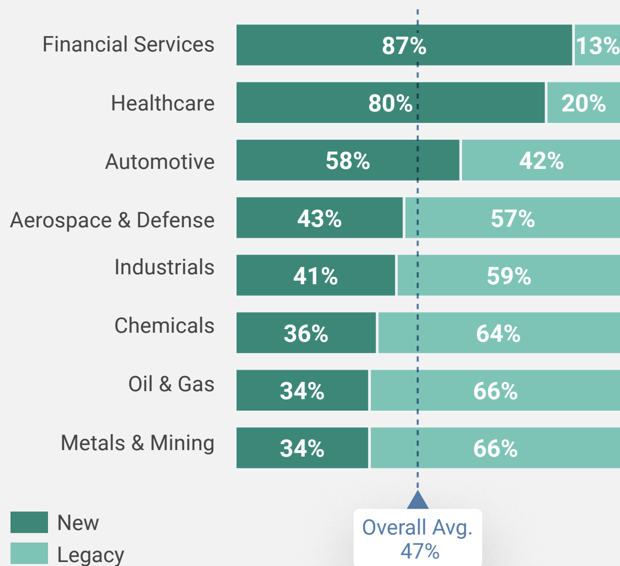
Meanwhile, the financial services sector has the highest share of partnerships that are new among the industries we looked at **(Exhibit 2)**. Rapid e-commerce growth and the rise of fintechs has led to an explosion of new partnering activity across the sector, with 87% of partnerships held by leading companies having been formed in the last five years, as banks, payments companies, and others try to keep up with changing customer needs and innovations in products and technology.

Exhibit 2: Industry Comparison of Partnership Activity

New Partnership Formations

Portfolio Share of Legacy vs. New JVs and Partnerships, By Industry

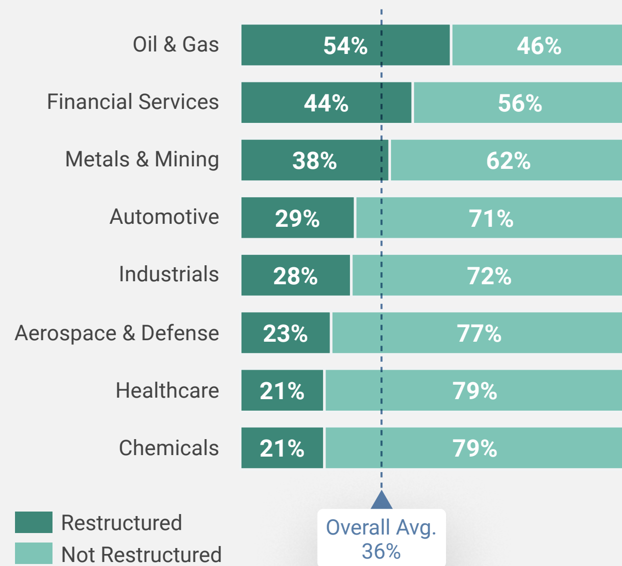
N = 2647 JVs and Partnerships



Restructurings

Percent of JVs Restructured in Last 5 Years, By Industry

N = 2079 JVs*



* Does not include non-JV partnerships

Source: Ankura 2022 Partnership Makers and Shakers Analysis

© Ankura. All Rights Reserved

Also seeing an explosion is the healthcare sector, where the number of collaborations has tripled in the last two years driven by healthcare IT, new regulatory forces, and the pandemic-triggered drive for research and innovation. The automotive industry is also an active creator of new partnerships. When we look at the 10 largest automakers in the world, we find that 58% of their partnership portfolio is composed of ventures formed in the last five years. This surge is driven by a rapid push towards vehicle electrification, mobility services, autonomous vehicles, and alternative fuel technology – with partnerships helping companies to quickly access new technologies, and gain scale.

Industries also restructure existing joint ventures at different rates. Here, the oil and gas sector led all industries, with an average company restructuring almost 54% of its JVs during the last five years. This trend comes as major international players are rebalancing their portfolios to support the energy transition. For example, BP divested all its Alaska assets – which included multiple upstream JVs and the Trans Alaska Pipeline System – after 60 years in the region, and also divested all of its chemicals business, which included ten JVs. On the flip side, the chemicals industry was the slowest to restructure, with the average company restructuring 21% of its JVs. Furthermore, changes in ownership – including third party transfers, full buyouts, and liquidations – were the predominant form of JV restructuring across industries, representing roughly 57% of events.

Market Leaders and Laggards

Which companies were the most active partnership makers and shakers?

When we looked at the absolute volume of new partnerships, we found that energy giant TotalEnergies was the overall leader, consummating 73 new partnerships in the last five years **(Exhibit 3)**. Most of Total's partnership deals were focused on navigating the renewable energy transition, including solar, offshore wind, hydrogen, and other energy sources. In the other seven sectors, the industry leaders by absolute volume of new partnerships were Rio Tinto, BASF, Boeing, Siemens, The Mercedes-Benz Group, Mastercard, and Pfizer. When we narrowed our focus down to absolute volumes *in the last year*, Siemens, The Mercedes-Benz Group, and Mastercard were supplanted by Bosch, GM, and Fiserv, respectively, who have been announcing new partnerships of late at industry-beating rates.

Exhibit 3: Leaders by Absolute Volume

Industry Leaders – By No. of New Partnership Formations and Restructurings

New Partnership Formations		
Industry	**Leader**	**No.**
Oil & Gas	**TotalEnergies**	73
Mining	**Rio Tinto**	26
Chemicals	**BASF**	26
Aerospace & Defense	**Boeing**	16
Industrials	**Siemens**	41
Automotive	**The Mercedes-Benz Group**	39
Financial Services	**Mastercard**	16
Healthcare	**Pfizer**	35

Restructurings		
Industry	**Leader**	**No.**
Oil & Gas	**Shell**	56
Mining	**Rio Tinto**	33
Chemicals	**SABIC**	10
Aerospace & Defense	**Raytheon**	9
Industrials	**Siemens**	29
Automotive	**The Mercedes-Benz Group**	12
Financial Services	**Aviva**	6
Healthcare & Pharma	**Pfizer**	4

Source: Ankura 2022 Partnership Makers and Shakers Analysis

© Ankura. All Rights Reserved

Shell was the overall leader in absolute volume of restructured partnerships, having fundamentally changed 56 joint ventures, including exiting from several longstanding conventional oil and gas partnerships like Deer Park, a 50:50 refining JV with Pemex, and announcing plans to exit from more, including Aera Energy, a 58:42 onshore JV with Exxon Mobil, and its entire Nigeria portfolio of 19 JVs. These restructurings are part of Shell's broader strategy to decarbonize and free up cash to invest in renewable and other sustainable businesses. In other sectors, industry leaders in absolute volume of restructurings were Rio Tinto, SABIC, Raytheon, Siemens, The Mercedes-Benz Group, Aviva, and Pfizer.

Absolute partnership volumes only tell part of the story, however. We also looked at companies' *relative* level of partnership activity, using a methodology we call the "Weighted Partnership Activity Score" that allowed us to rank the most active partnership makers and shakers in terms of their relative portfolio size. Our scoring has two components. First, we looked at the *percent* of partnerships that each company formed in the past five years *relative* to the company's total installed base of partnerships. This provided insight into whether partnerships played an increasing, stable, or decreasing role in a company's strategy. Second, we calculated the *relative* proportion of a company's joint ventures that were restructured as a percent of its total venture portfolio, while also factoring in the size of the venture and the extent of that restructuring. For example, if a company acquired or sold 5 of its 10 JVs, we view it as a more active restructurer than a firm with a larger portfolio that only made modest changes to 10 of its 40 JVs.

Using this calculation, the weighted industry leaders were TotalEnergies, Rio Tinto, BASF, Airbus, Bosch, Tesla, Aviva, and Cigna **(Exhibit 4)**. In contrast, market laggards based on relative partnership portfolio activity by sector were Repsol, Vale, Dupont, Thales, Honda, Caterpillar, Global Payments, and Medtronic.

WHY THIS MATTERS

When we compared companies' Weighted Partnership Activity Score with their industry median Return on Capital (ROC), we found that firms with higher scores outperformed their industry's median financial returns **(Exhibit 5)**. Conversely, the majority of firms with a Weighted Partnership Activity Score materially below their industry average also trailed their industry median ROC.

This finding has two explanations, each of which has merit:

Being an active, high-volume builder and reshaper of partnerships helps, rather than hurts, financial returns. This conclusion is consistent with other data we are seeing, including:

- Our analysis of US Commerce Department data that shows JVs and other non-controlled investments now have a higher ROA than wholly-owned and other controlled investments in most industries[3]

[3] See "How Joint Ventures Staged a Quiet Comeback," Gerard Baynham, *Chief Executive*, October 6, 2017.

- Our analysis of cross-border JVs that shows ventures that undergo at least one major (non-exit) restructuring are more than twice as likely to meet their owners' financial and strategic objectives compared to JVs that remain largely unchanged[4]
- A McKinsey analysis that showed companies that change the mix of businesses – market segments and industries – in which they operate at moderately-high levels perform better than those that remain largely stagnant[5]

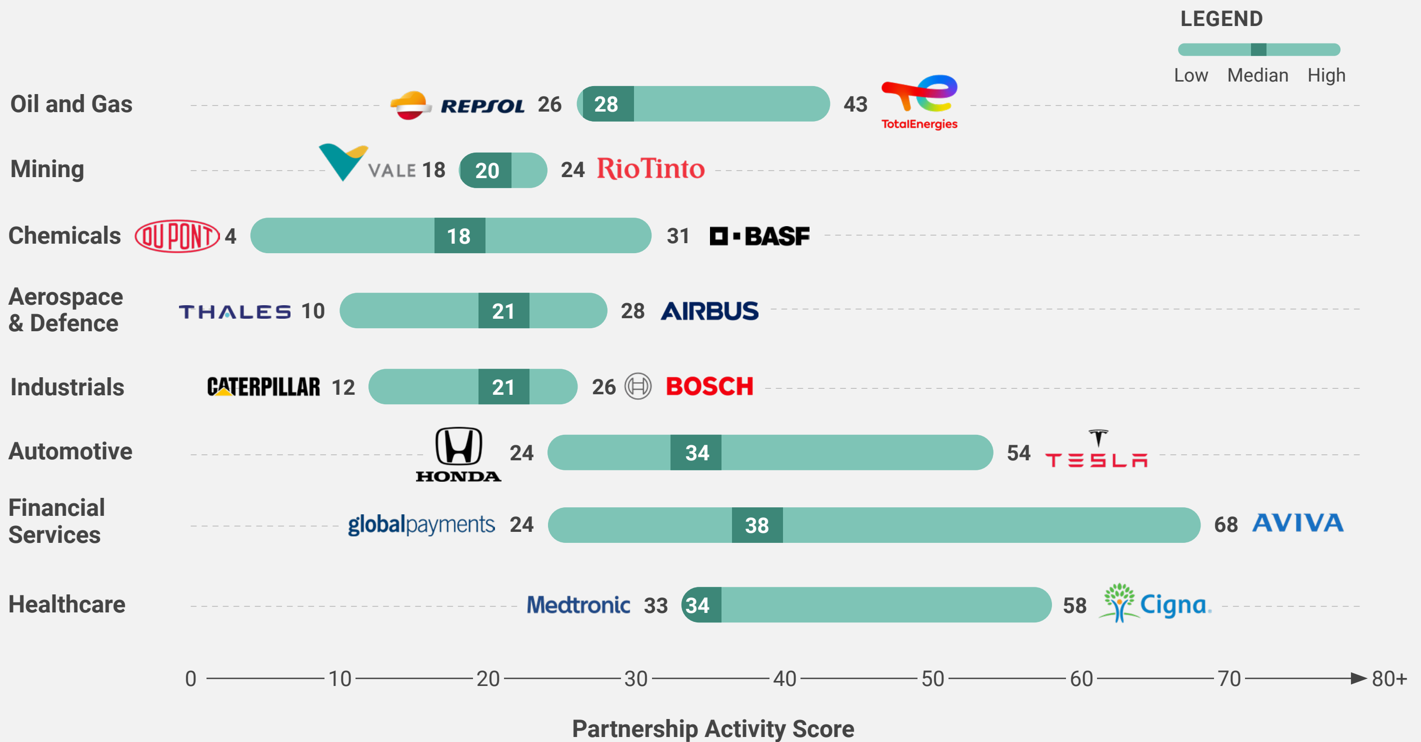
Companies that have stronger financial performance have the financial wherewithal and management bandwidth to enter into and restructure a higher volume of partnerships.

- It is also possible that the correlation works the other way – that is, that financially-strong companies are more attractive as partners and are better positioned to enter into new deals and restructure existing ventures

The key takeaway: Companies that are the most active partnership managers are also the strongest financial performers. Conversely, companies that "form and hold" joint ventures and other partnerships are more likely to be industry laggards.

Exhibit 4: Leaders by Relative Change in Portfolio

Industry Leaders and Laggards - By Weighted Partnership Activity Score



Source: Ankura 2022 Partnership Makers and Shakers Analysis

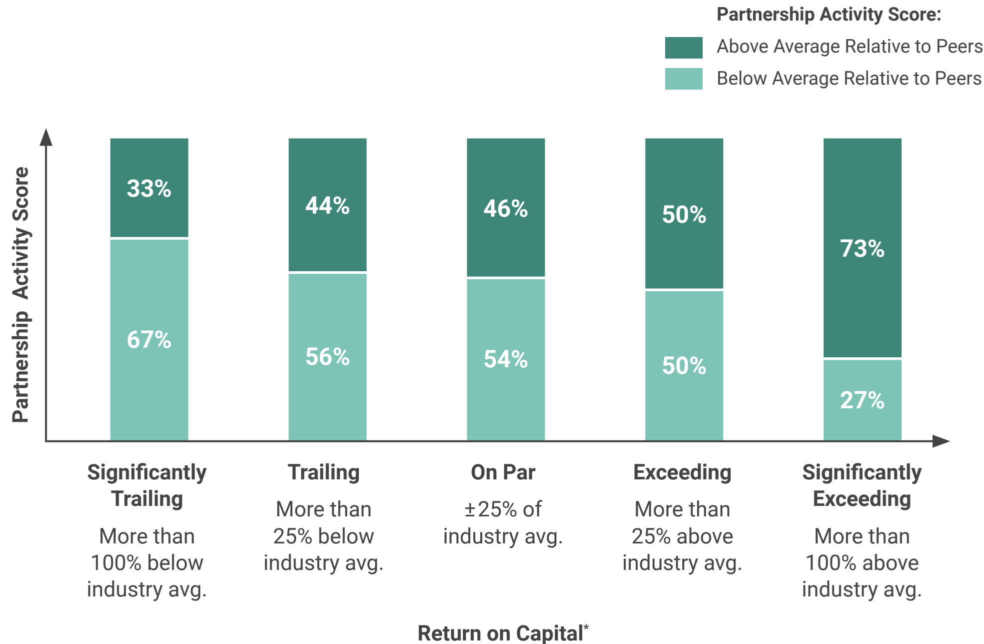
[4] See "Your Alliances are Too Stable," David Ernst and James Bamford, *Harvard Business Review*, June 2005.

[5] See "Putting Your Portfolio on the Move," Sandra Anderson, Chris Bradley, Sri Swaminathan, and Andy West, *McKinsey Quarterly*, July 22, 2022.

Exhibit 5: Partnership Activity Score vs. Company Return on Capital

Partnership Activity Score vs. Return on Capital

Partnership Activity Score Relative to 5-year Average Return on Capital
N = 96 Companies; 3274 JVs and Partnerships



* Company ROC data from Capital IQ
Source: Ankura 2022 Partnership Makers and Shakers Analysis

© Ankura. All Rights Reserved

HOW TO JOIN THE LEADERS

Realizing the potential financial gains from more active JV and partnership portfolio management requires companies to take more timely restructuring decisions of existing ventures and to be more efficient and effective in originating, screening, negotiating, and structuring new partnerships, especially in frontier technologies and markets. Below we offer a few practical ideas about how to succeed on both fronts.

Enable Restructuring

Our client experience and surveys of executives consistently show that at least 70% of JVs and partnerships need restructuring – a process that takes a median of 39 months longer in JVs than in wholly-owned businesses.[6] Companies should consider taking the following steps to enable active JV governance and more timely restructuring:

- **Build-in flexibility and restructuring into the legal agreements.** Amending the formal JV agreement is often difficult and time-consuming, and not always successful. To allow for restructuring without needing to renegotiate legal

[6] See "Your Alliances are Too Stable," David Ernst and James Bamford, *Harvard Business Review*, June 2005.

agreements, companies should consider including contractual terms that enable flexibility. This could include, for example, a requirement to renew the JV agreement after a defined period (say, 15 or 20 years); sole-risk and non-consent provisions to allow a subset of owners to pursue certain capital investments without the approval and funding of all owners; performance-based contingencies that incentivize owners to remain highly engaged; and transfer rights to promote easier exits or ownership changes.

Such provisions are often missing from JV agreements. For instance, our analysis on future capital investment provisions in JV agreements shows that sole-risk provisions that allow a subset of partners to pursue investments not approved by the board are present in less than 33% of JVs in sectors other than upstream oil and gas, including renewable energy, industrials, and high-tech.[7] While not appropriate in all situations, such structures provide natural flexibility in a JV and help parent companies pursue investments and modify the JV's scope or operations to meet their strategic needs. Our data also shows that JV agreements often fail to adequately provide exit off-ramps for the owners, especially for events that sub-optimize JV performance such as deadlock on fundamental matters. Only one-third of agreements in our database provide the owners with a clear path to exit in the event of deadlock, and only 4% of JV agreements provide unencumbered rights for companies to transfer their ownership interests to third parties.[8]

- **Put the right people on the board, instill accountability, and ensure it spends time on the right topics.** Timely restructuring is also supported by placing senior executives on the JV Board with the right skills, experiences, incentives, and commitment, who foster a collaborative board culture and shape the agenda to spend the right time on the right topics, including making changes to the JV. For instance, our data shows that when each parent company designates one board member as its "Lead Director" – i.e., a first-among-equals who is accountable for the venture's strategic fit, performance, and risks within the parent company – such ventures have stronger governance, better financial performance, and are more likely to restructure in a timely manner. At the same time, JV Boards perform better when they have an independent voice, which may include appointing independent directors to the board to bring an unbiased and fresh perspective to the venture's performance and prospects.

  Most JV Boards are a long way from hitting the marks of strong board composition and workings – and don't compare favorably to corporate boards. The median JV Director spends just 15 days a year fulfilling their duties and has a tenure of just 30 months, compared to 35 days per year for corporate directors, who have a median tenure of 8.5 years. Similarly, only 60% of JV Boards have designated Lead Directors from each parent company and less than 20% have any independent directors. Meanwhile, JV Boards are short on diversity, a critical enabler of timely restructuring. For instance, only 10% of JV Directors are women

[7] For a discussion on sole-risk and non-consent provisions, please see "Agreeing to Disagree: Future Capital Investments in Joint Venture Agreements," Edgar Elliott, Lois D'Costa, and James Bamford, *Journal of World Energy Law & Business*, May 2020. For further discussion on contingent contracts and exit provisions in JVs, please see James Bamford and David Ernst (editors), Water Street Partners on JV Dealmaking, 2015.

[8] See "Joint Venture Exits: Five Steps to Structuring Robust Exit Terms," Tracy Branding Pyle, Edgar Elliott, and James Bamford, *Ankura Whitepaper*, February 2022.

– a substantially lower percent than on corporate boards. At the same time, JV Boards spend less than half as much time together in a year relative to corporate boards (20 vs. 40 hours per year) and dedicate comparatively less time to strategy and other long-term topics. Adjusting the dials on board composition and basic workings are essential to driving performance improvement, growth, and timely restructuring in existing joint ventures.[9]

- **Expose JVs to internal strategic reviews and challenge.** Companies often have well-grooved corporate processes to review their various businesses and assets on a monthly, quarterly, or annual basis. While JVs are often included in these corporate and business unit reviews, the rigor is frequently substandard, with JVs often not receiving the same level of focus or challenge as wholly-owned businesses.

  Consider the major business unit of a global chemical company. Of its 10 principal businesses and assets, two were multi-billion dollar 50:50 joint ventures. These JVs were always included in regular company performance reviews – but were consistently placed at the end of the agenda, which meant that they were often not covered or done in a rushed manner. What's more, the reviews never contemplated issues such as venture evolution and end-game, partner alignment, governance performance, relationship health, and other matters specific to joint ventures. In our experience, when parent companies conduct regular, rigorous, and joint venture-specific internal reviews, issues with respect to the JV are easily identified and JVs are much more likely to be restructured on a timely basis.

- **Embark on the structured and politically-savvy process to restructure JVs.** Restructuring a JV or partnership is not the same as fixing or growing a wholly-owned business. It requires finding the right time and messages to engage the partner, whose support is almost always required to make any material changes to the venture's strategy, scope, governance, organization, or operations. In many ways, restructuring a JV or partnership is more like negotiating a new venture – requiring a compelling business case, generation and assessment of different options, financial modelling, and a sophisticated negotiating strategy, including selling the idea to the partner (and to the independent JV management team, if present) and managing internal approvals.

Supercharge New Partnership Formations

How do the most effective and efficient companies find, screen, and consummate new JVs and partnerships? This question takes on added urgency for companies competing in highly dynamic and uncertain market segments, such as renewable energy, biotech, mobility, and fintech, which require high-volume partnering with a broad range of competitors, technology players, and other unfamiliar partners. Four take-aways emerged from our work:

[9] See "Joint Venture Governance Index: Calibrating the Strength of Governance in JVs," James Bamford, Shishir Bhargava, Martin Mogstad, and Geoff Walker, *Harvard Law School Forum on Corporate Governance*, March 20, 2020, and "Independent Directors for Joint Venture Boards," James Bamford and Shishir Bhargava, *Corporate Board*, January 2020.

- **Define a partnering strategy – not just a company strategy**. Companies in partnership-intensive sectors need a coherent approach to partnering – that is, a roadmap for what types of partnerships to do with whom, and how these partnerships relate to each other and to the company's internal efforts, and how they link to the firm's overall strategy. Such a partnering strategy will answer questions like: What types of partners are we looking for in what markets, how will we sequence the formation of these partnerships, will certain partners be more strategic than others, and in what types of partnerships will we – and where will we not – seek exclusivity, share intellectual property, and / or commit capital upfront?

- **Expand channels to originate deal opportunities.** Traditional M&A channels like investment banks have a hard time applying their traditional success fees to joint venture and other partnership negotiations and are unlikely to serve as a reliable conduit for new opportunities. Companies will need to broaden how they originate partnerships, including tapping into personal networks of company engineers and scientists, participating in third-party venture funds, forming internal corporate venture capital units, leveraging incubators and accelerators, and retaining industry scouts. Beyond widening the aperture for sourcing new opportunities, companies might also want to take a page from the venture capital and private equity playbooks for input on the right size, capabilities, structure, and incentives for those in business development roles.

- **Adapt your investment stage-gate review process.** Most corporate stage-gate review processes are not designed for evaluating and consummating a high volume of good new partnerships, especially in novel technologies and capabilities. Our surveys of corporate development executives consistently show 80% believe their companies' traditional capital investment and M&A stage-gate process is ill-equipped to handle new technology and sustainability partnerships and investments. Ideally, companies would adapt their stage-gate review process to reflect the unique demands of such transactions, including the need to evaluate uncertain technologies, unfamiliar partners, and novel deal terms, and to take rapid decisions.

- **Consider creating a partnering office.** To support the governance and management of these partnerships, companies should also consider establishing a partnering office or corporate center of excellence for joint ventures. Our recent benchmarking of 45 natural resource companies shows that 35% of firms, including BHP and SABIC, have established a JV unit – and that, under the right circumstances and right scope, such units promote venture success and improved risk management.[10] In pharmaceuticals, high-tech, automotive, industrials, and other sectors, many companies already have or are considering such units, which have been shown to correlate with higher partnership success rates.

The only constant in life (and business) is change. Companies that are wise to this maxim actively make, break, and reshape their JVs and partnerships. As a reward, they generate greater returns on their capital compared to industry peers. Isn't it time your company put its partnerships on the move?

---

[10] See: "Governing a Portfolio of Joints Ventures: How Do You Measure Up?" James Bamford, Martin Mogstad, and Geoff Walker, *The Joint Venture Exchange*, December 2020.

~~~

James Bamford is a Senior Managing Director, **Shishir Bhargava** is a former Senior Director, and **Peter Daniel** is a Senior Managing Director at Ankura.

The authors would like to thank Gerard Baynham, Lois D'Costa Fernandes, Edgar Elliott, Joshua Kwicinski, Kira Medish, Allen Merrill, Saadhika Sivakumar, and Geoff Walker for their valuable input into this article and the underlying data and analysis.
~~~

ABOUT THE RESEARCH

About the Dataset: This analysis evaluated the partnership activities of 96 of the largest companies in the world, mapping 3,274 of their individual partnerships. The industries and companies in this analysis include **(Exhibit A)**:

Exhibit A: Sample of Companies in the Analysis

Oil & Gas	
Saudi Aramco	Shell
Exxon Mobil	ENI
TotalEnergies	ConocoPhillips
BP	Equinor
Chevron	Repsol

Mining	
BHP	South 32
Rio Tinto	Norsk Hydro
Glencore	Alcoa
Anglo American	Teck
Vale	Exxaro

Chemicals	
BASF	SABIC
Dow	Air Products
Dupont	Lyondell Basell
Bayer	Clariant
INEOS	Linde

Industrials	
Siemens	Johnson Controls
Honeywell	Schneider Electric
Bosch	Cummins
General Electric	Caterpillar
3M	Navistar

A&D	
Airbus	General Dynamics
Boeing	Rolls Royce
Lockheed Martin	Thales
Raytheon	Safran
BAE Systems	Leonardo

Automotive	
Toyota	Renault
General Motors	Volkswagen
Ford	Honda
The Mercedes-Benz Group	BMW
Stellantis	Tesla

Financial Services	
Visa	Global Payments
MasterCard	Evo
American Express	Allianz
Fiserv	Aviva
Standard Chartered	Worldline

Healthcare	
Abbott Labs	United Healthcare
Aetna CVS	Anthem
Medtronic	Pfizer
HCA Healthcare	Johnson & Johnson
Cigna	Merck

Methodology: To calibrate how actively companies shape and reshape their partnership portfolios, we developed a composite score – the Weighted Partnership Activity Score – which equally measured two types of activity:

1. New Partnership Formation Rate: Overall number of new company JVs and partnerships formed in the core business, and those related to new technology and sustainability, as a proportion of portfolio size.

2. JV Restructuring Rate and Depth: Number of company JVs restructured in the last four years, as a proportion of total JV portfolio size and adjusted for materiality of JVs and depth of restructuring.

By aggregating these two calculations, we were able to generate a Weighted Partnership Activity Score that rates on a 100-point scale how active companies have been in shaping and reshaping the partnership portfolios.

We defined restructuring as a material change to the venture, including changes in ownership, operatorship, strategy and scope, financial and commercial arrangements, governance and legal structure, organization and talent, or operations **(Exhibit B)**.

Exhibit B: JV Restructuring Levers and Depth

Restructuring Levers	Scope of Restructuring		
	Incremental	Fundamental	Radical
Ownership	N/A	• **Partial transfer of interest (no change in control)**	• **Full buyout or sale** • **IPO**
Operatorship	• **Change in terms of existing service contract with owner**	• **Change in owner-provided services (e.g., new MSA)**	• Change in Operator • Unitization
Strategy and Scope	• Change in marketing model (e.g., JV markets products)	• **New product entry outside initial scope**	• **Geographic expansion outside initial scope**
Financial Arrangements	• Change in major third-party contracts (e.g., feedstock)	• **Refinancing existing debt**	• **Change in capital structure**
Governance and Legal	• **Change in board role and delegations**	• Change governance, audit, control rights of owner(s)	• Change in legal structure (e.g., shift to Hold Co, JSC)
Organization and Talent	• **Material change in secondee strategy / usage**	• **Wholesale change in management team**	• Broad org restructuring (e.g., major workforce reduction)
Operations	• **Material curtailment**	• **Asset disposal**	• Cross-asset synergies / with other owner assets

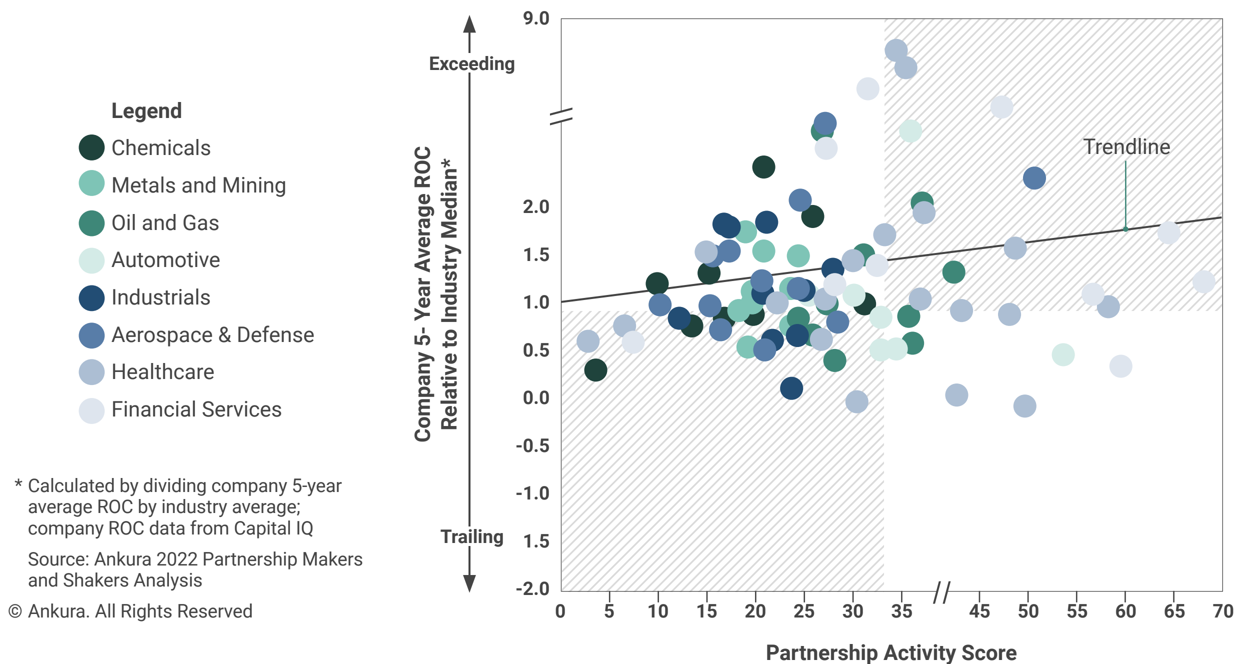
Source: Ankura 2022 Partnership Makers and Shakers Analysis

© Ankura. All Rights Reserved

Partnership Activity Score: More Common (bold) | Less Common | N/A

We also analyzed the relationship between the Weighted Partnership Activity Score and a company's five-year average ROC relative to its industry peers and found that companies that had higher weighted partnership activity scores tended to outperform their industry average ROC than companies that did not **(Exhibit C)**.

Exhibit C: Weighted Partnership Activity Score vs. Industry ROC



* Calculated by dividing company 5-year average ROC by industry average; company ROC data from Capital IQ

Source: Ankura 2022 Partnership Makers and Shakers Analysis

© Ankura. All Rights Reserved

Bringing Data to Partnership Structuring and Management

Ankura regularly conducts proprietary analysis and benchmarking of joint venture and other partnership trends, contractual terms, processes, practices, and performance. Our goal is to bring distinctive, independent data and perspectives to supplement practical experience to help our clients calibrate where they stand relative to peers and best practice, challenge biases, identify gaps and opportunities, and develop recommendations for how to source, structure, govern, and evolve their joint ventures and other partnerships.

Over the years, we have conducted more than 50 benchmarking studies involving more than 2,000 companies on a range of joint venture and other partnership topics of relevance to our clients **(Exhibit A)**. Our databases on venture activity, performance, terms, and practices contain millions of datapoints. Key findings from these benchmarking studies and databases have been published in Harvard Business Review, MIT Sloan Management Review, Strategic Management Review, Corporate Board, Chief Executive, and many other leading business and legal publications.

Partnership Makers and Shakers is our latest data franchise.

Exhibit A: Benchmarking Studies and Databases

Examples of Our Benchmarking Studies and Databases on JVs and Other Partnerships

	Description	Examples (Partial List)
Overall Trends	Analysis of geographic and industry partnership activity	• Ankura JV Index • JV Lifespans Analysis • JV ROA Analysis • Individual Industry Partnership Trends
Company Portfolios	Analysis of individual company partnership strategies, activities, reliance, reputation, and performance	• Partnership Makers and Shakers • Company Stock Market Announcement Effects • Partner of Choice Analysis • Company Partnership Portfolio Profiles
Contractual Terms	Benchmarking of JV and other partnership contractual terms	• Voting and Control • Future Capital Investments • Intellectual Property • Royalty Rates • Dividend Policies • Environmental Rights and Protections • Dispute Resolution • Exit and Dispute
Governance Practices	Benchmarking of JV governance and management practices, including at the individual JV and portfolio levels	• JV Board Governance Index • Individual Owner Governance Index • Owner Asset Team Size Database • Asset Team Activity Value Analysis • JV CEO Delegations Benchmarking • Secondee Practices Benchmarking • Owner-Provided Services Benchmarking • Corporate JV Portfolio Governance Benchmarking

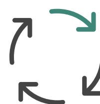
© Ankura. All Rights Reserved

How Ankura Helps on Joint Ventures and Partnerships

At Ankura, we bring unrivalled experience and tools **specific to joint ventures and partnerships** and combine these with deep **functional expertise** on strategy and planning, governance, finance, organization and human capital, data and technology, operations, and project management, as well as industry and regional knowledge and contacts. We serve clients across the individual venture lifecycle and at the corporate portfolio level.

CONCEIVE & CREATE

From strategy development, deal origination, due diligence, valuation, synergy assessment, and financial modeling, to deal structuring, negotiation, and operationalizing the agreements through governance and organizational design, Ankura helps companies form new JVs and partnerships.



GOVERN & GROW

Ankura helps venture owners, Boards, and management teams align complex stakeholder interests and perform better by providing assessments, plans and solutions, change management and execution support on strategy, governance, operating model, organization, culture, and operational redesigns and improvements.

REPAIR & RESTRUCTURE

When JVs and partnerships are facing performance challenges or disagreements, Ankura brings a unique toolkit and benchmarks to diagnose underlying issues, drive alignment on change, develop influencing plans, assist in partnership restructuring and relaunch, and, when necessary, manage disputes and exits.

BUILD CORPORATE CAPABILITIES

Many of our clients have portfolios of JVs and partnerships or are developing strategies that entail an ecosystem of partners. Ankura helps these companies develop partnering and ecosystem strategies. Ankura also helps build corporate capabilities, processes, and policies to more effectively enter into new ventures and govern and manage risks in existing JVs and partnerships.

Ankura Consulting Group, LLC is a global provider of a broad range of consulting services. We help clients protect, create, and recover value. Ankura has more than 30 offices worldwide.

For more information, please visit: www.ankura.com.

ankura.com