Strategic Alliances: The Better Way to Compete

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Abstract

***"WINNERS DONOT DO DIFFERENT THINGS RATHER THEY DO THINGS DIFFERENTLY"**- is the mantra for corporate to be successful in the current competitive world. The business environment has changed to a great extent within the past few decades. Very few corporate think of defensive strategy and a maximum number of corporate goes for aggressive method of doing business. Keeping the above mantra in mind, corporate have to distinguish themselves in terms of modernism and creativeness or else in the very near future they will lose their market share and will be forced by the environment to close their business. There are various ways to expand business but the most common is corporate restructuring which may include strategic acquisition or merging with another business, joint venture or even tie-ups.*

This paper focuses on why the companies go for Strategic Alliance, types of alliances, process of alliances, factors to be considered before successful alliances, pitfall of alliances and a case study.

Keywords

Strategic alliance, corporate restructuring, partner assessment

Introduction

Growth is always essential for the survival of a business concern. A concern is bound to die if it does not try to enlarge its activities in related or unrelated areas. Enlarging its activities requires a lot of thought because it will have a long impact profitability and solvency of the company. There are various ways to enlarge its related or unrelated activities in order to have presence in this competitive world. One of the ways is to adopt the restructuring strategy as per their requirements and needs. In the current scenario lots of restructuring strategy is available like Consolidation, Mergers and Acquisitions, tie-ups, strategic alliance or even the companies can go for corporate downsizing such as Spin-Off, Split-Off, Split –Up, Equity Carveouts etc.

Restructuring is the corporate management term for the act of reorganizing the legal, ownership, operational, or other structures of a firm or company for the purpose of making it more profitable, or better organized for its present needs. It simply means the series of process to restructure asset structure, financial structure, and corporate governance, helping the survival and the growth of a corporation. The corporate restructuring is similar to medical surgery, as the aim of medical surgery lies in the recuperation of a patient; similarly the aim of a corporate restructuring is the therapy of a distressed company. As the patient needs a hospital to be recovered, the sick company requires a restructuring vehicle to be rehabilitated. It is a method of dealing with sick companies based on the professional analysis.

Strategic Alliance:

Nike, the largest producer of athletic foot wear in world, does not manufacture a single shoe. Gallo the largest wine company in earth doesn't grow even a single grape. Boeing, the pre-eminent aircraft manufacturer makes little more than cockpit and wing bits. "How can this be?" you may think. These companies like may other companies have entered into strategic alliances with their suppliers to do much of their actual production and manufacturing for them. Strategic alliances are among the various options which companies can use to achieve their goals; they are based on cooperation between companies (Mockler, 1999). Strategic alliances are agreements between companies that remain independent and are often in competition.

A ***Strategic Alliance*** is an agreement between two or more organizations to cooperate in a particular business activity or to pursue a set of agreed upon goals or to meet a critical business need, so that each benefits from the strengths of the other, and gains competitive advantage while remaining independent organizations. For example, an oil and natural gas company might form a strategic alliance with a research laboratory to develop more commercially viable recovery processes. A clothing retailer might form a strategic alliance with a single clothing manufacturer to ensure consistent quality and sizing. A major website could form a strategic alliance with an analytics company to improve its marketing efforts.

Partners may provide the strategic alliances with various resources such as products, distribution channels, manufacturing capability, project funding, capital equipment, expertise and knowledge or intellectual property. The alliance is a co-operation or collaboration which aims for a synergy where each partner hopes that the benefits from the alliance will be greater than those from individual efforts. The alliance often involves technology transfer (access to knowledge and expertise), economic specialization, shared expenses and shared risk.

Strategic alliances have evolved quickly over the last few decades:

- In the 70's: the main factor was the performance of the product. Alliances aimed to acquire the best raw materials, the lowest costs, the most recent technology and improved market penetration internationally, but the mainstay was the product.
- In the 80's: the main objective became consolidation of the company's position in the sector, using alliances to build economies of scale and scope. In this period there was a true explosion of alliances. The alliance between Eastman Kodak and Canon, which allowed Canon to produce a line of photocopiers sold under the Kodak brand; an agreement between Toshiba and Motorola to combine their respective technologies in order to produce microprocessors.
- In the 90's: collapsing barriers between many geographical markets and the blurring of borders between sectors brought the development of capabilities and competencies to the centre of attention. It was no longer enough to defend one's position in the market. It became necessary to anticipate one's rivals through a constant flow of innovations giving recurrent competitive advantage.

Reasons to form Strategic Alliance:

A strategic alliance occurs when two or more businesses join together for a set period of time. The businesses are not usually in direct competition, but have similar products or services that are directed toward the same target audience. There are various reasons for the corporate to create a strategic alliance. Some of them are as follows:

- To offer customers a larger variety of products or services. This will allow us to spend less time and money developing new products to sell as well as to offer your existing customers more back-end and upsell products which will increase your sales and profits.
- To increase the number of sales people promoting business. By working with other businesses and leveraging their sales staff, business won't have to spend time and money on hiring new employees.
- To increase the effectiveness of your marketing and advertising budget as under a strategic alliance we both will share the advertising and marketing costs.
- To beat the competition by selling to a larger target audience as it will increase the total number of existing customers to whom firm can sell products and services too.
- To exchange endorsements with your alliance partners. You'll add more credibility to your business and gain your potential customers trust to buy.
- To access to global markets and expand business more rapidly as new products and services can be delivered faster with a larger work force.
- Complexity is increasing, and no one organization has the required total expertise to best serve the customer. So to solve customer's problems faster with a larger base of customer service executives. It will also help to also learn new ways to improve customer service from alliance partners.
- To have a larger number of "strategic thinking" people; this will allow both businesses to come up with profitable business ideas quicker than before.
- Organic growth alone is insufficient for meeting most organizations' required rate of growth.
- Partnerships can defray rising research and development costs.

Types of Strategic Alliances:

An alliance may be seen as the 'joining of forces and resources, for a specified or indefinite period, to achieve a common objective'. There are seven general areas in which profit can be made from building alliances. Collaborative agreements between businesses can take a number of forms and are becoming increasingly common as businesses aim to get the upper hand over their competitors. The main types of strategic alliances are listed below:

- Joint Ventures: A joint venture is an agreement by two or more parties to form a single entity to undertake a certain project. Each of the businesses has an equity stake in the individual business and share revenues, expenses and profits. Joint ventures between small firms are very rare, primarily because of the required commitment and costs involved.
- Outsourcing: The 1980s was the decade where outsourcing really rose to prominence, and this trend continued throughout the 1990s to today, although to a slightly lesser extent. "Outsourcing and globalization of manufacturing allows companies to reduce costs, benefits consumers with lower cost goods and services, causes economic expansion that reduces unemployment, and increases productivity and job creation."
- Affiliate Marketing: Affiliate marketing has exploded over recent years, with the most successful online retailers using it to great effect. The nature of the internet means that referrals can be accurately tracked right through the order process. Amazon was the pioneer of affiliate marketing, and now has tens of thousands of websites promoting its products on a performance-based basis.
- Technology Licensing: This is a contractual arrangement whereby trade marks, intellectual property and trade secrets are licensed to an external firm. It's used mainly as a low cost way to enter foreign markets. The main downside of licensing is the loss of control over the technology – as soon as it enters other hands the possibility of exploitation arises.
- Product Licensing: This is similar to technology licensing except that the license provided is only to manufacture and sell a certain product. Usually each licensee will be given an exclusive geographic area to which they can sell to. It's a lower-risk way of expanding the reach of your product compared to building your manufacturing base and distribution reach.
- Franchising: It is an excellent way of quickly rolling out a successful concept nationwide. Franchisees pay a set-up fee and agree to ongoing payments so the process is financially risk-free for the company. However, downsides do exist, particularly with the loss of control over how franchisees run their franchise.
- Distributors: If you have a product one of the best ways to market it is to recruit distributors, where each one has its own geographical area or type of product. This ensures that each distributor's success can be easily measured against other distributors.
- Distribution Relationships: This is perhaps the most common form of alliance. Strategic alliances are usually formed because the businesses involved want more customers. The result is that cross-promotion agreements are established.

Some Examples of Relevant Strategic Alliances

- Advanced Micro Devices (AMD) and Beijing University Founder Group — in an effort to increase its market share in China AMD had formed an alliance with the Founder Group. The latter will make and sell computers based on AMD's 64-bit microprocessors; while AMD sees this move as a way to make a new start to its business in China. Founder Group sees the alliance as a response to increased competition from Intel, which has dominated the local market.
- Jamba and Chinadotcom – both sides are looking to the partnership as a way to expand their markets. Chinadotcom hopes to further expand its distribution platform for wireless products, particularly its in-house developed wireless applications, to Europe and the United States. Jamba (European wireless entertainment provider) expects to expand into the mobile data services markets in Greater China by using Chinadotcom's presence in Hong Kong, the mainland and Taiwan.
- Yahoo and Sina — Sina (the leading mainland internet portal) and Yahoo have teamed up to offer auction services in China. The co-branded website will provide services for small- and medium-sized businesses in China and offer auctions and fixed-price sales. The partnership will leverage the two companies' respective user bases. Sina has 83 million registered users; Yahoo's China traffic figures are estimated to be 78 million. The alliance also combines Yahoo's expertise and technology in the auction platform with Sina's market reach and brand in China.
- HP and Red Flag Software – Red Flag Software (China's state-backed Linux distributor) and HP announced a joint agreement to promote the use of Linux in the Chinese enterprise market. The two companies are to set up a Linux laboratory at the HP Experience and Solution Center in Beijing. The center will be used for testing products and for other R&D. Even though China is HP's fastest growing market in Asia, the company is looking to accelerate development of its sales and marketing infrastructure outside of major cities such as Beijing and Shanghai and into second-tier cities (such as Chengdu and Xian) and third-tier cities (with populations under 5 million) to take advantage of the increased purchasing power in these places. The strategy is to partner with mainland systems integrators and professional distributors and to focus on the growing use of the Linux operating systems in large and small enterprises, as well as by the government.
- HP and Hon Hai — Hon Hai Precision Industry Co., Ltd. of Taiwan and Hewlett-Packard recently announced a strategic partnership in their customer-supplier relationship. The agreement is for co-developing new products. Until now, Hon Hai has simply produced HP products according to HP's designs. The alliance appears to reflect a revised strategy for HP, after Carly Fiorina's departure, to address mounting competitive pressure from rivals,

particularly the quickly rising Lenovo of mainland China. The partnership also shows Hon Hai's determination to shift itself into a technology developer from a pure manufacturer. Although they have not announced what products they will seek to co-develop, it is believed they will focus on consumer electronics such as LCD's, DTV's, digital music players, as well as nanometer materials and nanometer cells.

Stages of Alliance Formation:

A typical strategic alliance formation process involves these steps:

- **Strategy Development**: Strategy development involves studying the alliance's feasibility, objectives and rationale, focusing on the major issues and challenges and development of resource strategies for production, technology, and people. It requires aligning alliance objectives with the overall corporate strategy.
- **Partner Assessment**: Partner assessment involves analyzing a potential partner's strengths and weaknesses, creating strategies for accommodating all partners' management styles, preparing appropriate partner selection criteria, understanding a partner's motives for joining the alliance and addressing resource capability gaps that may exist for a partner.
- **Contract Negotiation**: Contract negotiations involves determining whether all parties have realistic objectives, forming high calibre negotiating teams, defining each partner's contributions and rewards as well as protect any proprietary information, addressing termination clauses, penalties for poor performance, and highlighting the degree to which arbitration procedures are clearly stated and understood.
- **Alliance Operation**: Alliance operations involves addressing senior management's commitment, finding the calibre of resources devoted to the alliance, linking of budgets and resources with strategic priorities, measuring and rewarding alliance performance, and assessing the performance and results of the alliance.
- **Alliance Termination**: Alliance termination involves winding down the alliance, for instance when its objectives have been met or cannot be met, or when a partner adjusts priorities or re-allocates resources elsewhere.

Benefit of the Strategic Alliances

There are four prospective benefits that international business may realize from strategic alliances:

- ***Ease of market entry:*** Advancement in telecommunications, computer technology and transportation has made entry into foreign markets much easier. Entering foreign markets further confers benefits such as economies of scale and scope in marketing and distribution. The cost of entering an international market may be beyond the capabilities of a single firm but, by entering into a strategic alliance with an international firm, it will achieve the benefit of rapid entry while keeping the cost down. Choosing a strategic partnership as the entry mode may overcome the remaining obstacles, which could include entrenched competition and hostile government regulations.
- ***Shared risks:*** Risk sharing is another common justification for undertaking a cooperative arrangement. When a market has just opened up, or when there is much ambiguity and instability in a particular market, sharing risks becomes most important. The competitive nature of business makes it difficult for business entering a new market or launching a new product, and forming a strategic alliance is one way to reduce or control a firm's risks.
- ***Shared knowledge and expertise:*** Most firms are competent in some areas and lack expertise in other areas; as such, forming a strategic alliance can allow ready access to knowledge and expertise in an area that a company lacks. The information, knowledge and expertise that a firm gains can be used, not just in the joint venture project, but for other projects and purposes. The expertise and knowledge can range from learning to deal with government regulations, production knowledge, or learning how to acquire resources. A learning organization is a growing organization.
- ***Synergy and competitive advantage:*** Achieving synergy and a competitive advantage may be another reason why firms enter into a strategic alliance. As compared to entering a market alone, forming a strategic alliance becomes a way to decrease the risk of market entry, international expansion, research and development etc. Competition becomes more effective when partners leverage off each other's strengths, bringing synergy into the process that would be hard to achieve if attempting to enter a new market or industry alone.

In retail, entering a new market is an expensive and time consuming process. Forming strategic alliances with an established company with a good reputation can help create favorable brand image and efficient distribution networks. Even established reputable companies need to introduce new brands to market. Most times smaller companies can achieve speed to market quicker than bigger and more established companies. Leveraging off the alliance will help to capture the shelf space which is vital for the success of any brand.

Biggs (2006) identifies the following as key factors that determine the success of a strategic alliance, which are presented in the following figure:

Seven features of successful strategic alliances

- **Values:** To be successful in an alliance the organizations need to hold a shared set of values about the cause they are championing and about ways of working together. These values will influence the way the parties approach the alliance and how they work together.
- **Leadership:** Partnerships require champions in each of the participating organizations, and these individuals need to take direct responsibility for achieving the partnership goals. Partnerships also require the unequivocal support of the leaders of the participating organizations.
- **Clarity of mission and strategy:** Strategic alliances need a compelling mission, realistic objectives and a clear strategy for achieving them. Each partnership needs to have great clarity over its goals, achievable objectives with win-win opportunities for both organizations.
- **Board commitment:** The boards of all participating organizations need to be strongly committed to the partnership and willing to support it through the good times and the difficult times.
- **Resources:** Strategic alliances need to be properly resourced and there needs to be great honesty and realism about the time and financial commitments each organization will have to make to the partnership. When it comes to reporting on how the resources have been applied, the financial reports need to be tailored to the needs of the partnership and not to necessarily follow the standard reporting formats of the participating organizations.
- **Open and honest communications:** Managers need to recognize that many different stakeholders such as funders, board and committee members, staff, chapters and volunteers, may be affected by a strategic alliance. Each requires regular and thorough communication. Formal communications should be supported by plenty of informal communication, ideally at board, senior management and staff levels.
- **Commitment to good faith negotiations:** When the alliance is being established there should be three ground rules. Without prior agreement of all partners:
  - there should be no material changes in the partnership proposition
  - negotiators must be named and there should be no changes during negotiations
  - there must be no negotiations with other external parties.

Reason for failure of strategic Alliances:

Market-related factors causing strategic alliance failure

Since market is competitive and transnational, market behaviors should be realized by carrying out contracts and result of transactions is exchange and distribution of benefits. All these features are also possessed by strategic alliances. Factors related to these features and causing alliance failure are called market-related factors.

- **Inside competition of the alliance partners:** The first market-related characteristic of strategic alliance is that there exist a lot of inside competitions, which is the basic factor that makes the alliance unstable and aborted. No matter the collaboration is manufacture alliance or marketing alliance set up by mutual competitive firms, or R&D alliance set up by firms that complement resources mutually and share in risks, it will face risk of failure because each side has an egotistical opportunism behavior. Collective benefits from an alliance are typically future-oriented and uncertain, while opportunity costs from cheating are more immediate and often tangible, which further aggravates opportunistic tendencies in an alliance. The inside competition will motivate the partners to pursue private interests at the expense of the other partner. Bleeke and Ernst reported that the success rate for alliances between competitors is only one in three. This is the underlying factor making alliance demise.

- **Contract Incompleteness:** The second market-related characteristic of strategic alliance is the need for contracts serving as cooperative foundation. However, contract is always incomplete, which can probably promote opportunistic behavior in partner enterprises and pose a threat for the existence of the alliance. When choosing a strategic partner before signing the contract, an enterprise will face the risk of reverse choice. Before setting up an alliance, an enterprise will thoroughly examine and evaluate the partner's value, resource and capability, though, it is impossible to know all of its aspects, especially in the case that the partner enterprise deliberately conceals its information. Thus it is difficult for the firm to prevent enterprise that has no value in cooperation or with evil intentions entering the alliance. After signing the contract, the enterprise will also be confronted with the risk of partner's moral hazard in carrying out the contract. Since it is impossible for the contract to include all the details of an alliance, "blind areas" in the contracts are inevitable. If the partner imposes on these "blind areas" to obtain private benefits or plagiarize other side's tacit knowledge to improve its own competition advantage, this will inevitable cause trust crisis within the alliance and lead to its eventual dissolution**.**

- **Unfair exchange of resources and distribution of benefits:** The third market-related characteristic of strategic alliance is that partners need to mutually exchange resources and distribute benefits between each other, which pose as one of the underlying factors causing failure of alliances. The equity is the basic situation to alliance success. In the beginning stage, each side of alliance invests its own resources as precondition of cooperation; when outcome stage comes, besides common benefits, each partner gains its private benefits, for example the partner applies the knowledge learned from the alliance to other interrelated area outside the alliance, which is called the alliance spill-over effect. Each side will evaluate and compare its own input and outcome with those of the other side. If finding itself in inferior position, the partner will bargain with the other to revise the contracts for the equity. If bargain proves a collapse, the inferior firm will necessarily withdraw from the alliance. Besides the distribution mechanism, distribution of benefits has some considerations on the firm's absorptive ability. In the knowledge-based alliance, the partner who learns fast will surely obtain more benefits in the alliance. Therefore, for the discrepancy of the partners' congenital absorptive ability, it is impossible to completely solve the unfair distributing problem with the institution and contracts.

Hierarchy-related factors causing strategic alliance failure

The hierarchy is the social entity made up of people to realize some specific economic goals. It has structures, cultures and coordination institution, and at the same time it is influenced by the external environment changes. As a loose intermediary hierarchy, the strategic alliance has same characteristics as the hierarchy. The factors related to these characteristics which causing the strategic alliance failure is called hierarchy-related factors.

- **The alliance strategy:** Strategic alliance is the firm's strategy, furthermore is the coordinate strategy between cooperative firms, thus the alliance strategy is influenced by the strategies of the alliance partners. However, the strategy is also the firm's response to the frequently changing environment. Especially with the development of economic globalization, enterprises (especially the multinational corporation) are facing much more uncertainties, so their strategies must be adjusted constantly to adapt to the external environment changes. If partners cannot reach an agreement with their strategies adjustment, and even have conflicts in the alliance future strategic objective, the alliance will hence face the risk of dissolution. The studies in McKinsey & Co. showed that 50 percent of the alliance's dissolution could be attributed to the strategic disagreement.

- **The agency problems in the alliance:** Second hierarchy-related characteristic of strategic alliances is it's inside principal-agent relation; which will inevitable incur the agency problems. Underlying causes for such problem is the different objectives and attitudes towards risks held by parent enterprise and alliance managers. Parent enterprise establishes the alliance with the purpose of winning incomes or improving its own competitiveness; while alliance managers may concern more about personal incomes. Besides, alliance managers usually hold high position and decent income in the parent firm and they will suffer less if the alliance dissolves. That's why his attitude towards risks of alliances is always above the general personal levels.

- **The alliance governance structure**: The third strategic alliance hierarchy-related characteristic of strategic alliances is featured by its certain governance structure. Strategic alliance includes equity alliance and non-equity alliance in terms of governance structure. Equity alliance consists of joint venture and equity investment and non-equity alliance is made up of bilateral non-equity alliance and unilateral non-equity alliance. The exit barrier of equity alliance is higher than that of non-equity alliance. Thus, it is more stable. In the past few years, due to the high rate of exit barrier and the great risk of tacit knowledge transferring to the partner in the equity alliance, more and more firms tend to adopt more loosely-organized non-equity alliance. In non-equity alliance, the cooperative enterprises establish cooperative relation mainly by contract but not invest on assets. The coordination is emphasized in this kind alliance, thus partners have more strategic flexibility and self-determination. But the deficiency of contract-related alliances is its low exit barrier and the weak control by the parent enterprise. The present high failure rate of alliances is significantly related to the prevalent contracted structural pattern.

- **The alliance culture and institution:** Managers and staff in the alliance are usually from different parent companies. Companies represented by them are probably located in different countries and areas and thus have their distinctive background institution and cultures. Therefore, it is natural that managers in an alliance may have some discrepancies in values, administrative decisions, ways of operation management and understanding about the institution. Cooperation between enterprises with similar cultures may incur less misunderstandings and contradictions and brings in relatively high efficiency and benefits. On the contrary, cooperation between companies with different cultures may be accompanied by serious conflicts and frictions, which, in some extreme cases, may cause difficulties in mutual communication and even crisis in mutual trust and eventually, failure of the alliance. In alliances between multinational companies, cultural conflicts are commonplace. They are one of the major factors responsible for the failure of alliances.
- **Internal communicative mechanism of strategic alliances:** The last feature embodying the organized characteristics of strategic alliances is its internal communicative mechanism. First, communication may help partners get to know whether the other side obeys the contract and whether it has opportunistic behaviors, which enhance sense of trust between each other. Second, communication helps to eliminate cultural differences, misunderstandings and conflicts within the alliance, harmonize strategic objectives between enterprises and ensure a healthy growth of the alliance. Alliances lacking in communication will surely set foot on a way of dissolution.

External environment factors causing strategic alliance failure

Since market-related factors and hierarchy-related factors are all related to characteristics of alliances themselves they are called internal factors. Besides, failure of alliances is also influenced by changes and uncertainties of the outside environment, which are external factors causing the failure. Such environmental factors include changes of economic environment, such as decrease of raw material supply and market demand; technological environment, like technological progress and innovation and institutional environment, like interference from the government and establishment of anti-monopoly law.

Strategic Alliance Policy of Toshiba

Toshiba firmly believes that a single company cannot dominate any technology or business by itself. Toshiba's approach is to develop relationships with different partners for different technologies. Strategic alliances form a key element of Toshiba's corporate strategy. They helped the company to become one of the leading players in the global electronics industry. In early 1990s Toshiba signed a co-production agreement for light bulb filaments with GE. Jack Welch, the legendary former CEO of GE, was Toshiba's admirer. According to him, a phone call to Japan was enough to sort out problems if and when they arise, in no time. Since then, Toshiba formed various partnerships, technology licensing agreements and joint ventures. Toshiba's alliance partners include Apple Computers, Ericsson, GE, IBM, Microsoft, Motorola, National Semi Conductor, Samsung, Siemens, Sun Microsystems and Thomson. Toshiba formed an alliance with Apple Computer to develop multimedia computer products. Apple's strength lay in software technology, while Toshiba contributed its manufacturing expertise. Toshiba created a similar tie-up with Microsoft for hand held computer systems. In semiconductors, Toshiba, IBM and Siemens came together to pool different types of skills. Toshiba was strong in etching, IBM in lithography and Siemens in engineering. The understanding among the partners was limited to research. For commercial production and marketing the partners decided to be on their own. In flash memory, Toshiba formed alliances with IBM and National Semi Conductor. Toshiba's alliance with Motorola has helped it become a world leader in the production of memory chips. The tie-up with IBM has enabled Toshiba to become a world's largest supplier of colour flat panel displays for notebooks. Toshiba believes in a flexible approach because some tension is natural in business partnerships, some of which may also sour over time. Toshiba executives believe that the relationship between the company and its partner should be like friends, not like that of a married couple. Toshiba senior management is often directly involved in the management of strategic alliances. This helps in building personal equations and resolving conflicts.

Current Trends and Future Implications

- Strategic alliances are no longer a strategic option but a necessity in many markets and industries. Dynamic markets for products and technologies, coupled with the increasing costs of doing business, have resulted in a significant increase in the use of alliances.
- Strategic alliances are increasingly becoming an important part of overall corporate strategy, as a way to grow product and service offerings, develop new markets and leverage technology and R&D.
- Strategic alliances are an indispensable tool in today's competitive business environment. No longer can companies afford *ad hoc* approaches to alliance formation and management, any more than they can rely on a small number of talented alliance managers.
- Many global companies have multiple alliances, some global, requiring coordination with numerous partners. Companies are also finding benefits to partnership with competitors. How are these companies managing this competition? What are they doing to develop a working relationship yet still protect them? The must be created by creating customer value through partnerships, managing

alliances with competitors, managing global alliances.

- New insights on alliance management tools and strategies, focusing on: leveraging differences with partners to create value, dealing with the internal challenges of making your partnerships succeed, managing the day-to-day challenges of alliances with competitors.
- Risk management is a companywide concern and strategic alliances have their share of risks. Insights on managing risks in alliances includes managing reputation and relationship risks; risk assessment and legal issues in alliances; intellectual property protection; dealing with breaches of alliance contracts; termination triggers; when and how to exit an alliance with minimal risk.

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