

BUS 690-04
Group 5
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Chapter 7 – Part 2

Critique:

There are several measures an interested party can take to facilitate the process. This flow diagram depicts an outline of one such method. However, a few important steps that were suggested by Stephen Preece in article 7.3 have been ignored. One of the steps includes the planning of organization structures that includes joint venture, minority-equity, licensing, non-equity contractual, and etc. Another step is the analyzing of relationship between alliance partners.

http://www.ssi.nrcs.usda.gov/publications/3_Marketing/M007_GuidebookBuildingAlliancesW6.doc

2. Alliance Readiness Diagnostic

This is a useful website which tests the readiness of a company for alliance. It will evaluate strengths and weaknesses of the company on planning the alliance, selecting a partner, negotiating the alliance, and managing the alliance.

http://strategis.ic.gc.ca/cgi-bin/sc_indps/bps/steps?file=que15e.txt

Main Learning Messages of the Chapter:

Interorganizational relationships can be competitive, cooperative, or somewhere in between. From the discrete organization perspective, firms are mostly competitive, and the outcome is assumed to be zero-sum. From the embedded organization perspective, firms are mostly cooperative, and the outcome can be positive-sum.

Collaboration is inevitably the current trend, but it can take on many forms—from tactical to strategic, from economic to social, from simple assistance agreement to joint venture, from vertical to horizontal integration, and so forth. The idea is to learn from each other so that each party can leverage others' skills. In the end all parties can benefit from the alliance.