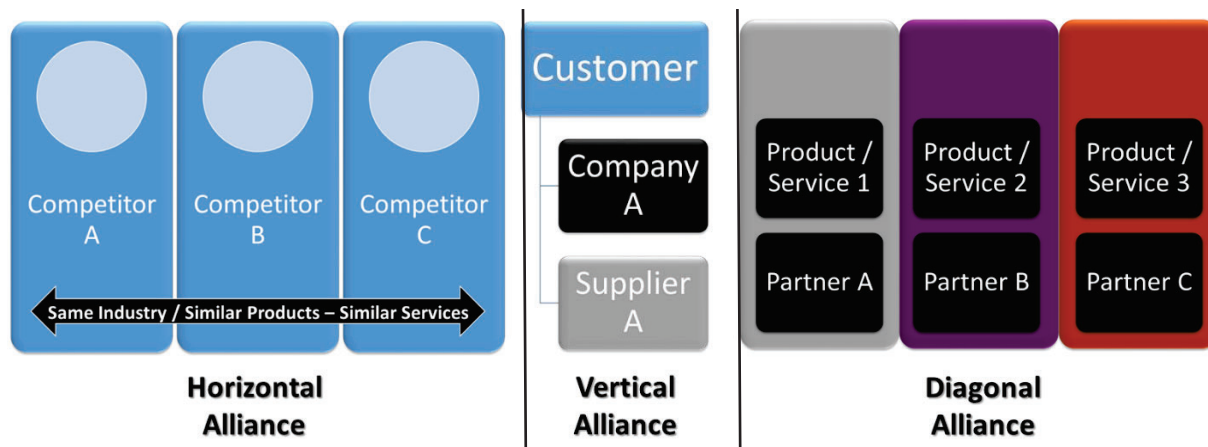


Structure

Types of Alliances

According to the nature and life span of alliances, they can also be classified into three different forms of strategic alliances: horizontal, vertical and diagonal alliance.



Specifically, horizontal strategic alliances are formed by competitors within the same industry; this kind of alliance is often formed for R&D purposes and to handle greater work-loads. Vertical strategic alliances can be formed by suppliers and/or customers in several value chain activities. This helps to bring more depth and control to a customer’s specific requirements. Diagonal strategic alliances are formed by partners from other industries in order to potentially deliver a customer “solution.” These alliance arrangements can take many forms like equity joint ventures, non-equity collaborative arrangements, licensing or franchising agreements, management contracts, and long-term supply contracts. They may end up in two kinds of firms: a consortium of firms or networks of organization.

Partner Selection Criteria

1. Technical Capabilities
2. Industry Attractiveness
3. Special Skills You Can Learn from Partner
4. Willingness to Share Expertise
5. Capabilities to Provide Quality

A. Types of Strategic Alliances

Number each alliance type below with 1, 2, 3 or 4.

1 – Imperative

2 – Important

3 – Would Be Nice

4 – Not important or not applicable

_____ Strategic Alliances for Co-Branding

_____ Strategic Alliances to Serve National Customers

_____ Community-based Alliances

_____ Alliances with Your Competition

_____ Alliances with Competitors to Open New Markets

_____ Strategic Alliances for Buying Parity

_____ Alliances with Competitors to Build an Industry

_____ Strategic Alliances to Beat Competition

_____ Alliances to Block New Competitors

_____ Strategic Alliances for Product Development

_____ Strategic Alliances for Research

_____ Strategic Alliances for Manufacturing and Construction

_____ Strategic Alliances Between Private Business and State-Owned Foreign
Businesses

_____ Strategic Alliances for Distribution

_____ Strategic Alliances with Your Customers

_____ Strategic Alliances with Your Suppliers