

MASTER OF INTERNATIONAL BUSINESS (M2 MIB)

Titre du Cours :	Development of Partnerships and Networks (G2MIB72)
Course Title:	
Heures :	20h
Lecture hours:	
ECTS Credits:	3

➤ **PRE-REQUIS / PRE-REQUISITE**

This course is following the lecture; strategic alliances

➤ **OBJECTIFS PÉDAGOGIQUES DU COURS / LEARNING OBJECTIVES**

The main goal of this course is to provide strategic and operational knowledge about the main phases in the formation and management of alliances.

➤ **CONTENU DU COURS / DESCRIPTION OF THE COURSE**

Alliances and networks consist of various forms of organization that corporations use to reach their goals through cooperation with other firms owning assets and capabilities that they lack.

These forms of organizations have developed considerably in the past 30 years, in all industries and regions, but especially with companies having strong international and technological orientations. They play an important role in virtually any business and corporate strategy. This course aims to present the main concepts and frameworks concerned with the management of alliances and networks, with a special emphasis on technology-oriented agreements.

This course will take a dynamic view at the strategic and managerial issues confronting alliances and networks. Indeed, the key issues will change according to the evolution and maturity of the cooperative agreements: preparation or formation phase, implementation, turnaround and termination.

➤ **LISTE DES SUJETS OU RESUME DES SÉANCE/ TOPICS OF EACH SESSION OR SUMMARY OF THE COURSE**

The course will address the critical phases of the alliance life cycle,

- Preparation and partner selection: Entering into an alliance or a partnership should not be an opportunistic move. It should result from sound strategic reasoning.
- Formation: An alliance or a partnership is a framework for coordinating the use of resources. It could be set either for the medium or the long term but it always requires some type of commitment from the partners.
- Implementation and operation: Signing the deal is certainly not the end of the process. Instead it is the beginning of a critical phase in the life of the venture. The implementation of an alliance means ensuring that the organization has been designed properly, that communication channels will remain open, and that parents' expectations stay compatible as time passes and the business environment changes.
- Termination and closure: Alliances and networks are generally not supposed to be open-ended arrangements but temporary ones. Serious problems occur when the termination process has not been anticipated. Poorly managed separation can end up causing considerable damages to partners.

CLASSES

The course will be delivered during sessions taught on campus at the IAE in Nice. Each session is described in the next section of this syllabus. Session descriptions include the name of the case study that students must obtain, read and the study questions they must be ready to discuss in class.

Francis Bidault, Managing Joint Innovation: how to balance trust and control in strategic alliances, Palgrave Macmillan, 2012 (ISBN 978-0-230-27997-1) covers the content of the course to a large extent. It is required reading. This book will be referred to as “Managing Joint Innovation: Chapter x”.

ON CAMPUS SESSIONS

Session 2.1

Session topic: Strategy Formulation and Partner Selection

Reading: Managing Joint Innovation: Chapters 6
Lafarge Holcim article (class discussion)

Team presentation: To be announced later

Session 2.2

Session topic: Alliance formation

Reading: Managing Joint Innovation: Chapter 7
Article busting innovation myths (class discussion)
Collaborate with your competitors and win (HBR)
Open innovation article (HBS R0210F)
Study Questions:

- Which are the benefits of open innovation for a company?
- Which tools a company might use to develop open innovation?
- Which are the risks linked to the development of open-innovation?

Team presentation: To be announced later

Session 2.3

Session topic: Alliance Operation and Turnaround

Reading: Managing Joint Innovation: Chapter 8

Case (to prepare): Case Credit Suisse Gerson Lehrman (HBS 409 046)

Study Questions:AQ

- What are the reasons CS wanted to do an alliance with GLG? Risks involved.
- What are the reasons GLG wanted to do an alliance CS? Risks involved.
- Does this alliance favor one or the other of these two firms?
- What do you think the challenge will be in making this alliance work?
- Does the alliance seem more or less attractive to you in light of the market conditions described at the end of the case?

Team presentation: To be announced later

Session 2.4

Session topic: Alliance recovery and termination

Reading: Managing Joint Innovation: Chapters 9

Case study: Aegis Analytical corporations (NA0117)

Study questions;

- Evaluate Aegis's strategy for forming alliances to market its products. Why did Aegis form the alliance in the first place?
- What was its motive for entering each?
- In terms of managing the relationship with each company, what has been the effect of Aegis partnering with larger companies?
- What are the objectives for Honeywell or Rochwell for maintaining the alliances?
- What are the advantages and disadvantages of each contract's provision for Aegis?
- Now that the alliances are more than one year old, what is the reason that neither alliance has resulted in a sale of Aegis's product?
- What are Aegis's options regarding these alliances? Which option should it select?
- What changes might Aegis make beyond those pertaining to these two alliances?

Team presentation: To be announced later

Session 2.5

Session topic: Monitoring relational quality: Chapter 10

Reading: Managing Joint Innovation: Synthesis

Team presentation: To be announced later

Exam

➤ **METHODES D'EVALUATION (CONTROLE CONTINU) / EVALUATION AND GRADING**

PLEASE CHANGE (THE TOTAL OF GRADING MUST BE 100%)

Case study write-up (50%)

Durin exam, participants will be requested to write a 1-page analysis of a case study studied during the lectures on a question assigned by the instructor. The case write-up will last 1 hour. Participants will be allowed to consult any reference material (books, article or case studies). A clear, unambiguous, straightforward answer to the question is expected. Students will have to demonstrate their understanding of all frameworks and theories taught in class and presented in the required readings, as they apply the relevant ones to the case study.

Group project (20%)

Participants are invited to form teams of 3-4 members to prepare a 1 hour presentation on a strategic alliance or a partnership set up to develop and commercialize a new technology or product/service. The case study selected must be based on original research. It can make use of secondary sources such as academic articles, business press pieces, or internet searches. But it must not be using a case study already published by a business school (HBS, IMD, INSEAD, Ivey, Darden, etc.). Teams will prepare a report on the following three points: (1) the purpose of the cooperative arrangement (of any legal or financial form) (2) the key challenges confronted by the partners, and (3) the effectiveness of the alliance/partnership in terms of its ability to build relational quality. A presentation (PowerPoint) to the whole class (1 hour, followed by Q&A) will be made by each team in one of the following sessions to be chosen in coordination with the instructors.

Class attendance and participation (30%)

For the benefit of each of us the class is expected to be very interactive. You are expected to read the book chapters or articles beforehand in order to be able to raise questions about your readings during the lecture, The case example given in each chapter will lead to a class discussion.

Case studies; you are expected to read the case beforehand and prepare the questions listed with your group, in order to be able to participate during class discussions. Groups will randomly be asked to explain their answers.

➤ **REFERENCES BIBLIOGRAPHIQUES / BIBLIOGRAPHY**

There are no additional readings required beyond those specified for each session (in the detailed course syllabus).

Participants may want to read any of the following books:

Africa Arino, Jeffrey Reuer, Strategic Alliances: governance and contracts, Palgrave Macmillan, 2006, ISBN: 978-1-4039-9592-6

John Child, David Faulkner, Stephen Tallman
Cooperative strategy managing alliances, networks, and joint ventures
Oxford University Press, 2nd edition, 2005, ISBN: 0199266255

Harvard Business Review on Strategic Alliances
Harvard Business School Press, 2002, ISBN: 1591391334

James D. Bamford, Benjamin Gomes-Casseres, Michael S. Robinson
Mastering Alliance Strategy: A Comprehensive Guide to Design, Management, and Organization,
Jossey Bass Business and Management Series, 2002, ISBN: 078796462X

Ranjay Gulati
Managing network resources: alliances, affiliations and other relational assets, Oxford University
Press, 2007, ISBN: 0199299854

Steve Steinhilber, Strategic Alliances: Three Ways to Make Them Work, Harvard Business Press,
2008, ISBN: 978-1-4221-2588-5

Yves Doz and Gary Hamel;
Alliance advantage, the art of creating value from partnering