MASTER OF INTERNATIONAL BUSINESS
(M2 MIB)

Titre du Cours : **Strategic Alliances**
Course Title: **(G2MIB71)**

Heures : 20h
Lecture hours:
ECTS Credits: 3

➢ **PRE-REQUIS /** *PRE-REQUISITE*

This course is made up of two parts: Strategic alliances, followed by Development of partnerships and Networks

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

The main goal of this course is to provide strategic and operational knowledge about the main forms of alliances and networks and their managerial requirements.
This course will take a dynamic view at the strategic and managerial issues confronting alliances and networks. It will address the strategic options to be considered by companies contemplating grow on a global perspective.

➢ **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.

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

Before considering the critical phases of the alliance life cycle, the course will introduce a theoretical framework for understanding and managing alliances and network arrangements.
- Managing the cooperative relationship requires both trust and control. The course will discuss how these complex concepts are relevant for understanding and guiding the management of alliances and network.
- The course will then introduce a new construct that combine trust and control, "Relational Quality", and will show that it is a key driver of alliance success and therefore a useful basis for the measurement and monitoring of the alliance over its life cycle.
- We will then examine how relevant Relational Quality is at each phase of the life cycle. We will discuss how trust and control help address the challenges that are specific to each phase: Strategy Formulation and Partner Selection, Alliance Formation, Alliance Operation and Turnaround, Alliance Termination. A session will be devoted to each of these phases.
- Next, we will discuss the influence of trust and control over creativity, innovation and performance in technology partnerships.
- Finally the course will propose a detailed model for monitoring and managing Relational Quality in co-development ventures.

The course will rely extensively on case studies to help formulate and illustrate the concepts and frameworks introduced in this course.

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 1.1

Session topic: The Alliance Management Agenda

Reading: Strategy reminder
                  Build borrow or buy article (class discussion)

Session 1.2

Session topic: The era of alliances

Reading: Managing Joint Innovation: Chapters 1

Case (to prepare):   UTV and Disney a strategic alliance (Ivey 910M43)

Study Questions:
- How could UTV become a 5bn to 10 bn Rs company? Please list the strengths and weaknesses of the three options mentioned; internal growth, partnership for international growth, external growth.
- How would an alliance with Disney give UTV an edge in its international operations?
- What are the advantages and disadvantages in going ahead with a strategic alliance with Disney?
- Strengths and weaknesses of UTV with regards to fast growth. Should UTV go for internal growth or global expansion? (SWOT)

Session 1.3

Session topic: Cooperation casualty

Case (to prepare):   Fiat Chrysler alliance (HBS 9-611-037)

Study Questions:
- Strengths and weaknesses of Fiat GM alliance
- Strengths and weaknesses of Chrysler Daimler alliance
- Explain the FIAT Chrysler deal; finance, governance, SWOT
- Which are the key success factors?
- Assess Marchione first year on the job, what grade would you give him?
- Which are the key actions to take during the first 3 months?
- What do you like or dislike in Marchione's management?
- The launch of the Fiat 500; explain the decisions,
- Beyong Fiat 500 launch, what is still missing from a management perspective ?

Reading: Managing Joint Innovation: Chapters 2, 3
Team presentation: To be announced later

Session 1.4

Session topic: Relational Quality as a key success factor

Reading: Managing Joint Innovation: Chapters 4

Team presentation: To be announced later

Session 1.5

Session topic: Alliance life cycle

Reading: Managing Joint Innovation: Chapter 5

Case (to prepare)   Royal Dutch – Shell (HBS 704 040)

Study questions:
- What are the most important differences between international oil and gas markets? How is Russia situated in those markets?
- How much protection do production sharing agreements (PSAs) provide for foreign investors? Why are PSAs so controversial in Russia?
- Should Shell managers proceed with Sakhalin II, and invest in Russia, despite the fact that project's legal issues have not yet been resolved? How can Shell's managers mitigate the risks associated with this project?

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 1hour. 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