Strategic Alliances: Alliance Capabilities

Report

ARCH meeting, January 19, 2015

ARCH-SCAR meeting, January 20, 2015

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1. Context

ARCH

The joint EIARD SCAR Strategic Working Group ARCH - European Agricultural Research towards greater impact on global CHallenges - wants to improve linkages between Agricultural Research and Agricultural Research for Development. It aims at identifying and working towards ways to increase the contribution of European Agricultural Research investments to the solution of global challenges. As part of the 6th meeting of the ARCH working group, Co-Capacity was invited to sensitize members on the importance of developing international alliances. More specifically, the attention was focused on the alliance capabilities needed within the respective alliance partners to make any alliance successful. The workshop was facilitated by Koen Beelen (Co-Capacity) and Ivan Kulis (ECDPM)

Previous work for ARCH

In January 2014, Koen Beelen (Co-Capacity) has delivered the "Study outlining functions and contents of a proposed Knowledge Management System". This study explores the functions and contents of a proposed Knowledge Management System (KMS) in support of ARCH. The KMS covers the main areas of knowledge creation and exchange that are relevant to the policy processes important for ARCH:

1. Foresights, identification (of trends and developments) & policy priorities
2. Policy making, programming & funding allocation

The KMS integrates knowledge creation and exchange from important networks, main events and information systems. The study concludes with four toolkits to support ARCH developing and maintaining its Knowledge Management System for improved coordination of European AR and ARD.

2. What are alliance capabilities?

Alliance research today

An alliance is a voluntary, long term, contractual relationship between two or more autonomous and independent organisations, designed to achieve mutual and individual objectives by sharing and/ or creating resources. Alliance is a broad term that includes an ample range of collaboration configurations, including joint ventures, partnerships, co-makership, co-creation efforts, multi partner alliances, public private partnerships, consortia (Arino et al. 2001).

Over the last two decades, strategic alliances have become one of the main modus operandi of organisations around the world. They are not only one of the cornerstones of private companies' competitive strategies, but are also considered very valuable in international cooperation and development.

However, performance differences among organisations, in terms of strategic alliances, can vary significantly. While some organisations are consistently successful in their alliances, the others encounter systemic difficulties in managing their alliances. While the bulk of the research on this topic is related to the private sector, we expect that organisations active in international relations and development encounter similar challenges. There has been a lot of research that tried decoding

the reasons behind such large differences in alliance performance, but so far we have surprisingly little insight into factors that could explain such variations.

Alliance capabilities defined

One of the most promising research streams in this regard is the Alliance capabilities research. It has shown that intra-organisational alliance capabilities prove to be the key success factor of success for the development of strategic alliances.

We understand alliance capabilities as "organisational learning routines, infrastructure and standardized processes that support the organization in formation, operation and evaluation of its alliances." (T. Saebi, 2011).

Listing alliance capabilities

Organisations adopt various solutions to develop their alliance capabilities. At the workshop, we have presented various practices for alliance capabilities clustered in learning routines, functions and processes.

Learning routines	In-house alliance training; external alliance training; culture programme; intercultural training; in-house knowledge; formal experience exchange; alliance management development programme; best practices; competency framework; intranet
Functions	In-house alliance training; external alliance training; culture programme; alliance department; alliance managers; alliance specialists; vice president of alliances; local alliance managers; gatekeeper; rewards for alliance managers; mediators; financial experts; legal experts; consultants
Processes	Individual evaluation; joint evaluation; cross-alliance evaluation; alliance metrics; alliance handbook; standard partner selection; approval process; alliance database; partner programme; partner portal; joint business planning; country-specific policies

3. Workshop process and discussions

The ARCH session was a mini-workshop, while the ARCH-SCAR session was mainly a presentation with limited time for reflection. The PowerPoint presentations have been made available to the organisers of the meetings.

ARCH workshop

During the ARCH workshop, the participants were invited to reflect on some of the key alliance practices from their experience.

The ARCH group indicated partnerships such as ARCH itself, CRAI, Agrinatura, EIARD, Euragri, ERA-Nets, Finnish Ministry funding for development, and Pacioli as positive alliance experiences.

The ARCH group also reflected on the key catalysts and barriers in building successful alliances.

Alliance enablers	Shared alliance objectives; capacity of individual partners to manage alliances well; rigorous evaluation mechanisms; good partnership facilitator, organisational flexibility
Alliance barriers	Rigidity and reluctance to negotiate compromise; limited capacity of individual partners to manage alliances; lack of focus and institutional drive; supply-driven alliances

SCAR presentation

Koen Beelen presented the alliance capabilities and practices to the SCAR members. During the presentation, there was a short discussion around the following points:

– Trust issue in alliance management is important, especially as lot of AR and AR4D partnerships are happening on international level.
– Good and proactive alliance coordination and leadership is vital for success.
– Successful partnerships have shared vision and agreed governance models. They are rooted in a good partner selection process, as it can guarantee the "partner fit".
– Social dimension of the partnership should also be managed adequately, in order to create a sense of trust and reciprocity.

4. Conclusions and next steps

Both ARCH and SCAR members were aware of the challenges in managing partnerships. For example, what are the alliance practices and capabilities in AR and AR4D consortia - especially when private sector organisations are involved? Also, the idea of being able to quantify the added value of an alliance was picked as interesting.

The discussions that took place during the rest of the sessions mentioned, among other things, the option of mapping the global institutional dynamics in the area of AR and AR4D.

From the perspective of the facilitators, we believe that raising awareness about the alliance criteria, skills, and practices would add value to ARCH and SCAR efforts.

We propose a two-step approach for follow-up:

– **Step 1:** *identify key strategic alliances in AR/AR4D arena*.
– **Step 2:** *identify what alliance capabilities are in place within these alliance partners, and identify which capabilities within the respective partners could be strengthened in support of a successful alliance. This may include ARCH as an alliance.*