***DEPARTMENT OF BUSINESS ADMINISTRATION***

***IMBA PROGRAM***

***COLLEGE OF COMMERCE***

***NATIONAL CHENGCHI UNIVERSITY***

***CROSS BORDER STRATEGIC ALLIANCES***

***2014***

**A. Instructor: Professor William Reinfeld**

**E-mail: wreinfeld@ew-alliances.com or** [**wreinfeld@aol.com**](mailto:wreinfeld@aol.com)

**Phone: (M) 0938 009 019**

**Class Hours: Mondays and Thursdays: 7:10 pm-10 pm; Saturdays: 9:10 am – 5 pm**

**Office Hours: By appointment**

**B. Reading Material**

1. Lecture Notes, by William Reinfeld
2. Cases:
   * “Citibank’s Co-operative Strategy in China: The Renminbi Debit Card”, U of Hong Kong, HKU806
   * “Alpha Gearing Systems Co., Shanghai Ltd.”, Ivey School of Business, 9A99C014

* “Richmond Engineering in China”, Ivey School of Business, 9A97G021
* “Shanghai GM: Rise of a Late-Comer”, HKU395
  + “Renault-Nissan: The Challenge of Sustaining Strategic Change”, Thunderbird School of Global Management, TB0047
  + “Google’s Android: Will It Shake up the Wireless Industry in 2009 and Beyond?”, Stanford Graduate School of Business, SM176
* “Innovation without Walls: Alliance Management at Eli Lilly”, Ivey School of Business, 9B07M015
* “Chongqing Peace Medical Corporation Ltd. (B): Charting A Strategy in China’s Changing Health-Care Environment”, U of Hong Kong, HKU864
  1. Articles:
* “Simple Rules for Making Alliances Work”, by Jonathan Hughes and Jeff Weiss, HBR, Nov., 2007
* “Past Lessons from China’s JV’s”, McKinsey Quarterly, Dec., 2010
* “Cisco: Alliances for Economic Performance”, by Norma Watenpaugh, Best Practices Case Studies of ASAP, Jun., 2004
* “Negotiating Strategic Alliances”, by Michael Watkins, HBR, Jun., 2002
* “The Chinese Negotiation”, by John L. Graham & N. Mark Lam, HBR, Oct., 2003
* “China Partners”, by R.A. Kenevan and Xi Pei, McKinsey Quarterly, 2003, No. 3
* “Managing Alliances with Balanced Scorecards”, by Robert S. Kaplan, Asis Martinez-Jerez, and Bjarne Rugelsjoen, HBR, Jan-Feb, 2010
* “With Friends Like These: Art of Managing Complementors”, DB Yoffie & M Kwak, HBR, Sep, 2006
* “Competitive Advantage in Constellations”, by Benjamin Gomes-Casseres, Strategic Organization vol. 1(3): 327-335, Aug., 2003
* "How to Manage Alliances Better than One at a Time", by Ulrich Wassmer, Pierre Dussauge, Michael Planellas, MIT Sloan Management Review, Spring, 2010
* “The Meaning and Importance of Leadership in Strategic Alliances”, by William Reinfeld, Advances In Global Leadership, Volume 5: Oxford: Elsevier / JAI, 2009

3. Selective Readings from Books

* + Alliance Advantage: The Art of Creating Value Through Partnering, Yves L. Doz and Gary Hamel, HBS Press, 1998
  + Strategic Alliances: Three Ways to Make Them Work,, Steve Steinhilber, Harvard Business Press, 2008

C. Course Objectives

The course is aimed at providing participants with insights into the concept of cross-border strategic alliances (CBSA) and how to create and manage them. Course goals are to: expose students to important considerations in pursuing and implementing strategic alliances; stimulate analytical thought about alliances by applying these concepts in case studies; and apply what has been learned in class to real situations through individual class projects. Although the course is focused on business collaborations, it provides many lessons that are applicable to cross-border collaborations in other contexts, such as geopolitics.

We will begin by looking at global strategies of organizations and identifying capabilities required to implement these strategies successfully. Comparisons will be made among the various options organizations have for bridging the “capability gaps” that keep them from achieving their global strategies. Namely, we will consider the differences between alternative options such as M&As, building capabilities internally and collaborations. The bulk of the course, however, will focus on collaboration among organizations across international borders as a means of creating value and achieving strategic objectives. We will explore how organizations identify and evaluate potential partners, how they negotiate alliances, how successful alliances are designed and how they should be managed. We will extend what has been learned by applying these lessons to real situations by means of case studies and projects.

**D. Grading**

The course will consist of assigned readings that will be discussed in class. The professor will make presentations on the subjects to be covered, however students are expected to participate in the discussions. Case studies will be assigned and discussed during class with student participation expected. Each student will participate on a team in preparing and presenting a project in class. Projects will be evaluated on the basis of how well the course material has been applied to real situations and how well the project is presented by the team. Final exam will consist of questions concerning pre-assigned case study plus some questions seeking to determine whether you grasp the subject taught. An outside expert who has personal experience in the formation or management of strategic alliances may be invited to address the class

Grades will be determined as follows:

20% class participation (including attendance)

40% project

40% final exam

CLASS SCHEDULE

|  |  |  |  |
| --- | --- | --- | --- |
| Session | Content | Readings  (before class) | **Case**  **(Prepare)** |
| 1  Mar 17 | I. Introduction to CBSA What are CBSAs   * Why are they important? What’s different about them? How well have they performed? * Some reasons for success and failure   Strategic Foundations of CBSAs   * What is strategy? * How it relates to CBM&A and to CBSA   Value Creation through Alliances   * + Different strategic intents / configurations   + Key success factors / Assessing quality | * Notes: I. Introduction: 1-77 * Alliance Advantage pp.1-56 |  |
| 2  Mar 20 | II. Pursuing a CBSA Finding/Selecting Right Partner   * + Importance of right partner   + Process of selecting partners * Compatibility/Complementarity * Making the selection | * Notes: II Pursuing CBSAs 1-72 * *“Simple Rules for Making Alliances Work*” * *“Past Lessons from China’s JV’s”* * *“Cisco: Alliances for Economic Performance”* | *“Citibank”* |
| 3/4  Mar 22 | Designing/Negotiating a CBSA  * Preparation for negotiations / negotiating SA   + - * Enablers of cooperation * Structure/Scope/Timetable/Governance * Management Agenda | * Notes: III. Managing CBSAs: 1-36 * *“Negotiating Strategic Alliances”* * *“The Chinese Negotiation”* * *"China Partners”* | *“Alpha Gearing”* |
| 5  Mar 24 | Managing a CBSA  * Measuring progress * Managing the relationship * Making adjustments | * Notes: III. Managing CBSAs: 37-73 * *"Managing Alliances with Balanced Scorecards"* * *“With Friends Like These: Art of Managing Complementors”* | “*Eli Lilly*” |
| 6  Mar 27 | Alliance NetworksManaging Alliance Portfolios and Multiple Alliances  * Aligning SA objectives and strategies * Institutionalizing SA management | * Notes: III. Managing CBSAs: 74-80 * *“Collective Competition"* * *"How to Manage Alliances Better than One at a Time"* | “*Shanghai GM”* |
| 7/8  Mar 29 | Alliance Leadership/Review /Visiting Lecturer | *“Meaning and Importance of Leadership in Strategic Alliances”* |  |
| 9  Mar 31 | Project Presentations/Discussions |  |  |
| 10  April 3 | Project Presentations/Discussions |  |  |
| 11  TBD | Final Exam | Case to be assigned beforehand |  |

**Project**

**Assignment: Describe and analyze a particular CBSA**

**Teaming: Teams of up to 4 people allowed**

**Reporting: Written Report of 5- 10 pages plus Classroom Presentation 45 minutes**

**Outline:**

**I. Pertinent background on partnering companies/industry – 10%**

**II. Strategic objectives of the alliance – 10%**

**III. How it was formed – 20%**

**- Thinking that led to decisions; How partners were chosen; Negotiation process**

**IV. Structure of the alliance – 10%**

**- Key elements and responsibilities**

**V. Management and Governance – 20%**

**- Challenges, tasks, approach**

**VI. Overall assessment – 30%**

**- What was good? What was bad?**

**- Conclusions; Recommendations**

**Grade: 40% of Final Grade; 30% team effort, 10% individual**

**Schedule: Formation of teams – March 17-20**

**Proposal outlining intention and approach – email to professor prior to March 27**

**Class Presentations of preliminary hypotheses/findings/results– March 31**

**Written report – emailed to professor - June 1**