

# Simple rules

Law



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Simple rules for Making Alliances Studies show that the number of corporate alliances account for nearly 3 of many companies revenue and value. The failure of alliances however continues to be on the rise calling for experts' advice. The conventional advice from the expert is as therefore needed. To begin achieving reliably higher success rates with their alliances, the companies need to shift their focus to five principles that complement the conventional advice from the experts. The principles include; - placing more emphasis on;- defining the right business arrangement, creating ends metrics, eliminating differences, establishing formal alliance management systems and structures and managing external relationships with partners. The companies should also put more emphasis on;- developing the right working relationship, creating means metrics, embracing differences, enabling collaborative behavior and managing your own internal stake holders.

Solving of differences in the company should be given the highest priority. Because spending a lot of time and retention on reaching agreement sends the message that differences are bad, tends to drive conflict underground.

The eye of the Beholder

An alliance between Hewlett-Packard and Microsoft

There were differences in the contract

In the solving of the difference Hp exhibited the following strengths; -

General expertise related to complex-solution selling to enterprise customers, tends to focus on long term objectives and opportunities, good at minimizing risk in complex situations through careful analysis, in difficult circumstances, it is likely to find the creative solution that others might miss and it is good at understanding and focusing on customer needs and building

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close durable relationships.

On the other hand Microsoft's strengths were; - technical and support knowledge about exchange, which is essential to successful enterprise solution sales, it has disciplined focus on short term objectives where the objectives could have taken much time to get accomplished, good at capitalizing on opportunities by making decisions quickly, it is unlikely to waste time and effort when the standard answer or solution provides the optimal balance of performance and value and lastly it was good at identifying and responding to competitive threats.

From the above scenario we need to look critically at the advice that executives get in relation to their companies. It is the time that the executives realized that alliance management is facing a crisis. In the recent past, companies have been forming alliances and relying on them solely for their growth. What is discouraging is that more than half of them fail. The managers have not been getting wrong advice but the advice is not complete. According to Fred Hassan, the CEO, Schering-Plough, Alliances require ways of working with partners that are very different from what is required in the traditional business relationships. The future will belong to those companies that embed alliance management capabilities into the fabric of their culture and how they do business. However, companies have greatly improved their alliance success rates. This has been achieved due to the incorporation of the principles above.

Work Cited

Hudges, Jonathan & Weiss, Jeff. (November, 2007). Simple Rules for Making Alliances Work. (Harvard Business Review). hbr. org, p. 122-131.

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