

BOOK REVIEWS

Spekman, Robert E., Isabella, Lynn A., with MacAvoy, Thomas C., *Alliance Competence, Maximizing the Value of Your Partnerships*, John Wiley & Sons, New York, 2000, hb, 304 pp, ISBN: 0-471-33063-9.

The lure of alliances is their strategic potential, yet over 60% fail and many do not reach their full potential. Despite considerable research in this area, the majority of organisations still lack the necessary wherewithal to succeed. The authors equate much of alliance failure to an organisation's lack of alliance competence, that is, firms make many errors in their management of alliance components: people, skills, supportive infrastructures, and enabling processes. The authors perceive the alliance management process as a "critical but unrecognized variable". Their basic premise is that firms with alliance competency will outperform other firms and obtain a sustainable competitive advantage.

This book is a logical and interesting read on alliance competency. In the first few chapters, the authors unfold a staged framework to obtain alliance competence. This framework links the characteristics of each alliance's life cycle stage with its relevant and key: business activities, relationship activities, managerial role, business and relationship skills, and possible disturbances (entitled static) and their impacts. Along with the balancing of business activities and relationships, the authors stress and detail other major elements necessary to the achievement of alliance competence, such as the establishment of an alliance spirit, the utilisation of a pre-emptive conflict management technique entitled the *No Blame View* (developed and introduced in this book by the authors), an established learning culture, and the qualification and training of suitable alliance managers. The authors also discuss the impact of alliance barriers present in a firm's internal, within-alliance, and external environments.

Of particular significance are the characterisation of the best alliance managers, which is also insightful into the necessary organisational mindset for alliance success, and the introduction of the *No Blame View* (NBR) process. Managers are described as multi-faceted individuals who have honed general management skills and “think differently and see the world differently”. As well as having a learning mindset, managers need visionary and multi-dimensional thought-processes in order to manage a firm’s relationships, structure, processes, evolution, and environment. In the NBR process, the ground-rules are explicitly laid down by the authors. It is not a routine review – it occurs only when the alliance is faced with a significant event or some type of unease has been flagged by one or both partners. The NBR is a process in which managers objectively review the health of the alliance. As its name implies, the NBR involves objective and non-value-laden individuals who lay their cards face-up on the table.

Unlike other works in this field (see, for example, Child and Faulker 1998), this book’s content does not present in-depth coverage of the variables and various theories underlying organisational and inter-organisational studies, rather the authors present a basic yet comprehensive guide to the variables involved in achieving alliance competency. This book draws together the authors’ own considerable experience and research, as well as this discipline’s known academic research. Based on an evolutionary model of inter-organisational relationships (Dwyer *et al.*, 1987; Borys and Jemison, 1989), the authors’ framework involves who, what, when, where, and why issues for each life-cycle stage. Many diagnostics are presented for managerial use, in order to promote discussion and measurement of an organisation’s stance on factors influencing alliance competence. The presentation of real-world examples and empirical data results enhance the reader’s evaluation of the authors’ approach to building a successful alliance.

Readers should not mistake this book as having relevancy for only US firms. Although, the major quantitative survey was heavily representative of the Americas (85% of responses were from the Americas with only 15% from Europe), the authors balance this with many examples of European alliances. The impact of diversity in cross-national alliances is also discussed. However, it is uncertain how well the service industry is represented in the quantified study, hence, caution is warranted in applying these results to this sector.

Do alliance-competent firms outperform other firms and obtain a sustainable competitive advantage? Although the reviewer believes the authors' basic premise has support, it is uncertain if the quantitative data presented on the differences in alliance skills, partnership preparation, and alliance importance are truly indicative of higher-performing firms. A quantitative comparison with performance results would have made the differences' results more compellingly and lend stronger support for the book's premise. Of some concern is that actual, cost-based measures of performance were not used. Although end-use customer performance measures are critical, so too are those tangible, economical ones. Hence, results should be analysed with this in mind.

In conclusion, the reviewer recommends this book to managers who want a practical and diagnostic tool to building and managing *close, collaborative* alliances with other firms. Its framework and diagnostics differentiates this book from other works on building successful inter-firm relationships. Using a simple yet comprehensive approach, the authors leave the reader in no doubt as to what he/she is getting into – the potential that's there and what it will take to realise that potential.

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