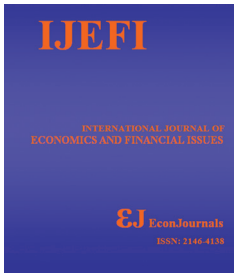

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# Strategic Alliances: Industry-specific Characteristics of the Achievement of a Competitive Advantage

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**ABSTRACT**

The article examines factors that motivate companies to join strategic alliances. It is shown that the factors appear in the analyzed industries in varying degrees. Industry-specific characteristics of strategic alliances are examined, and their development trends in specific industries are registered. The article includes examples of strategic alliances between companies and the review of goals of cooperation within strategic alliances in basic industries. It is proven that companies that originate in U.S.A., countries of West Europe, and Japan, create dominant number of strategic alliances.

**Keywords:** Strategic Alliances, High-technology Industries, Industry-specific Characteristics
**JEL Classifications:** F2, R11

## 1. INTRODUCTION

Strategic alliances are a new phenomenon, both in international and national relations between the companies. The reasons, which have some companies, entering the strategic alliances, based on two basic motivations - A desire to survive in difficult circumstances and to achieve a competitive advantage. The cooperation in the framework of strategic alliances based on mutual benefits of companies as a result of teamwork: An ability to reduce the costs of innovation, to reduce the time for creating or improving the high-tech products, to share technological and financial risks, to create stable channels of knowledge and technology transferring. One of the main motives for the formation of strategic alliances are research and development of new high-tech products, and creation of new, competitive technologies. It is notable that nearly 50% of companies actively integrate some financial and intellectual resources of their partners and use this partnership for research projects (Karasuk, 2004). In such cases, the main motive for participation in this alliance is a growth of the value of research into high-tech industries, raising of the risk of new technologies' implementation, the intensification of technological processes, the ability of relevant usage of scientific and technological achievements of their partners with relatively low cost.

In Russian scientific literature the industry-specific characteristics of strategic alliances hardly ever have been described. However, it is obviously clear that it is a tendency of creation the strategic alliances in some industries.

In recent decades the strategic alliances were actively investigated as "an important tool for the global corporate growth" (Inside the Mind of the CEO, 1998). In the middle 1980$^{th}$ and 1990$^{th}$ the strategic alliances have been considered as a perspective form of international inter-firm co-production and scientific-technical cooperation of high-tech companies in the conditions of competition growth and unstable market situation (New Patterns of Industrial Globalization, 2001; World Investment Report, 1995; Hagerdoorn, 1994). According to its nature, the strategic alliances have become an important tool for TNCs to increase competitiveness in a dynamic international business environment.

Strategic alliances are flexible mechanisms for cooperation between firms, which provide efficient usage of the strengths of the partners to solve strategic problems, which give some competitive advantages for every partner on account of collective operation of resources (Vladimirova, 2001). It is obvious that the help of alliances some large and medium-sized firms quickly adapt for changes in technology, they carry out technological challenges

at the connection of industries, and they also overcome borders of countries and economic unions and explore overseas markets.

The companies, which trying to adapt to nowadays environment, use different forms of cooperation, and as a result the cooperation goes the inter-firm level to the network levels. As a result "the modern inter-firm partnerships form a new model of competition, reshaping the industry and changing its boundaries, generating more complex forms of competition" (Gomes-Casseres, 1996). According to the ideas of the researchers from the Wharton School of Business Henan and Perlmutter "international firms which compete on a global scale should cooperate on the same scale" (Baraevik and Kanter, 1994).

At the same time, some researchers (Gomes-Casseres, 2000) noted the high failure rate of strategic alliances' activities which associated with the inability to achieve the goals or weak partner alignment.

In accordance with the results of the research Garrett and Dussoza a proportion of 41% of alliances leads to an improvement in the competitive position of one partner by the other, and only 1.5% of cases, improving the competitive position of all participating partners (Garrett, 2002). Research, conducted by Parise and Casher, identified that 30% of the existing relationships between the partners of TNCs are able to provide a positive synergistic effect, 25% - negative synergistic effect and in 45% of cases there is no interaction between the partners (Parise and Casher, 2003).

## 2. METHODOLOGY

Theoretical basis of this research based on the following scientific schools.

The theory of transaction costs. The researchers of this school, Williamson (1991), Buckley and Casson (1988), Kogut, (1988), were able to explain the motives of forming alliances of organizations on the basis of low costs for the implementation of operations in the framework of a hybrid (competitive and cooperative) forms of interaction. However, this approach have not yet managed to develop some mechanisms to monitor how these costs, as the main indicator of the efficiency, decrease in the activities of the alliance and how it affects on the agreement of alliance (how they redistribute the benefits between the partners).

Resource-based theory explains the desire of companies to cooperate with the maximization of the value of complementary assets of the partners through the sharing of unique knowledge in a business combination to the alliance. Some researchers of this school, Pfeffer (1977; 2003), Salancik (1986), Hamel (1991), offered some approach to the assessment of the compatibility of partners and explained the reasons for cooperative interaction. However, they didn't elaborate any method of constructing an alliance to maximize the synergy effect of partners.

The theory of industrial markets showed the dependence of the formation of alliances from the external environment and the impact of alliances on the situation in the industry. However, some empirical researches of scientists such as Rolander (1983), Gullander (1976), Hagedoorn (1996), Auster (1992) and others, contributed a great investment to the understanding of the laws of the formation and development alliances, they explained the background of firms to changes in the degree of vertical and horizontal integration through the alliance agreement, but there was not proposed a model to explain the configuration of the alliance and the choice of the form of the contract, which determines the way of interaction between the partners.

School of strategic management considered the alliance in the terms of capacity, which appear at the disposal of the manager at the establishment and functioning of the alliance to implement its strategy, which is shown at the researching papers of Geringer and Hebert (1989), Harrigan, (1985), Osborn and Hunt (1974) and Baughn and Osborn (1990). However, there is no algorithm of the making decisions about the alliance or indicators to assess the effects in terms of economic feasibility and the subsequent adjustments of alliance's activities.

Thus, the existing researches of this issue do not completely reflect the essence of management processes of alliances as a part of the organizational strategy.

Nevertheless, this huge amount of researching papers of inter-firm cooperation doesn't elaborate one unique approach for the phenomenon of a strategic alliance. Moreover, there is still a shortage of theoretical researches of the problems of strategic alliances, as well as the problems of formation of systems for regulating their activities.

The developed approaches for defining the essence of strategic alliances based on various directions of economic theory. At the same time, some companies and strategic alliances are objects of the research in not only the economic field of research but also multi-discipline field of law, philosophy, sociology, psychology. Thus, the development of a complex view of the existence and perspectives of strategic alliances as a form of inter-firm cooperation requires further researching activities.

In our opinion, there are two main concepts which is the basis for understanding the preconditions for the formation of a strategic alliance and its other activities - This is the theory of transaction costs and the concept of "creative destruction" of Schumpeter. According to the theory of transaction costs strategic alliances is a mechanism to reduce costs for the organization of activities. Thus, some companies try to construct relationship with a partner that they have contributed not only to the construction of an optimal joint structure and allocation of resources, and minimize the effects of possible opportunistic behavior of one of the partners. Originally, representatives of the theory of transaction costs didn't distinguish strategic alliances as a form of economic relations, however, they pointed out a number of characteristics that are inherent in the organization of inter-firm relationships.

Thus, Coase noted that "the organization of the sector depends on the ratio between the cost of implementation of market transactions and the costs for the organization of the same operations within

the company that can accomplish the same task more effectively" (Coase, 2007). Williamson, who developed the theory of transaction costs, points to the key role of "attitudinal contracting" (Williamson, 1996), if it is possible to achieve perfect contracts, the parties of the contract could discuss all possible conditions and consequences; however, such contracts are impossible in principle or they are very expensive. Thus, from the basis of the theory of transaction costs, strategic alliances in certain cases is the best solution from the economic point of view.

The concept of "creative destruction" of Schumpeter based on point of the impossibility of achieving a sustainable equilibrium. The movement of the capitalist mechanism based on the formation of companies is fundamentally "new factors of production" (Schumpeter, 1982): The new consumers' goods, the new methods of production and distribution, some new markets and institutions. This constant process of "creative destruction" is restructuring the economic system from internal side. Schumpeter considered that the main subject of economic development is "entrepreneurial firms" which purpose is not to maximize profits but searching a unique strategic advantage based on product, process or organizational innovation. According to the concept of Schumpeter, a strategic alliance is acting as a new type of organization, promoting development on the basis of "creative destruction."

However, the main current theoretical approaches to the research of alliances, in particular "theory of international strategic alliances," "in-house theory of strategic alliances," "behavioral theory" can be applied when considering particular forms of strategic alliances. In the analysis of the practice of creation, development and functioning of the alliance the most appropriate approach based on more comprehensive usage of theoretical concepts, depending on the current economic situation and the environment (Bobina, 2006; Priemaiyer, 2005; Child, 2005; Contractor, 2002).

We share the position of modern researchers who define the alliance network (multi-brand alliances) as a union of more than two organizations, linked by formal and informal cooperation agreements (Yoshino and Rangan, 1995; Gomes-Casseres, 1996). Nowadays, in highly competitive external environment alliance network has gradually become one of the significant factors of competitive advantage, as well as winning and retaining leading TNCs leading position in the global market.

The extensive research involves the usage of a variety of common scientific methods: Abstraction, theoretical modeling, logical and analytical methods. With these techniques it is possible to determine the specific location of strategic alliances in the socio-economic environment.

The methodological basis of this research also consists of traditional methods, which are specific to the research of international relations' objects: The method of comparative analysis; systematic method, economic and statistical methods.

These methods provide the opportunity to determine the range of the most actual issues of strategic alliance to investigate the genesis of these problems, to identify their theoretical and economic basis.

## 3. RESULTS

One of the first authors, who selected the most popular sectors for strategic alliances, are Garrette and Dussauge. Based on some European research they distributed strategic alliances on the industries. According to this research of these authors in 2002 the industrial structure of strategic alliances was as follows: In the automobile industry - 24%; the aerospace industry - 19%; the telecommunications - 17%; the information and computer technologies - 14%; the electronic and electrical equipment - 13%; other industries - 13% (Garrette and Dussauge, 2002).

Thus, until 2002 the priority and the most attractive industries for strategic alliances are the automobile (24%), the aerospace (19%) and telecommunications (17%). It was determined by the following reasons.

Firstly, the developed structure of the industry and the ability to predict market's demand predetermined the higher production efficiency in the automobile industry.

Secondly, the development of strategic alliances in the area of transportation services, such as air transport, and aircraft, primarily due to globalization processes in the economy, which created the preconditions for the emergence of the international transport of aerospace companies. Moreover, there are some important factors which also can be considered as high level of competition, high industry standards, as well as high entry barriers in the industry. Thus, the participation of companies in strategic alliances engaged in the aerospace industry provide them an opportunity to diversify their operations and acquire new customers.

Thirdly, the increasing distribution of strategic alliances in the telecommunications and information technology was predetermined by the changes in the forms of business activity in the world economy: The expansion of the boundaries of e-commerce, providing a basis of integration of science and production, overcoming communication barriers. Thus, the cooperation between the companies in this area has contributed to innovative challenges and the development of new international standards. The cooperation was constructed on the basis of the competitive advantages of the national partner companies: Americans - in the new technologies, Asian - in the effective organization of production, European - in the formation and retention of the client database with high consumer potential.

There are some examples of strategic alliances between companies, representatives of the automobile industry, indicating that these alliances had objective exchange of technologies and joint R and D (Table 1).

It is clear that the leading countries to establish strategic alliances in the automobile industry are the USA and Japan, and some European countries (Germany, France, Italy). In this case, we

consider that European and American companies more appreciate the experience and R and D of the Japanese automobile companies.

The new distribution of strategic alliances was proposed in 2008 in the research of international consulting company AT Kearny. This company made a research about two hundred strategic alliances, which announced about its existence to the first quarter of 2007 (The Art of the Alliance, 2008). Based on the report of AT Kearney we have formed Table 2, which includes the most attractive industries for the creation of strategic alliances.

It is obvious that strategic alliances are formed primarily in the fast-developing or mature, knowledge-intensive and capital-intensive industries. The highly-grown sector requires a constant search for new investments, as well as research and development, while developed industries require the search for new resources, access to new markets. Thus, creation of strategic alliances becomes the most popular form in the sectors such as pharmaceuticals, automotive, transportation, high technology ("High Tech"), and financial (banking) and the energy industry.

We identified that the reasons, according to which strategic alliances were formed, are shown in the examined industries. For example, pharmaceutical companies enter into strategic alliances for the purpose of research and development of new products, automobile and energy companies are primarily focused on joint production in the framework of strategic alliances, companies engaged in the banking sector or the field of transport, focusing on sales and commercial development of their services, and the company's high-tech focused on the joint development of products.

It is obvious that in the tendency of knowledge economy the information and computer technology have a special place in the

**Table 1: Examples of strategic alliances in the automobile industry**

| Alliance members | Country | Purpose of cooperation |
|---|---|---|
| Renault+Volvo | France, Sweden | Creation of a diesel engine and gearbox to complete the haul tractors |
| Ford+Volkswagen | USA, Germany | Collective R and D |
| General motors+Fiat | USA, Italy | Minimization of costs in the production process |
| Ford+Mazda | USA, Japan | Exchange of technology, exchange of components, collective marketing of products |
| Renault+Nissan | France, Japan | Exchange of technology, exchange of components, collective marketing of products |
| Fuji Heavy Industries (Subaru)+ General Motors | Japan, USA | Obtaining of GM access to the Japanese development in exchange for 20% shares of the company |
| Fiat+Chrysler LLC | Italy, USA | Collective production of engines, exchange of technologies |
| Toyota Motors+Fuji heavy industries | Japan | Collective creation and production of technologies |

**Table 2: Purpose of alliances: The overview of the most attractive industries, 2007 (%)**

| Industry | Share of strategic alliances | Scientific researches (%) | Product development (%) | Purchase (%) | Production of service/good (%) | Collective marketing (%) | Purchase and commercial usage (%) |
|---|---|---|---|---|---|---|---|
| Pharmaceutics | 18 | 30 | 54 | 0 | 0 | 0 | 14 |
| "High-tech" | 16 | 0 | 61 | 6 | 0 | 3 | 27 |
| Automobile | 7 | 6 | 27 | 3 | 47 | 6 | 6 |
| Energy | 11 | 13 | 9 | 4 | 61 | 0 | 9 |
| Finance | 6 | 0 | 18 | 0 | 0 | 0 | 73 |
| Logistic | 6 | 0 | 9 | 0 | 9 | 0 | 82 |

Based on: The Art of the Alliance, 2008

**Table 3: Strategic alliances in the sphere of computer and information technologies**

| Alliance members | Country | Purpose of cooperation |
|---|---|---|
| Microsoft+Scala Business Solutions | USA, Netherland | Software and business consulting |
| IBM+Apple | USA, Netherland | Agreement on the development of operating systems |
| Xerox+Fujitsu | USA, Japan | Copying technology, technology for printers |
| Fujitsu+Amdahl | Japan, USA | Development of the technology of universal computers |
| IBM+Toshiba | USA, Japan | Research and development of flat screen |
| Sun Microsystems+ Fujitsu | USA, Japan | Research and development of microprocessors; computer technologies (creation of SPARC) |
| Hewlett-Packard+Apple | USA | Research and development of microprocessors; technology transferring |
| IBM+Apple | USA | Computer technologies (PowerPC) |
| IBM+Motorola | USA | Computer technologies (PowerPC); research and development of microprocessors |
| LG Electronics+Zenith Electronics | Republic Korea, USA | Development and production of LCD monitors and TV sets for the reception of HD signals |
| IBM+Philips Electronics | USA, Netherland | Collective development and manufacturing of semiconductor technology |
| Toshiba+Ericsson | Japan, Sweden | Development of new communication equipment |
| IBM+Toshiba+Siemens | USA, Japan, Germany | Development and production of chip DRAM memory up to 16 GB for large computers |
| Toshiba+Time Warner | Japan, USA | Development of new interactive cable television technology |

economy. The following examples of strategic alliances in this area in recent years are presented in Table 3.

Data analysis showed that the majority of partnerships which formed in the high-technology sectors characterized by a great participation in their Japanese and American companies, but European companies less involved un these alliances. The main goal of such cooperation, according to our research, is a joint development of various information and computer technology, which will soon be widely used worldwide.

According to Harvard Business Review in the period from 1996 to 2002, the share of scientific and technical alliances, high-tech industries was accounted for 80% of all new scientific and technological alliances and 20% - in the medium technology industry (production of instruments and medical equipment, consumer electronics, automotive, chemical) (Harvard Business Review on Strategic Alliances, 2002). The reasons for such activity in the field of innovation and scientific and technological developments are presented below:

- Strategic partnerships formed stable channels of knowledge transfer.
- New technological innovations often occur at the junction of industries that encourages companies to enter into strategic alliances with companies in other industries
- Joint cooperation in the framework of innovative projects can significantly reduce the risks and costs.
- Strategic alliances enable access to knowledge and skills much more effectively and more efficiently.

The strategic alliances in the pharmaceutical and biotechnology industries can be presented as the example. The specific features, technology-intensive, capital-intensive, and competition of pharmaceutical companies pushed these companies for a more active creation of strategic alliances. On the basis of data provided by the consulting company Ernst and Young, its review of the biotechnology and pharmaceutical industries "Beyond Borders" in 2011, we can present the Table 4, including facts and indicators of strategic alliances in the biotechnology and pharmaceutical industries (Ernst and Young, 2011).

We identified that in 2010 the majority of strategic alliances in biotechnology and pharmaceutical companies formed between the USA and Europe (Germany, UK) and Japanese companies.

Summing up the results of the present analysis we formed Table 5, which contains examples of strategic alliances and their objectives in various sectors.

Thus, the highest concentration of strategic alliances formed in the sectors related to the production of computers and their components, pharmaceuticals, automotive, aerospace, etc., in other words, in high-tech, knowledge-intensive and capital-intensive industries. Moreover, there was a trend formation of strategic alliances between American and Japanese companies, as well as between European companies. European countries have formed alliances mainly in the pharmaceutical and automotive industries, and American and Japanese - in the automotive industry and industries related to the production of computers.

It should be noted the characteristics of strategic alliances with the participation of Russian companies. The history of formation of strategic alliances in Russia is characterized by instability and regressive development in comparison with foreign experience. We identified the following reasons of such instability:

- Specific features of economic development of Russia in 1990th, the creation of alliances in a transitional structure of the economy.
- Fragmented forms of strategic alliances and unequal partnership at an early stage of development of this form of cooperation.
- Unfavorable tax and customs legislation of Russia for foreign companies.
- Low level of confidence and trust of foreign partners in Russian companies.
- Intransigence and lack of readiness of Russian companies to fulfill the obligations under the contract.
- Discrepancy between the levels of scientific and technological development of the partner countries.
- Different ideas about creating business activities.

Originally, Russian companies prefer limited partnership because it provided the cooperation with technologically close subjects, to create a single management company which owned a controlling share in all companies belonging to the partnership. As a result of this cooperation it was formed some companies, the largest one is "Gazprom," "Yukos," "Lukoil," RAO "EES of Russia" (Koroleva, 2009). However, this form of cooperation between the companies

**Table 4: The largest biotech and pharmaceutical strategic alliances (2010)**

| Company | Country | Partner | Country | Potential value, million USD | Single cost of operations, million USD |
|---|---|---|---|---|---|
| Boehringer ingelheim | Germany | MacroGenics | USA | 2.16 | 60 |
| Cephalon | USA | Mesoblast | Australia | 2.05 | 350 |
| Bayer schering pharma | Germany | OncoMed pharmaceuticals | USA | 1.94 | 40 |
| Boehringer ingelheim | Germany | F-star | Austria | 1.70 | 0 |
| GlaxoSmithKline | Great Britain | ISIS pharmaceuticals | USA | 1.50 | 35 |
| Eisai | Japan | Arena pharmaceuticals | USA | 1.37 | 50 |
| Kyowa Hakko Kirin | Japan | Dicerna pharmaceuticals | USA | 1.32 | 4 |
| AstraZeneca | Great Britain | Rigel pharmaceuticals | USA | 1.25 | 100 |
| Roche | Switzerland | Aileron therapeutics | USA | 1.13 | 25 |
| Forest laboratories | USA | TransTech Pharma | USA | 1.11 | 50 |
| GSK | Great Britain | Proteologics | Israel | 1.07 | 3 |
| Takeda pharmaceutical | Japan | Orexigen therapeutics | USA | 1.05 | 50 |

Based on: Ernst and Young, Beyond Borders, 2011

**Table 5: Foreign experience of creation the strategic alliances**

| Alliance members | Year | Purpose of creation, results and characteristics | Results and characteristics |
|---|---|---|---|
| Rover – Hondal | 1979-1988 | Creation of new technologies and products | For Rover company: The ability to reduce the cost of design and production of new vehicles<br>For Honda company: Gain experience in marketing and transnational production of cars |
| Toshiba – GeneralElectric | 1982 | Collective development and manufacturing of filaments for light bulbs | Toshiba used the tools of strategic alliances to create a radically different innovative technologies, and created a lot of strategic alliances<br>In 2012 the company won the competition with the supply of technology for the construction of a new thermal power plant in Japan |
| GeneralMotors – Toyota (NUMMI) | 1984 | Achievement of saving from 'economies of scale' and acquisition of production competence | The program "Saturn" - a full-scale pilot production of small-displacement cars; creation a new type of manager - "Japanese manager with American face" according to the program NUMMI |
| Lockheed Martin – Mitsubishi Heavy Industries | 1985 | Development of a new model of experimental fighter FSX, designed to replace outdated models of fighter | From the US side: A tendency to control and direct the Japanese aerospace industry in the right direction; access to military technologies of Japan<br>From the Japanese company's side: US companies gain experience, acquiring of new knowledge and skills |
| Toshiba – Motorola | 1987 | Production of memory cards and microprocessors | Successful implementation of the task; access to the Japanese market for Motorola company |
| Xerox – Fuji Xerox ("Xerox international partners") | 1991 | Struggle against the aggressive policy of Canon, access of Fuji to the US market of laser printers | Expanding of market share in laser printers of both companies<br>Increasing the interest in the collective manufactured products<br>Fuji company received strength position in the US market |
| Toshiba – AppleComputers | 1992 | Collective development of multimedia computer products | Apple: A competitive advantage in the field of software development<br>Toshiba: Skills in the manufacturing of electronic products |
| Philips – Nike | 2002 | Collective promotion of products for sports and recreation | First stage: Sales of portable mp3 - players in a network of shops Nike<br>Second stage: Design and manufacture of sportswear and equipment supplier of Nike, which providing a special "pockets" for Philips Electronics |
| Philips – Dell | 2002 | Mutually profitable services | Philips has supplied components for the US computers: First of all the monitors and data storage devices. Dell has received benefits on the supply of computer equipment for Philips. Transaction value: 5 billion USD. The company also expected to cooperate in the development of new technologies, marketing, and development of standards of data storage |
| Toshiba – Microsoft | 2003 | Design and manufacture of laptops and microprocessors | Microsoft brought the skills of software development, Toshiba shared with this company their skills in designing microprocessors |
| GSK – Roche | 2005 | Promotion of Xenical in the USA | Terms of the deal are confidential and concern of the American pharmaceutical market |
| AstraZeneca – Brystol-Myers Squibb | 2007 | Collective research and development of drugs aimed at treatment of cancer, cardiovascular diseases, respiratory diseases | Developed and implemented in the production of the drug «Baeta» for the treatment of diabetes of the second type |
| GSK - Genmab | 2007, 2010 | Research and development of method of treatment of rheumatoid arthritis, in future - collective production and commercialization of drugs for the treatment of cancer | Clinical experiments have shown positive results, which gave impulse to the development of further cooperation between two companies |
| Toshiba – IBM – Siemens | - | Research and development of creation of semiconductors | Alliance united some unique skills of the partners. Toshiba had the advanced technology of etching. IBM was strong in lithography, and Siemens - in engineering. Companies have limited their cooperation through collective research and production involved individually |

did not provide self-sufficiency and independence of the partners in the strategic alliances.

Foreign authors noted that Russian companies are still not able to construct any complex partnerships. Moreover, some local

**Table 6: The experience of some Russian strategic alliances (from 1990 to 2012)**

| Alliance members | Year | Purpose | Result |
|---|---|---|---|
| JSC "MGTS" – "Comincom" – "Alcatel" – "Belgacom" | 1991 | The alliance called "Combellga;" aim is to provide Russian companies some technologies and investments in exchange for the access to the Russian telecommunications market | Clients of collective cooperation are the dozens of the largest hotels and organizations, the Central Bank, the US Embassy, "Lukoil," etc. |
| JSC "MGTS" - JSC "Rostelecom" – "AT & T Communications Services International Inc." | 1991 | Alliance "Telmos," specializing in digital communications, data transmission, videoconferencing and other communication technologies | Successful cooperation in the field of telecommunications, a huge client database |
| JSC "Uralsvyazinform" – "Alcatel" | 1993 | The purpose of Russian company: Improving communication networks in the Urals; the aim of French companies is the access to the growing market of telecommunication | • Joint Intelligent Network platform installation in Perm<br>• More than 40 contracts for a total amount, 100 million euro<br>• Future cooperation (since 2003) |
| "Boeing Commercial Space Company" - RCC "Energy" – CB "Yuznoe" (Ukraine) – PO "Yuzmash" (Ukraine) – "Aker Kvaerner" | 1995 | Alliance "Sea Launch Company" or "Sea Launch" was aimed at the creation and operation of the rocket-space complex of sea-based | • Creation of international company "Sea Launch"<br>• Implementation of high-tech experimental work<br>• 31 successful launch |
| JSC "Permskiemotori" – JSC "Aviadvigatel" - JSC "Interros" –"United Technologies" (Pratt and Whitney) | 1998 | Alliance "International commercial engines" was created with the purpose of:<br>• The implementation of a joint program of improvement of the PS-90A and its industrial modifications<br>• Purchase of equipment and technical re-equipment of individual parts of production and marketing of improved engine | Successful implementation of the project objectives, the organization of the sales of the engine and after-sales service |
| Gorkovskii motor plant - Fiat | 1997 | "Nizhegorodmotors" had aim to organize the manufacturing of Fiat cars and the creation of production capacity of 150 thousand cars per year | Because of financial crisis, the project has been repeatedly postponed, with production scheduled for 2002. The Italian company began to control 73% of the company |
| "Autodor" – "Vital" – "BMW" | 1999 | Assembling of some car models of BMW in Russia | Implementation of the objectives, implementation and marketing of assembled cars |
| JSC "RZD" – Siemens AG<br>JSC "RZD" – Geismar, Alstom, GEFCO | Since 2000 | • Development of high-speed network at railway<br>• Production of trains and accessories<br>• Skills and experience<br>• Supply of machinery and equipment for maintenance of railways | • Production and commissioning of high-speed trains, called "Sapsan"<br>• Production of trains "Swallow"<br>• Training programs for Russian experts at high-tech French train stations |
| "Gasprom" – TNC-BP – "British Petroleum" | 2007 | Implementation of long-term investment in joint energy projects, as well as asset swaps both in Russia and abroad | Creation of a working group to identify strategic opportunities for investment and collaboration of the companies |
| GlaxoSmithKline Plc. –JSC "Binnofarm" | 2010 | Technology transfer for the localization of innovative vaccines in the Russian Federation | GlaxoSmithKline provides technology transfer, training and auditing of production processes, as well as long-term supply of antigens for the needs of Russian production, and JSC "Binnofarm" provide territory and organize production |
| "ExxonMobil" – "Rosneft" | 2012 | • Creation of a joint Arctic Research Centre<br>• Exploration and development of three new areas of the Arctic | Cooperation continues nowadays |

companies are characterized by a high level of intransigence and unwillingness ever to fulfill the obligations in the term of the contract.

Nowadays, the most attractive partner for Russian companies is some foreign companies. The reason for this is quite a rich experience of foreign companies in the formation of strategic alliances and the ability of Russian companies to enter the international market, reducing costs and risks. We grouped the general facts about the experience of the activities of these alliances in Table 6.

## 4. CONCLUSION

Based on the research of the main features of strategic alliances for the industrial structure we identified the main trends:

- The largest number of alliances formed in the high-tech and capital-intensive industries, such as pharmaceuticals, automotive, transportation, high technology («High Tech»), finance and energy.
- The most popular for the formation of strategic alliances industry are focused mainly on joint research and development of new products, as well as collective promotion of products and services.
- Dominant number of strategic alliances are companies which formed by the owners from the USA, Western Europe, and Japan.
- Strategic alliances' growing trend continues nowadays, but the cause of creation changed. Moreover, more and more developing countries enter into strategic alliances with companies from developed countries.

There are specific features of the development of strategic alliances in Russia as a form of international cooperation:

- Strategic alliances are modern form of inter-firm cooperation for Russian companies. Therefore, Russian companies have relatively small level of experience in this area.
- Strategic alliances are usually formed between Russian and foreign companies. The basis of such cooperation is the exchange of technology and investment opportunities in the development of Russian market.
- Number of strategic alliances invariably grows, despite the previous bad experience.
- Alliances between foreign and Russian companies are formed, usually in sectors where Russia has competitive advantages and has a strong position: Fuel and metallurgical industries.

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