

ENGG4061

Innovation & Entrepreneurship

Learning through Alliances

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Why Collaborate?

- To reduce the costs of technological development or market entry
- To reduce the risk of development or market entry
- To achieve scale economies in production
- To reduce the time taken to develop and commercialise new products
- To learn

Forms of Collaboration

- Sub-contracting/outourcing
- Technology licensing
- Research consortia – CRCs, MCC
- Strategic alliances eg Honda/Rover
- Joint ventures eg Airbus Industries
- Innovation networks – models of deals & diffusion
- Clusters

Clusters

- Networks of production of strongly inter-dependent firms, knowledge-producing agents and customers linked to each other in a value-adding production chain.

Types

- 'horizontal clusters' between small and medium-sized firms
- 'web clusters' between large firms and their core suppliers
- 'virtual clusters', where physical co-location not important
- 'emerging clusters', where firms have a common resource base or needs, but only emerging relationships in production and innovation.

Geography → Type ↓	Local/Regional	International	Virtual
Trade-driven Horizontal Halo	Wine TCG, Defence	Financial services Film services	Surf supplies
Knowledge-driven Private Public/private	ITC services Biotech, Water	Telecomms	

Managing Alliances for Learning- Success Factors

- The alliance is viewed as important by all partners
- A collaboration champion
- A substantial degree of trust between partners
- Clear project planning and defined milestones
- Frequent communication
- Collaborating parties contribute to plan
- Benefits are seen to be fairly distributed