Among the many variations on the basic licensing format is cross-licensing, which is often used by companies in research- and technology-intensive sectors. For example, one of Korea's largest electronics companies, Samsung, has an agreement with IBM in Korea to share patents involving technology used in the design and manufacture of semiconductors.

New Investment Strategies

The new strategic investment tools developed by businesses in the last ten years depend more on partnering and coordination. Less concerned with outright acquisitions, these strategies seek to coordinate the activities and the strategic interests of separate corporate entities that have agreed to contribute to a cooperative project.

Strategic alliances have played an important role in the success of the high growth company, Pelorus Navigation Systems of Calgary, Alberta. Pelorus produces landing systems for regional airports, with markets in North America, the Asia-Pacific region, and Europe. Its comprehensive plan of attack has included a number of strategic alliances with large, well-established aerospace corporations around the world that have gained it new technology and new markets. With only 30 people on staff, Pelorus has been able to use its partners to give it the credibility needed to bid on large multi-year, multi-unit contracts.

In Australia, Pelorus teamed up with GEC Marconi Defense, a Sydney-based company, to use Pelorus technology to bid on a large defense contract. While the relationship is attractive in its own right, GEC has gone on to generate opportunities for Pelorus in Papua New Guinea and New Zealand. In addition, GEC helped Pelorus sell 300 of its navigational systems to the Government of Australia.

Co-marketing agreements

This kind of an agreement involves more than simply finding a local distributor for your products. A co-marketing agreement is a type of strategic alliance in which firms cooperate with each other in order to achieve marketing goals central to the welfare of both partners. They involve important commitments by all the players involved. Co-marketing arrangements enable a company to expand quickly into new overseas markets by sharing the marketing of its products with another firm.

For example, companies involved in highly volatile industries may wish to achieve rapid market penetration of their product before it is overtaken by the offerings of competitors. If a company has only a small sales force in an important target market, they can make an arrangement with a local firm that is firmly established in the same business. For a share of the profits, the local firm can use its own marketing network to get the product to customers while the original investor gets rapid visibility and market penetration for the product. In some cases, reciprocal co-marketing arrangements can be made with companies established in different markets, taking advantage of each other's networks to move products in two directions.

Co-production agreements

In this kind of alliance, firms cooperate in order to manufacture products. The simplest form of co-production is contract or toll manufacturing. An example would be an Asian firm that arranges for manufacture of its product in Canada by providing a compatible Canadian company with all the necessary technology. Co-production agreements can get quite complex. Some manufacturing facilities can make the same product with different trade names for different marketing organizations. In addition, reciprocal manufacturing arrangements are also possible with companies in different countries cooperating to produce each other's products in their respective territories.