



In the end, some formal method for resolving disputes will be necessary and should be outlined as part of the agreement. This mechanism should be consistent with the nature of the venture and the resources of the partners. It can range from having a designated mediator independent of the partners to the establishment of an arbitration board consisting of people in each partner company who have dispute resolution experience and who are not involved in the conflict.

Implementing the Partnership

Once the agreement is signed by the two parties, the real work begins. Success or failure depends on the day-to-day operating practices, i.e., what you do after the contract is signed, the news release is issued and the euphoria wears off. No matter how good the agreement and how clearly defined the goals and responsibilities, success will be achieved only through careful and attentive management of the venture.

Unfortunately the implementation stage of an alliance is often referred to as the 'Cinderella' phase. Several studies have shown that partners forming an alliance put a great deal of effort into all the details of negotiating the agreement but tend to pay very little attention to how the venture is to be managed. Hence, the post-transaction phase (i.e., what happens on Monday morning), has been the Achilles heel of many alliances.

The first thing that partners have to do in establishing an environment for the imple-

mentation of their alliance is to be realistic about their expectations. Unless partners have substantial experience in managing alliances, care should be taken to avoid trying to implement the partnership too quickly.

Managing a strategic alliance can be one of the most interesting and challenging opportunities that a manager may have in his or her career. It can also be one of the most frustrating. The management of the venture is really the management of a relationship: it requires the same nurturing, care, attention, trust and respect as human relationships. Often, it involves the same kinds of ups and downs.

• Managing Size Differences

To be successful, partnerships between companies of substantially different sizes frequently require the fostering of a special environment. Although the partnership may be between a small company and a particular business unit or division of a large company, as opposed to the company as a 'large' whole, the differences in bureaucratic cultures and operational practices may still stifle the venture. To ensure a smooth relationship in these types of ventures, the larger partner should consider stepping outside its traditional hierarchy to create task forces or horizontal teams with some decision-making capability to relate to the smaller partner. Other techniques to address the size-asymmetry problem include regularly scheduled meetings between the partners to ensure mutual understanding and speedy decision making. Perhaps the most