Review Article

Strategic Alliances and Changes in the Competition Environment

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ABSTRACT

Changes in the competitive environment today, essentially resulting from the unstoppable globalization process, which the company work internationally oriented businesses directed to strategic alliances. According to the definition of strategic alliances, they represent strategic partnerships (even former competitors), to achieve better performance in the global market on the basis of combining the resources and opportunities in the implementation of a common goal. The classifications of strategic alliances are made on different criteria, but basically there are 3 types of strategic alliances, such as: informal aliases, alliances based on key corporate assets and strategic partnership network. So increasing role of knowledge and various technological advances are increasing opportunities creating strategic alliances that have different content, or research, design, production, marketing, promotion of market valuation of the goods and / or services using knowledge and skills, implementation of technological and scientific results etc., and in order to rationalize costs and increase profitability. Motives for exploring this area derive primarily from the need, by using different theoretical and empirical knowledge, to offer individual responses to dilemmas when choosing strategies that link alliances. The offered specific suggestions that can help companies to choose those options that will enable them to take advantages of alliances and reduce weaknesses in strategic linking. The results in the examination of this topic dilemmas set imposed its conclusions as to elucidate interactions between participating companies in strategic alliances and the consequences of their work for their own development or benefits to national economies from which they originate. Selecting the appropriate option to join the separate strategic alliance is the key for companies that want to participate in the international market.

Keywords: strategic alliances, competitive environment, international marketing, international operations, joint ventures.

INTRODUCTION

The subject of this paper, under the title, mainly strategic alliances and their impact on changes in the competitive environment. Namely, in the first part it is a newly created business environment, to address the factors that led to the changes and their implications. It also is the new context of work, which must be considered, because it determines the success of strategic alliances in the modern business environment. In this paper the emphasis is placed on the existence and emergence of strategic alliances in international markets, i.e. the selection of modalities of internationalization of the operations of companies that will help easier to integrate into the modern business environment. There are a number of reasons that are discussed in this paper, and which encourage partners from different countries to quickly adopt different strategies for direct internationalization, rather than opt for export strategies or strategies for direct investment abroad. The dynamic technical and technological development and its universal effect, among other relevant factors, actualize the meaning of the various indirect strategies for internationalization through which accomplished the transfer of technology, knowledge and experience, with exports as a classic strategy for involvement in international trade, it becomes significantly more difficult. Also, the internationalization of companies through direct investments abroad implies the emergence of many difficulties, associated with their adapting to foreign environment, hence a high-risk strategy. In addition, there are still many countries do not allow performing fully owned by foreign companies. Many countries in the world have enacted laws that control and prevent monopolistic behavior of companies and strategic alliances. Since the late '80s, of the last century in the United Nations were made unsuccessful efforts to establish separate rules for the conduct of transnational companies and strategic alliance - sellers of technology, mainly to protect the interests of strategic partners in the less developed world, and even some national interest's economies. The paper further discusses the values and the range of different strategies integrating in strategic alliances that certainly could benefit those domestic companies which are facing problems for the selection of acceptable options alliance.

Literature review

There is no single understanding which factors need to search roots for the acquisition or loss of competitive advantage. Generally, the factors may be of internal and external nature. Most often as important factors associated with the internal operation of companies that are determined by strategic alliances to increase their competitiveness in the international market or domicile are the following: management farm management company, the quality of national strategies, the availability of resources, the appropriateness and applicability of regulations, etc. .; and as external factors are the growing tendency diversification and specialization of production, the development of information and communication technologies, transfer of knowledge, rising global demand and so on. Therefore, quality and personnel potential of companies play a significant role. Namely, good management changes, whether they originate from internal or external environment, contributes to gaining a competitive advantage, and vice versa.

Hence, the quality of managers in companies is an important prerequisite for achieving relatively permanent competitive the advantage in a particular industry. Management must be long-term, not short-term oriented to accentuate innovation in products and / or services, processes and marketing methods for accepting the acceptable risks and be ready for business cooperation with companies from other countries. M. Porter also recognizes the importance of the strategy for cooperation with foreign partners for achieving competitive advantage. Starting from the assumption that competitive is dynamic and evolutionary and that it is necessary to consider the reasons why companies in some national economies are ready to innovate more than those in other areas. Companies are those who can create and maintain competitive advantage. The state's role is that just waved to inefficient companies, but to take everything to improve basic factors achieving national competitive advantage. Since the international market is not competing countries, but companies from the specified countries, the quality of managers is an important prerequisite for achieving relatively permanent competitive advantage in certain industrial environments branch. Therefore, management companies must be long-term oriented and prepared, inter alia, intensive business cooperation with companies from other countries, i.e. creating conditions for involvement in international alliances. Porter points out that the implementation of strategies for cooperation between companies, which are located in different countries, is one of the ways to achieve global competitiveness. These companies participate in the activities of the value chain with partners globally. Hence, it can conclude that today there are a growing number of partnership agreements and not only between companies from developed countries, but also with companies from developing countries[1].C. Prahalad, University of Michigan, USA, says that in the future will be noted growing role of partnerships and alliances, i.e. they enhanced their impact on the intensification of competition. These partnerships and alliances will not be repeating the traditional joint ventures in various industries. Specifically, the objectives, costs and risks of these new forms (will) differ among themselves. It is new, unexplored space, and also the challenge for managers of companies in finding new ways to compete, says Prahalad[2.] Hannan, Freeman, Aldrich, Nelson and others, in the study of this issue in terms of the performance and development of the companies come to the conclusion that only through long-term contractual cooperation companies can quality to decide a number of issues, which alone could not resolve and respond to contemporary challenges. A significant contribution to the promotion of strategic partnerships allows Williamson to study the problem of transaction costs. In this context may mention the contribution of Axeler, which concludes that the long-term cooperation and business cooperation and provide long-term utility of all partners in strategic alliances. A larger group of authors direct their research on problems related to the organization and functioning of the networks of long-term interests of companies[3].Gulati, Nohria Zaheer explore strategic alliances as oligopolistic structures that distort competitive market competition. Cambell and Wilson in their analyzes to examine issues around contribution to the quality of management of strategic alliances and "collaboration advantages" companies - members of alliances.

But almost all agree to the following:

- strategic alliances are one of the possible ways for companies to solve large number of issues and different problems for the successful operation and survival in the global market, which would lead to their empowerment competitive;
- in the future will intensify the formation of strategic alliances;
- But strategic alliances have their problems arising from the collaboration capabilities and opportunities for members to solve problems related to the management and coordination of activities, particularly in alliances with multiple states.

Prahalad points out that there is already a "discontinuity in the competitive environment" as a consequence of the impact of some of the most important strategic factors, namely:

- rapid technological change,
- privatization and deregulation,
- Internet-based technologies,
- Pressures of the various groups (environmental groups have consumer protection etc.)
- New forms of institutional arrangements with other companies and so on.

- **Reasons for entering the international alliance**
- There are several reasons why companies are determined to enter into international alliances , and some of them are:

Table 1: Emergence of a new strategic context

Traditionally stance	New strategic context
Strategy aligns resources	The strategy is flexible
Strategy is positioned in the existing industrial space	The strategy creates new industrial space
Strategy as the top activity management	Strategy as a total organizational process
Strategy as an analytical activity	Strategy as analytical and organizational activity
Strategy as extrapolation past	Strategy for creating future

Izvor: Dussage, Garrette (1999: 250)

Reduce risk. Companies can reduce the risk that is associated with a project in a way that will divide between companies involved in cooperation (partnership) agreement. Namely, the one company that wants to enter a particular foreign market, which earlier had experience, could face a high risk, especially when not enough is known socio-political climate. Accordingly, the risk can be reduced by entering into cooperation / collaboration with another firm that has experience in the targeted market;

Reducing the time for innovation of products and / or services. The life cycle of products from certain technologies, such as, for example, those of information and electronic industry, today drastically reduced. Cooperative agreements, which are typical of alliances among several companies to jointly stimulate the development of products, can significantly reduce the time and cost required for innovation development;

Faster access to markets.Companies with limited international experience often do not dare to undertake direct investments abroad, and prefer joint ventures with the participation of capital, and everything in order to gain the necessary experience from other companies and their market knowledge**.** The use of cooperative agreements for internationalization activities provides companies build international competence, and much faster than if you perform alone. Rapid access to foreign markets may be of particular importance, especially for products with shorter life cycle. Often governments of individual countries limit the full ownership of foreign companies, insisting domestic companies to use cooperative agreements, with or without share capital. Cooperative agreements can be used as a means of conquering new markets for products / services. In other words, the company can expand to any new or related sector, to avoid the high costs of market entry, achieving cooperation with a separate company that is already in the new industrial sector or collaborating with other companies whose technological capabilities are complementary. Combining their technology with their company can achieve the desired competitive advantage of the new market;

Access to modern technology. Through cooperative engagement agreements the company acquired capabilities to monitor developments in technology; it is incomparably cheaper than develop their own. Such behavior enables the company to continue specialization in areas where there is a competitive advantage to avoid the costs in those areas where opportunities for it are much smaller;

Rationalization of production. Cooperative agreements can provide streamlined production. Namely, if two companies produce similar products can combine productive activities, thus enabling cost reduction per unit of production on account of the increased volume of production;

Cooperation or prevention of competition. A cooperative agreement with the competition automatically means cooperation, i.e. agreement between the partners. Also, thereby, it creates a strong team which is still in the start prevents possible new competitors.

Grounds for creation of alliance

The companies form alliances in order to achieve a competitive advantage in the international market which is mainly based on the exchange of specified values they hold, ie specific knowledge related to the products / markets, access to markets and distribution channels; knowledge of production and processes; having production facilities; raw materials and management skills, etc., all of which form the basis for establishing competitive alliances [4]. There are different forms of strategic alliances, from simple marketing cooperation agreements, up to complex shapes that are characterized by a higher degree of engagement of partners such as, for example, licensing arrangements, franchising and joint ventures (JV). In all forms of strategic alliances no immediate complementarily of resources available that companies involved. For example, strategic alliances, which include marketing cooperation, a company have knowledge of products / markets, access to the target markets and distribution channels, which are exchanged for know-how to other companies. Similar complementarities exists between these companies with contracts joint ventures (JV). Specifically one company owns product / market and knowledge that are directly complementary to markets and distribution channels to which access other company involved in the alliance. So, both companies possess complementary skills in relation to the product, and then have complementary resources and management resources. It is important to note that in all kinds of competing alliances reciprocity in the exchange of resources, which means mutual usefulness. Because there are pronounced interests of the participants and their complementarily in operations, strategic alliances can, over time, to strengthen and develop so that companies will be able to form even stronger alliances and alliances[20]. With increasing experience and better understanding between partners, i.e. between their abilities and goals, alliances may have evolved to a state in which the partners will work together to conquer new markets and raw material supply, strengthening the joint production of new products / services and so on. This dynamic convergence of resources, capabilities and business objectives can happen very quickly, but usually it comes to long-evolutionary process[19]. The final stage in the convergence of partners occurs when they are determined to form functional mercer. The complementarily among companies in the Alliance reflects the power of each of the partners in the important values that are exchanged. Companies trade their most important capabilities and resources, given that each of them possesses certain advantage which is important for the other company, which is the core or foundation for creating alliances.

Joint investments as a form of cooperation

Joint ventures (joint ventures) are the most widespread form of effective integration of capital among companies, which, by merging the knowledge and resources to share the risk[18]. Namely, joint ventures occur when two or more companies form a third company for the promotion of economic activities. Gullander defines a joint venture as "contract, i.e. agreement between two or more independent companies, which means hiring equity participants “[5].

Joint ventures, according to a series of analysis, offer many benefits to companies, mainly for diversification of activities, increasing economic growth, access to new markets, develop new industries or revitalization of existing, construction of major projects, etc. Bradley stands four main advantages of joint ventures (Bradley, 1991: 327), and they are:

1. Avoiding the cost of bargaining and negotiating transactions;
2. Reducing the cost to the economy of scale resulting from the merger of joint administrative, transport and marketing costs;
3. Internationalization of technological or administrative / business secrets of companies by minimizing the risk of losing competitive advantage on that basis;
4. Increase the ability to implement technological changes.

Very often highlight the advantages of the Common about reducing risk partners[17]. Also, the joint venture can be an attractive form when undertaking the realization of major projects, which involve large investments[6]. The joint venture provides direct access to resources that partners possess, and which otherwise would have required a long period of internal development. Today many companies with compatible strategies and complementary development needs entering into joint ventures to gain new knowledge, new technology, easier market penetration and general common growth. Creating new corporate alliances is due to changing fundamentals in the global competition. The essential change in the relationship between companies, above all, the change of shift from competition to cooperation. Namely, instead of direct competition, companies follow and apply the strategy to maximize the economic utility, both for the companies involved in joint ventures, and the countries from which they originate[16]. Accordingly, the joint venture is based on combining forces involved partners, and this is the biggest advantage of this form of internationalization[7]. Small companies, however, in joint ventures participate with entrepreneurial initiatives, the possibility of promoting new ideas, innovation and inventiveness, flexibility for acceptance of technological innovation, etc. .; while large companies provide capital, developed a marketing concept, good distribution channels and diversified services. This combination allows partners a significant competitive advantage in the performance of international markets. One of the most important reasons for undertaking joint ventures and the need to involve appropriate personnel potential, which has adequate knowledge, skills and creativity, and which are necessary for successful internationalization of companies[8].

Advantages and limitations of strategic alliance

Strategic partnerships between two or more companies, on the way to joining the capital or agreements on a long-term development, production and business operation, in theory and practice commonly systematized into two groups, namely: strategic partnerships accompanying organizational and statutory changes; and strategic partnerships in which comes to organizational and statutory changes[9].

In defining the status of the company as a member of a separate strategic alliance, usually, considering the following characteristics:

- the importance of the company for the operation and success of the alliance,
- the size of the company,
- which company is the initiator and coordinator of activities for the establishment and operation of the strategic alliance,
- The importance of the alliance for survival and development companion partner.

Strategic alliances are usually composed of a larger number of companies[15]. Namely, consortia cartels, concerns, trusts, cooperatives, business associations, export clusters, chains delivering value to consumers and some other strategic partnerships to attract the interest of many companies to establish partnerships with the performance of the international market. Considering the number of companies within the strategic alliances today are more likely to talk about the strategic and business networking or strategic and business networks of companies[10].

The advantage of strategic alliances can mainly be traced to several most benefits to companies, they would be:

- in modern terms meaning the company's strategic alliance relates to intellectual input or associations (relational) capital or technology, brands, knowledge, know-how, skills, etc., then the financial capital and the position it has in the technological and developmental , manufacture and market environment, as values included in the joint project. Hence, the importance of the company that is associated with a dilemma: what would happen if she was determined to leave the alliance? In this case, however, can separate another company to take its place, and that in itself entails uncertainty for the company and for the alliance;
- current practice shows that the most important companies for alliances, in principle, large successful companies, and according to the area in which they belong;
- heart just so, as a rule, significant partner, usually the initiator and coordinator of the operation of the strategic alliance;
- data entering, and refer to the contractual terms of establishing a strategic alliance or operation of the business relationship are treated as confidential;
- information so that the strategic alliance has the conditions and movements of capital in the targeted environment always better information with which the company has determined;
- strategic alliance has better negotiation and policy positions as opposed to individual companies, and hence can better control the changing environment and influence the situation and market trends;
- via strategic alliances are carried and promoting economies of scale (in a purchasing and sales activities, production or research and development activities), which means, above all, reduce transaction costs, increase productivity, reduce fixed costs per unit of product, division of labor and specialization of partners for the implementation of project tasks, accelerating the turnover of funds, promotion of some technological solutions and so on.

According to the attractiveness and relevance today, within the Financial Securities Data (SDC Platinum) monitored over 60,000 strategic aliases in the world with over 200 different data, but the use of this database required possessing a license. Separate reports on monitoring of strategic alliances gives Japan (External Organization Data), to monitor Japanese strategic alliances. From time-time and within the OECD to carry out analyzes to address the situation and changes in the sphere of strategic partnerships worldwide. UNCTAD also often conduct sound analysis of strategic partnerships related to technology transfer, foreign direct investment and the activities of transnational companies[11].

On the other hand, strategic alliances have certain weaknesses or limitations that come down mainly to:

- problems arising from the management of large business entities;
- (in) flexibility of strategic alliances short- and long-term changes in the competitive environment;
- in the developed world, if you ignore antitrust laws, there are no regulations covering strategic partnerships;
- Common interests of partners, most often associated with huge capital, hence resulting conflict situations in the distribution of profits. But while a bit and control of capital from the country of origin;
- The development of major world markets and powerful strategic alliances brings into question the survival of small and medium businesses etc.

Hence, the basic prerequisites for entry of companies in strategic partnerships, primarily to increase their competitive advantage are: affirmative and stable operating environment in the countries of strategic partners[14]. Under affirmative conditions for establishing long-term cooperation, here, refers to the rate of economic growth and price stability in the countries of origin companies, harmonized economic and system solutions, the quality of the functioning of other, supporting businesses, i.e. the functioning of the state and its institutions[12]. Accordingly, the main prerequisite for successful involvement in strategic alliances is the management of the company to perform analyzes that takes into account the following aspects: technical and technological readiness, organizational structure, economic performance, financial resources, the status structure of the company, legislation and so on, and also to perform and cost-benefit analysis. In this context more can be said for quality functioning of strategic alliances is necessary to prepare a feasibility study, opportunity study and development prospectus agreement on partnership and thereby establish good communication with partners in order to exchange information, preparation of joint development projects, preparation of annual, semi-annual and monthly reports to quickly solve problems and provide other supporting documentation. For the implementation of the selected option to join the separate strategic alliance also need to know the modern concept of strategic international marketing management. This suggests the existence full range of marketing strategies the company should select and adjust its objectives and positioning of competition in the targeted market[13]. The area gained prominence with the determination of internationally oriented company to become part of a separate strategic alliances appearance on foreign markets, with first placed detailed understanding of the relation product / market / mode of business operation. This means that the success of the company is always in direct correlation with creating a clear vision, mission and goals you want to accomplish through selected strategic alliance.

CONCLUSION

The main feature of modern working conditions for the process of globalization. In everyday business vocabulary are more prevalent are the terms: global operations, global manufacturing, global markets, global products / services etc. So we live in a time of globalization and, whether we like to admit it or not, globalization as a phenomenon of contemporary reality is all around us. Managers, no matter where they are in the world, while carrying out its business activities must take account of global perspectives in their work. It is essential to take all the positive sides of globalization, but having to conserve the particularities of the local environment. Or they should "think globally and act locally". In this context, managers with a global orientation in the operation must not allow themselves to be sucked into the trap of stereotyping. Instead, the global orientation requires them to emphasize the role of knowledge, understanding and tolerance for differences between their own and others' cultural patterns. Managers of domestic companies, among other things, must assert his influence and to accept responsibility in the determination of strategies for business cooperation with partners from developed countries, while taking into account the actual specific situation of the company you represent, then assess their own opportunities, ambitions and vision. The large number of different forms of international alliances, from simple agreements for marketing cooperation, licensing, franchising, up to joint ventures, which include participation in capital and others. types of tangible and intangible resources creates opportunities for inclusion of domestic companies in international modern trends of business. It also presents an opportunity, through the cooperation with foreign partners (especially if the partner is from developed countries) to come to new technologies, to utilize new knowledge, skills and experience, or to extend the range of operation. Dynamic effects arising from the intense communication between partners that are motivated to realize the goals. In fact, as noted in many studies in this area, the quality of managers in companies is an important prerequisite for achieving relatively permanent competitive advantage in a particular industry. Accordingly, management should be long-term oriented to be able to foresee, anticipate and recognize the benefits of business cooperation with partners from other countries. The choice of some of the strategies for cooperation with foreign partners, mainly due to exchange its holdings of resources (values) is an opportunity for faster and / or easier positioning on foreign markets, using technological advances, capital, risk-sharing, reducing costs, introducing new products / services etc.

And contributing to the internationalization of companies as a necessity for survival, growth and development in the contemporary environment. In this regard, international cooperation between companies can be used as a means of promoting the comparative advantages of the country from which they originate.

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