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Strategic Alliances within the security realm

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Strategic Alliances within the security realm

Executive Summary
Overall the survey showed a very strong faith in alliances with a strategic perspective. There was an equal strong belief in soft variables around alliance success, such as leadership, trust and cultural issues. But as it turns out what really matters are arduous factors such as operations, middle management and formalized routines, processes and responsibilities. All evidence also points to the fact that alliances are here to stay and companies will do well to learn to master them in order to maximize profits and survivability.

Background
This memo was undertaken with the explicit purpose of increasing understanding of alliances with a specific purpose of understanding how the security industry strives to achieve alliance success and what the success factors are within the industry; This was done by conducting a quantitative survey of different actors within the industry.

The survey endeavoured to map: *Views on, Reasons for, Results of*, and *Driving-forces* (i.e. critical factors) behind alliances. There were 78 recipients, in the global statistical survey, that were dispersed in a broad range of security and IT companies that are all involved in the security realm. There where 39 respondents, which gave an even 50% response rate. There were no clear patterns for the omitted answers. Most respondents simply did not answer to the two e-mails sent out, and a few where not willing to share information e.g.:

"… we believe that this survey goes beyond what we are willing to share so we would prefer not to participate…".

Method
The survey was constructed out of 52 specific questions and these where grouped into smaller segments starting with general alliance attitude questions that where targeted to get a grasp of the respondents' knowledge and familiarity with the alliance concept; followed by groupings of questions that targeted Views on, Reasons for, Results of, and Driving forces behind alliances. There was also an opportunity to give additional comments and feedback to the survey.

Results
After summarizing the answers from the respondents, an initial list of important factors was compiled and arranged in descending order of importance:

Top 5 agreements
Leadership is essential to alliance success
Trust is a critical factor for alliance success
Culture plays an important part in alliance success
Alliances increase our speed to market
I have a clear grasp of how alliances are defined
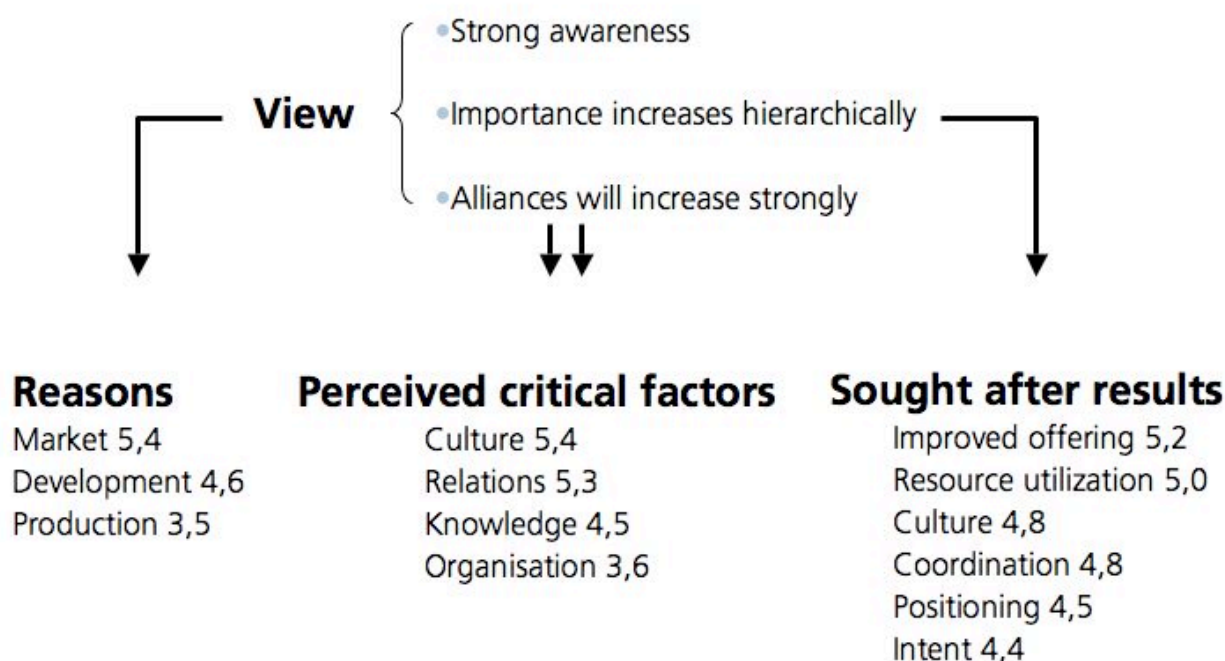
Top 5 disagreements
The number of alliances will decrease for us over the next 3 years
Alliances can work without commitment within the organization
Alliances have a tendency to success even-though there is a lack of resources put into the project
Alliances work regardless of cultural differences
Finance drives our alliance work

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Other observations

After the initial top 5 agreements as well as disagreements there was one peculiar observation. Most respondents claimed a high success rate of alliances, but hardly any of the respondents had defined measurements for monitoring the alliances as such. The question harkens: how can you know if there is success if there are no measuring points?

Overall the survey indicated a strong awareness of alliances and the perceived importance of alliances increased hierarchically within organizations. Almost all believe that alliances will increase strongly over the next 5-year period and the reason for this is market driven rather than production driven.

The respondents believed that "soft" issues, rather than "hard" ones, are important to the success of alliances, and that the sought after results of the alliance is to improve offering, have better resource utilization as well as improve culture and coordination.

View
- Strong awareness
- Importance increases hierarchically
- Alliances will increase strongly

Reasons
Market 5,4
Development 4,6
Production 3,5

Perceived critical factors
Culture 5,4
Relations 5,3
Knowledge 4,5
Organisation 3,6

Sought after results
Improved offering 5,2
Resource utilization 5,0
Culture 4,8
Coordination 4,8
Positioning 4,5
Intent 4,4

The model illustrates that the views a respondent has will influence the Reasons given for alliance work as well as the sought after results of the alliances. The perceived critical factors for success were also strongly influenced by views. The numbers after each heading indicates the mean values from the participants were the values ranged from 1-7.

Industry and Company experience

Age did play a certain role as it turns out. With greater age it was more likely that:

- Your company does not have formal alliance programs
- Your company does not have an alliance learning process
- There is less formalisation:
    - Less formalised CSF (Critical Success Factors)
    - Do not measure KPI (Key Performance Indicators)
    - Fewer dedicated functions for alliances

    o Less documentation
- You do not share the optimism

This indicates that age matters in the aspect that age gives less formalization of routines and ad to a more pessimistic view of the ability of alliance work. Strangely enough, industry and company experience did not affect the view on alliances and collaboration. Indicating that age and experience does not affect alliance success.

Critical Success Factors
We also studied by means of regression-analysis the views associated with alliance success. The following attitudes where connected with perceived success:

- My company has a formal alliance program
- Alliances are viewed as important for middle management
- We are involved with alliances for market reasons
- Personal relations and contacts drive alliance work
- We have a culture that supports alliance work
- We have dedicated functions that support alliance work
- Technology is critical to support our daily alliance work
- Alliances increases our speed to market
- Alliances can work even-though there are divergent expectations
- Alliances thrive on personal relationships (neg.)
- Alliances are viewed as important at operational level (neg.)

This leads us to draw the following conclusions:

- Formalism *and* Personal relations are equally important for alliance success
- Operational *and* Middle management buy-in, as well as daily involvement is necessary if you want to achieve your alliance goals and have successful alliances
- There is a market driven focus to alliances
- Tech-support is viewed as an important factor for success
- To have an Open, Learning culture with Common expectations is an other factor for success

These results are almost diametrically opposite from respondent views as shown in the top 5 agreements and disagreements. This would imply that the *real* critical success factors differ from *perceived* ones, at least in so forth that the *perceived* CSF are all soft issues, whereas the analysis shows that the *real* CSF are more related to hard issues of formalized routines and measurement.

Implications
This means that companies who wish to succeed with their alliances need to have both formalized routines around how they work with their alliances, as well as work on personal relations in and around the actual individuals who are involved with the alliances. There needs to be a top-down and bottom-up approach to the work in order to ensure as close to omnipresent buy-in of the alliance as possible. A more interesting aspect that came to view is the importance of Tech-support and this would seem as an untapped fountain of possibilities. What can technology help with when it comes to alliance work, and how can and should this be done? This folds neatly into the factor of the open and learning organization where culture fosters at least some individuals to be inquisitive as well as curious, which is time consuming in many ways, but it also forces the organization to adapt and take position on a number of issues and ideas.