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## Introduction

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This special issue features a series of articles originally presented at the *Fifteenth Annual Conference of Multi Organizational Partnerships, Alliances, and Networks (MOPAN)* held on 25–27 June 2008 at Suffolk University's Sawyer Business School under the auspices of the Center for Innovation and Change Leadership. The conference organiser, Professor Robert DeFillippi, who is also the Founder and Co-Director of the Center for Innovation and Change Leadership, managed a vetting process by which each of the chairs of the academic tracks for the conference nominated best articles, which in turn were reviewed by special issue Co-editor Refik Culpan for their fit with the *International Journal of Strategic Business Alliances (IJSBA)*. Those articles surviving this first vetting process were next subject to a blind review, with each article being reviewed by three

readers with expertise in the general topic of the article. The resulting articles were then revised based on the reader comments and forwarded to both special issue editors for final review and approval of these articles for the special issue.

Since *IJSBA* aims to foster the creation and dissemination of knowledge on all forms of strategic alliances from various perspectives including economics, organisational sciences and strategic management, the inclusion of a variety of articles with different emphases and orientations concerning innovation and change at various organisations ranging from business organisations to trade associations to governmental agencies would be quite suitable for the purpose of the journal. Often the realisation of major innovations and organisational changes requires inter-firm alliances and networks. The selected four articles in this issue represent how innovation and change can be accomplished through such collaborative arrangements.

This special issue demonstrates the establishment of effective collaborative arrangements in different settings and environments by presenting articles on managing change in offshore alliances, policy-driven collaborative arrangements, the drivers for collective horizontal co-competition and managed learning networks. In other words, it comprises unique examples and practices of inter-organisational collaboration from which we can draw important lessons that *IJSBA* strives to achieve.

This special issue focuses on multi-organisational alliances and networks as vehicles for innovation and change. Each of the articles in this issue addresses how different types of collaborative alliances and networks operate to further innovation and/or organisational change amongst the venture participants. Unlike conventional articles, the articles in this special issue exhibit more case studies with in depth-analyses. Moreover, each article addresses broad theoretic concerns with their topic and employs in-depth field research to examine a specific case study of the phenomena in question. The articles collectively reflect an internationally diverse set of authors examining practices in a wide array of industry and international settings. The following overview summarises each article's contribution to the special issue.

Ramanathan's article (Managing change in offshore outsourcing alliances: case studies from a multinational pharmaceutical company) utilises a case study approach to examine offshore outsourcing of IT services in a multinational pharmaceutical company and to examine the effectiveness of approaches used to manage this change process. The article closely examines each stage of the offshore outsourcing process, from developing a vision and strategy to managing the details of implementation, to institutionalising the changes within the company's work practices. The case study findings suggest several important factors driving the change. First is the external context for change, which in this case is dominated by the competitive economic pressure to reduce the overall costs of IT operations while at the same time increasing their productivity. These economic external factors need to be balanced against a political/legal context in which the complexity of IT services within the industry and the increasingly stringent regulatory environment are considered by some employees in the R&D IT department as hindering the full-scale adoption and use of offshore outsourcing. Lastly, technology trends within the industry are viewed as favouring IT offshore outsourcing solutions. These external contextual factors, however, have to be balanced against the internal contextual factors of the multinational firm's own executive leadership (favouring offshore outsourcing solutions) and resource constraints (which also favoured offshore outsourcing solutions).

However, the primary focus of Ramanathan's detailed case study is on examining the three main organisational factors most commonly identified with either fostering or constraining the successful management of change related to offshore outsourcing:

- 1 the diagnosis of the need for change
- 2 the strategy for change
- 3 the change implementation planning.

Their case study findings strongly suggest that for the multinational pharmaceutical company, these internal factors are ultimately much more significant than the external ones in driving both the process of IT offshore outsourcing and in determining the effectiveness of these change efforts. Among their specific research findings is the importance of a clear corporate vision that aligns the offshore outsourcing strategy with business objectives, the development of a firm's capability to identify, acquire, develop and deploy both internal and offshore human resources and the undesirable consequence of a top-down approach leading different employee groups into a period of fear and uncertainty over the change that was taking place. Ramanathan follows up his detailed case study findings reporting with practical recommendations of how the change process might be improved. The article concludes with a proposed theoretic model for explaining change related to offshore outsourcing implementation as a theoretic starting point for future research in other pharmaceutical companies and other industries using related offshore outsourcing solutions.

Omar and Mohan's article (Policy-driven collaborative arrangements and competency development – a case of Malaysia's MSC flagship networks) presents the results of a survey (and post-survey interviews) of 40 senior management and technical workers representing the organisations participating in three distinct flagship networks in Malaysia's Multimedia Super Corridor (MSC Malaysia) project. The MSC flagships are inter-organisational networks, built through policy-driven collaborative arrangements, to help participating organisations develop innovative applications and achieve sustainable competitive advantage. Each of the three networks (focusing on smart card, electronic procurement and telehealth innovation applications respectively) are comprised of both local (Malay) and international organisations and each network is empirically assessed with respect to their network member's perceptions of their success in developing business, project, technical and cognitive capabilities amongst its participants. Similar to the findings of the Ramanathan's article, the three network participants all report the importance of a compelling vision for network success in competency development. This vision appears to owe much to the leadership of the Malay government managers for the MSC Malaysia. Also significant for all three flagship networks are the capabilities of specific network managers in creating or facilitating the development of communications and work practices conducive for the network organisation members to share information and knowledge freely in order to promote competency development.

However, Omar and Mohan empirically report that competency development is not uniformly realised across the three networks and they point to a number of factors accounting for these differences in competency development. A major barrier to competency development appears to arise at the project implementation stage when implicit changes to established practices are commonly resisted in all but the most committed cases and this reflects a structural, cultural and professional inertia that

network management is challenged to overcome in each flagship network. The survey findings suggest that network differences in member perceptions of power sharing and trust may reflect different degrees of network-specific success in overcoming cultural and professional barriers to knowledge sharing and competency development. One of the key factors in lowering trust is the perceived loss of intellectual property by some network members to other network participating organisations. The development of suitable governance arrangements for IP sharing appears to be a daunting challenge as these networks move from early stage knowledge sharing to the creation of product and service solutions. An important insight from the analysis is that some networks are more successful at technology development than at business development and these differential successes in part reflect differing network challenges in co-creating technology versus business competencies. The authors conclude their article with some detailed implications for inter-organisational network managers and policy makers. Overall, this article offers valuable insights into the challenges of managing international inter-organisational networks.

Choi, Garcia and Friedrich's article (The drivers for collective horizontal coopetition: a case study of screwcap initiatives in the international wine industry) investigates antecedents for forming collective horizontal coopetition, where all or most major competitors in an industry cooperate to achieve a common goal while competing with each other in other business activities. Their wine industry case study of screwcap co-marketing innovation is based on interviews with key decision makers, including owners, vintners and marketing managers at eight Australian wineries, 15 US wineries and six New Zealand wineries. Their research examines how the screwcap innovation, initially invented in the 1970s but largely ignored by wineries worldwide, was reintroduced successfully through a cooperative coalition of Australia and New Zealand wineries from 2002 to the present and reached significant degrees of New Zealand and Australian winery introduction by 2005 whereas US wineries failed to form collective horizontal coopetition coalitions and did not expand their utilisation of winecaps over the same time period. The authors demonstrate how the benefits of screwcap technology, namely the elimination of 'cork taint', which occurs when poor quality corks cause a bottle of wine to take on a musty flavour, equally apply to wineries in both regions of the world. The major barrier to implementation of screwcap technology in both regions was resistance from consumers, who reportedly preferred the more traditional cultural convention of opening a cork closure and resistance from distributors, who rejected the extra marketing costs of pushing the new product into the market.

So why did Australian and New Zealand wineries overcome these barriers to innovation acceptance through collective horizontal coopetition and why did not the US wineries engage in similar coopetition strategies? One distinguishing factor appears to be the history of information and knowledge sharing amongst wineries, which is relatively common in Australia and New Zealand and quite rare amongst US wineries. Moreover, Australian and New Zealand wineries enjoy a tradition of working cooperatively with industry trade associations whereas US industry associations were characterised by at least one US winery as 'money-eating, bureaucratic institutions that provide no benefits to members or the industry'. Additionally, the relatively smaller regional markets and relatively smaller scale of New Zealand and Australian wineries provided incentives for cooperation not as powerful amongst the larger US wineries and their large domestic markets. Lastly, the common goals of sharing the risk of high uncertainty in consumers' and distributors' responses to screwcaps and sharing the switching costs of production

were other factors uniting the Australian and New Zealand wineries in co-promoting and co-marketing the screwcap innovation. The authors follow their comparative case study with a general model of the antecedents of collective horizontal cooperation. The four antecedent conditions in their model are: strategic common goals, greater expected collective benefits, safeguards against unwanted knowledge transfer (IP protection), intra-industry knowledge complementarities and strong pre-existing ties in cooperative networks. Their article offers some valuable practical lessons for identifying incentives and structural conditions that promote industry cooperation and some opportunities for additional theory development and hypothesis testing in future research on horizontal cooperation.

Marshall and Tsekouras (The interplay between formality and informality in managed learning networks) conclude our special issue with their empirical exploration of group-level knowledge practices in a wide array of learning networks of small and medium sized enterprises in South East England managed by the University of Brighton under the auspices of ProfitNet . The ProfitNet programme was designed to provide a structured platform for the managers of small- and medium-sized enterprises to learn from each other's experiences in 'industry peer networks'. The article reports that 482 firms have been involved in the programme, participating in monthly meetings of over 33 groups, with each group comprised of approximately 15 practitioners primarily organised along sectoral lines (e.g., manufacturing, creative industries and construction) with a few groups established specifically for start-up businesses. The research focused on the dynamics of the groups in action and involved the direct observation of a selection of the groups over a six month period. Eleven groups (one third of the total at the time) were chosen for observation. The authors engaged in a close observation of more than 140 hours of meetings. They analysed their rich observational data in terms of two dimensions of group process: task focus and group maintenance (which are also two long established dimensions of leadership behaviour). These dimensions provided the basis for a two by two taxonomy of group member interaction and leadership facilitation. Next, they profiled their 11 sets of group observations within each of the four taxonomic groupings: high maintenance-low task, high maintenance-high task, low maintenance-high task and low maintenance-low task.

They observed four archetypal patterns of group process. The *high cohesion/low task-focus groups* involved much informal social interaction, and this archetype appeared to offer benefits in terms of solidarity and support from group members, but such groups appeared to also suffer from 'over-informalisation' of the learning process to the extent that commitment to specific business planning implementation actions (task focus) was less likely. The *low cohesion/high task-focus groups* followed more closely the formal tasks of the programme (i.e., learning) but also tended to formalise their social interactions. Their risk was that they would ultimately undermine the benefits of structured learning by limiting the social support needed for members to contribute openly to the process. The *high cohesion/high task-focus groups* built informal social interactions while at the same time using the formal rules and designed tasks of the ProfitNet programme as a means of achieving their aims. These groups were able to benefit from structured learning while also sustaining an informal social culture and thus they also reaped the benefits of social support. Finally, the *low cohesion/low-task focus groups* nurtured a formal social culture but were conversely quite informal in terms of task-achievement. Both tendencies exerted a negative impact on learning as there was

little motivation to engage in knowledge-sharing (low cohesion) at the same time as the pool of experiences was becoming smaller and smaller due to these groups' low task focus. Clearly, the high cohesion, high task-focus groups appeared to promote the most generative learning and action orientation. How to foster such groups appeared to be determined by a wide variety of factors: the specific mixture of participants; the nature of the shared experiences that the groups encountered over time; and the norms and expectations that each developed. Also critical was the nature of group facilitation provided to each group. The authors conclude that there is no standardised formula for generating high learning and high action oriented 'industry peer networks'. Rather there is a subtle and complex emergence of norms and behaviours over time that reflects the unique developmental trajectory of each learning network.

Overall, each article in this special issue contributes to our understanding of inter-organisational collaboration with specific examples and analyses. We believe that this special issue aptly captures multidimensional dynamics of alliances and networks as vehicles for organisational innovation and change.