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# The Revision of the Cooperation Model in the Case of the FM-Alliance\*

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## The Revision of the Cooperation Model in the Case of the FM-Alliance

There are several concepts and types of business strategies used on the last decades. However, a lot of these strategies aren't applicable for cooperative purposes. The only existing way to determine the situation of the cooperation is by the use of the strategic model of cooperation. The purpose of this study consists in verifying the strategic model of cooperation by analyzing the cooperation "Facility Management Alliance" (FM Alliance). Methodologically, this study qualifies as empirical, theoretical and a case study. A questionnaire was developed for the application of this model and after that it was applied to a group of companies that work in cooperation with FM Alliance. As a result it was obtained that the FM Alliance with six partners is unfavorable for the cooperation, because one of the partner companies is dormant. As na alternative, the dormant partner leaves the cooperation. That gives the cooperation possibilities to enter now in new markets and core competences.

**Keywords:** cooperation model; cooperation strategy; strategic model of cooperation; alliance.

**Palavras-chave:** modelo de cooperação, estratégia de cooperação; modelo estratégico de cooperação; aliança.

## A Revisão do Modelo de Cooperação no Caso da FM-Alliance

Existem vários conceitos e tipos de estratégias de negócios utilizadas nas últimas décadas. No entanto, muitas destas estratégias não são aplicáveis para a cooperação. A única forma existente para determinar a situação da cooperação consiste usando o modelo estratégico de cooperação. O objetivo deste estudo consiste em verificar o modelo estratégico de cooperação através da análise da cooperação "FM-Alliance". Metodologicamente, este estudo pode ser considerado empírico, teórico e um estudo de caso. Um questionário foi desenvolvido para a aplicação deste modelo e depois foi aplicado a um grupo de empresas que trabalham em cooperação FM-Alliance. Como resultado obteve-se que a FM-Alliance com seis parceiros é desfavorável para a cooperação, porque uma das empresas parceiras é dormente. Como alternativa, o parceiro adormecido deixa a cooperação. Isso dá a cooperação agora possibilidades de ingressar em novos mercados e competências essenciais.

#### 1. Introduction

The adoption of business strategies has been extensively used in the administration of companies in the last decades. There are different concepts of strategy described by many authors. Bourgeois (1980) citing Vancil and Lorange (1977) described the first work that presented a separation in hierarchical levels, distinguishing between corporative strategies and competitive strategies. A third type of strategy, also much mentioned, is known as functional strategy (PEARCE; ROBINSON, 1997) that, according to Nöcker (2001), doesn't look useful because is just a part of the company's strategy.

The most known company's strategies are: strategy of growth from the Matrix of Ansoff (1966), matrix of portfolio of products (THOMMEN; ACHLEITNER, 2003; HEDLEY, 1977), Matrix of Porter (2009), the concept of core competence (PRAHALAD; HAMEL, 1990, 1995), the Balanced Scorecard – BSC (KAPLAN; NORTON, 1997) and the strategic model of cooperation (WEISE, 2009). Besides of these, there are yet others countless strategies. However, not every company strategy is adaptable for all of the companies or lines of business.

The selection of a strategy is decisive, and with the identification of the strong points and weak points, it's used to increase the chances of success and the reduction of risks at the moment to reach the strategic objectives.

The differences between the activities, profit edges and plans of companies' expansion, especially in increasing markets as the case of market of Facility Management (FM), raises the problem of how to formulate cooperation strategies. The cooperation composes as an action of volunteer collaboration, most of the time based in contracts between partner and autonomous companies that looses part of its economic autonomy to reach the cooperation's objectives.

The main objective of this study consists in the utilization of the strategic model of cooperation to investigate and evaluate the strategic positioning of the cooperation and their partners into the FM Alliance.

## 2. Methodology

This study is classified as theoretical and empirical according to Vergara (2010). The theoretic characteristics of the study are from known concepts and from the development of a new model of application integrated with concepts previously studied. The empirical aspect of the study results from the application of the theoretical model into a real case, proving its applicability (VERGARA, 2010).

This study is classified as a case study of which the conceptual model was applied to a cooperation formed by five companies. So it was possible to apply the developed methods (GIL, 2010).

The strategic model of cooperation is used as the basis of this case study that allows evaluating the use of the specific strategies and from the cooperation in a general way. Data was generated by a questionnaire, that was applied to CEO's of the six involved companies, and a self-presentation of the company, which congregated the individual factors of each company with the cooperative factors of each of them (Table 1).

The questionnaire has 23 questions, 6 are closed questions about the Cooperation Factors and 16 are closed questions about the Individual Factors of the company. The last question was open for comments. All alliance partners responded the questionnaire. The questions are related to the left side of the columns of the Table 1. The answers were collected by a scale that made possible to the respondent to determine which occurrence level of each factor in numerical or percentile values.

The numerical values of each question were converted into points that after had been transformed into two scores that are the coordinates of positioning inside of the matrix. The value of the X axis (Individual Factors) identifies the company's strategies and the cost, quality or outpacing of the cooperation, while the Y axis (Co-operations Factors) refers to the cooperation and identifies the advantages and disadvantages of the cooperation for the company. The competitive strategy scale, the X-axis, ranges from 0 to 900 points, while the cooperative scale, the Y-axis, ranges from -100 to 100 points.



**Table 1: Evaluated Factors** 

Individual Factors	Co-operations Factors
Average of services and products innovations	Importance of cooperation objectives for its company
Company Strategy	Purchases in set
Costs Strategy	Research and development in set
Quality Strategy	Interface development in set
Costs and Niche Strategy	Sales in set
Quality and Niche Strategy	Use of the synergic effect
Dialogs with the collaborates	Risk reduction
Collaborates Satisfaction	Entrance on the Market
Average volume of the sales/staff/year and perceptual	Knowledge Gain
Average growth of the staff board by year and percentage	Cooperation Strategy
Number of apprentices, trainee, graduated, persons that have master's degree, etc. by year	Costs Strategy
Number of training and professional education continued along the year	Quality Strategy
Number of new orders in the last year	Costs and Niche Strategy
Number of new orders in the present year	Quality and Niche Strategy
Planning of the sales volume growth in the present year in percentage	How many waited projects in weeks
Growth of licenses and patents in the present year in percentage	Average duration of the projects in weeks
Frequency of the clients fidelity in the year	Sales volume of the company through the cooperation
Quota of high qualified staff in percentage	Number of co-operations where the company is partner
Number of projects of researches and of development in the present year in percentage	
Average duration of projects in weeks	

## 3. Business Strategies

Weise at el. (2010) alert that the common strategies, as well as, Ansoff Matrix, BCG matrix, Matrix of Porter, Core Competence of Prahalad and Hamel and Balanced Scorecard are very limited to resolve strategy questions of cooperation's.

The Idea of Ansoff is a combination of the market and product. Ansoff (1966) alerts, that there is a strategic gap between the projection of the objectives and current potential for success. This gap could be closed by prevalence into the market, development of new products and new markets, and diversification.



In this way, the Ansoff Matrix is limited only to strategies observation for sales growth. The matrix does not explain how new markets are found and what new strategies for market entry would be used (Weise, 2009). Questions as may be developed new products remain unanswered. The same happens about how new products will be launched in new markets. Ansoff's approach can be considered useful in aspects of cooperation. The cooperation can be observed in each field of the array with different priorities (ANSOFF; MCDONNELL, 2009). A reduction of variables into new markets and products only describes a small part of the real complex relationships when a company enters into cooperation. In terms of cooperation, it is very difficult to determine because of large number of possible explanations of how cooperation can be better utilized.

The BCG Matrix is a strategic concept which may offer opportunities for companies to secure survival, assessing the competitive advantages and achieve growth objectives (HEDLEY, 1977). Thommen and Achleitner (2003), explain the goal of product portfolio analysis is to guide the use of current resources and potential in areas where market prospects are particularly advantageous and where companies can better exploit its strengths.

It allows viewing of real situations and how they should be for each company's activity and thus creates a different perspective with a focus on the relevance of earnings and sources of funding. Cooperation can be supported in various aspects of this matrix. Alongside the strategies defined standard can be assessed as concrete steps to achieve cooperation. However, it is clear that BCG Matrix has only two variables: the relative growth of the market and relative market share (THOMMEN; ACHLEITNER, 2003). The company's goal is to have a leadership position in the experience curve. It remains unclear how these companies can achieve this leading position. Moreover, the cooperation should be limited in the two levels of market growth and market share since the business collaboration can be multiple. Moreover, there is the problem of recovery in positioning within the matrix. An ideal curve of product life cycle is rarely found empirically and the two axes are defined subjectively by the companies. The criticisms are focused among others, by Porter (2009), and Prahalad and Hamel (1990), who developed their own theories based on this.

Porter's criticism led to the development of the Matrix of Porter. This divides the market into full and partial (PORTER, 2009). Moreover, the same author differentiates advantages of cost / price, and advantages of differentiation that have many parameters. But even the Matrix of Porter, predominant focus on sales, this hinders their use for cooperation. The Matrix of Porter would be appropriate for the cooperation, if it had expanded the fields of acquisition, research and development, production and human resources and organization. Moreover, it seems that companies do not enter the networks of cooperation, because of pre-formulated strategic concepts. This occurs more slowly with the achievement of its overall business strategy (WEISE, ET AL., 2010).

The criticism of Prahalad and Hamel on the BCG matrix based on the concept of core competences, which is not strategically useful for a company, because only product strategy and company strategy would be observed and the focus is based on the definition of core competences (WEISE, 2009). To offer a cooperation focus on core competences, needs is a good criterion in their selection of potential partners. Prahalad and Hamel focused that the use of this matrix does not have any advantage for *Revista ADM.MADE, Rio de Janeiro, ano 11, v.15, n.2, p.82-97, maio/setembro, 2011.* 

companies that have much cooperation. Because, it requires that the company need to know their core competences and develop them without the competitor's knowledge. In addition, core competencies are perishable over time. Thus there is need for concrete actions for the construction and maintenance of core competences, which is not contained in the concept.

The concept of the Balanced Scorecard translates mission and strategy of the company objectives and indicators (KAPLAN; NORTON, 1997). Moreover, this is divided into four different perspectives: financial perspective, customer perspective, and the prospect of internal process, and learning and development perspectives.

Since the BSC with its four perspectives is not primarily a means to choice of strategy, but rather an instrument for implementing them. In cooperation is crucial to identify the chain of causes and effects that currently exists, and changes arising from the entry of new companies into the cooperation (WEISE ET AL., 2010).

The difficulty lies in identifying dependencies between the prospects and strategic objectives. Furthermore, the implementation of the BSC is often seen, as problematic, as the effect relationship between two indicators in parts is a misnomer. Also problematic is the reporting of operational objectives for the lower levels of the hierarchy. Another point of criticism is founded on top-down approach. In short, the BSC is a meaningful system, but its complexity should not be underestimated.

## 3.1. Strategic model of cooperation

The development of a strategy of cooperation results from the companies' strategy that composes it (WEISE, 2009). To develop a totally new concept that is strategic and enterprising it would be necessary to generate a large data base that would allow an empirical research. This way, the companies' strategy objectively developed the strategic alliances, addressing features and specific factors. The according to Weise et al. (2010), the strategic alliances in the companies are determined by the direction of interlacement, by the legal and economic basis and by the time dimension of the cooperation. The strategic enterprise goal must enable a sustainable review of the cooperation's formation that came from an advantage.

The sustainable development of a company and the competitive advantage are important criterions to the development of an enterprise model. So, individual factors and cooperation factors must be considered in the model (WEISE et al., 2010). There are many factors not all monetary. These factors also will be considered in the BSC and in the models based on the growth/share matrix and in the concept of the core competence.

## 3.2. Company factors

The enterprise strategy should be oriented to sustainable growth, preparing the companies for the future. Therefore, it considers monetary factors and several non-monetary factors, among their own competitive advantages.

The primary monetary factor objectives are: Average growth of sales volume by employee/year, growth of sales volume, numbers of new orders and Growth of licenses and patents.

The aggregate of several monetary factors defines the growth in absolute values and in monetary values. Among the non-justified monetary factors we can quote: Development of service providers, product and product updates, average duration of projects, clients' fidelity, dialogue with the collaborators by year, employees' satisfaction, growth of employee representation, share of highly qualified employees, number of apprentices, trainees, graduated, persons that have master's degree, etc., number of training and continued professional education, number of research and development projects and strategy of the company.

## 3.3. Factors of cooperation

When the companies choose to create of cooperation they must analyze if this creation will bring the competitive advantages with respect to the competition. This check can be made by analysis of the following characteristics: cooperation's strategy, cooperation's goals, company's volume of sales by the cooperation, quote of additional new orders by the cooperation, duration of the projects; and quantity of co-operations.

Much cooperation failed because of lack of alignment of the goals and the cooperation's strategy. It's necessary to be flexible so that it will be possible to react to market changes at the moment that the companies of the cooperation will be influenced differently.

Cooperation's that don't result in new orders for the company and, at the same time, don't result in an increase of the knowledge, usually, don't have much reason to exist, in that, cooperation's must aggregate value. So, each company must be evaluated individually during the projects.

## 3.4. The model

The growth / share matrix, (PORTER, 2009) presents the strategy of costs, quality and niche market. The niche market strategy has cost and quality strategy elements. Therefore the present model is more generalized in that it does not distinguish the niche market, but rather considers cost and quality strategies only. In this way it renounces a distinction between total market and parts of the market, one that co-operations usually don't act in.

Cooperation offer to the participating companies opportunities in known markets and the entrance and the development in new markets. This means an integration of the concept of core competence of Prahalad and Hamel (1990) that describe the existence of these new and known markets. Before the cooperation, the partners are always operating in known markets. During the cooperation these will be in known and new markets, independently of any partner of the cooperation that is part of this new market. This entrance in the markets will always be linked to the goals and the cooperation's strategy.

In each type of strategy (of costs, quality or outpacing), a company that works on quality strategy can be maintained in known markets and, at the same time, at new markets (WEISE, 2009). Inside the cooperation, each company has its main competences, as the own cooperation has its own. These can be multiple or specific to a company.

The strategy of outpacing in the Porter's growth/share matrix consists on the position named "stuck in the middle" (BUZZELL; GALE, 1989; BARZEN; WAHL, 1990). This strategy can be positive and understood as one, in others words, a hybrid strategy that combines at the same time the strategy's advantages of costs and quality (JENNER, 2000). This strategy allows a potential to a good part of the market and also brings attractive profits, which can be the goal.

In this way, the developed model, use first the Matrix of Porter with the three strategies (costs, outpacing and quality). In every of these strategies was put the concept of core competence with the known and new markets, as well as, known and new core competence (WEISE, 2009). To complete the model, the same author, include the idea of the Balanced Scorecard that means the system of scores in the two axis's (x and y).

The strategy of each company inside the cooperation will be identified individually in quality, cost or outpacing. Based on the individual strategies and on the monetary factors and non-monetary of the cooperation, positioning of the cooperation's strategy will be determined.

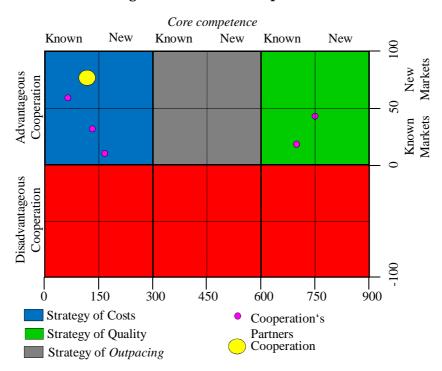


Figure 1: Matrix of Cooperation

Each monetary factor and non-monetary was attributed points and which are summed in a way that determine a coordinate on each axle as the Figure 1, where it shows the positioning of five companies that operate in cooperation in the FM market (WEISE, 2009).

It was understood that each company has a particular vision of itself and to the cooperation. It is possible to compare the positioning of companies and cooperation within the strategies. Analysing the matrix, it is understood that the companies of the same cooperation have different individual strategies (cost or quality) while the cooperation searches for quality (WEISE et al., 2010).

It was also understood that the cooperation has been advantageous to all of the companies. If the cooperation wasn't advantageous for one of the companies the whole cooperation would be impracticable.

When analyzing the main competencies, it's possible to see that even with the cooperation's constitution, none of the companies created new competences. In other words, each one of the companies continued doing only the functions that already existed.

Future analysis shows that all of the companies are positioned individually in known markets, while the cooperation is in new markets, in that, the market that isn't known by all of the companies are a new market to the cooperation.

#### 4. FM-Alliance

## 4.1. Historical background

The Facility Management Alliance was signed on March 30th, 2004 under the direction of the speedikon Facility Management AG (FM ALLIANCE, 2009). Other founding members are the innosys AG, Prequest Nederland BV, the ESRI Geoinformatik GmbH as well as the plus Infratec GmbH. RAG Informatik (renamed as Services for Business IT Ruhr GmbH) previously appeared as the last member of the FM Alliance on November 22th, 2004 (FM ALLIANCE, 2009). The companies represented themselves, according to its own statements, as "market leaders" (FM ALLIANCE, 2009). The cooperation takes place informally, without a firm contractual basis only by a declaration of accession.

#### 4.2. Self-projection Alliance Strategy

"FM-Alliance is aimed at combining varying technical and organizational competencies and solutions in the facility and real estate management area and to provide this broad-base for the sake of their customers and applicants." (FM ALLIANCE, 2009, p. 11). The FM Alliance acts, according to its own data, as a complete supplier on the market. The individual products are connected on an IT platform allowing the data and information across the system to be available for use. An integration of the various divisions can lead to competitive advantages.

Through the collaboration of technology leaders of the issues surrounding building and property management in the breadth and depth of customer- and solution-oriented processes and market trends earlier recognized. To achieve the highest possible quality standards, which continue to develop, stands at the center of the FM Alliance.

The close cooperation creates the basis for the use of all resources and know-how. The resulting services and products may be required by customer satisfaction requirements. This was confirmed recently in that the requirements were not being *Revista ADM.MADE, Rio de Janeiro, ano 11, v.15, n.2, p.82-97, maio/setembro, 2011.* 90

fulfilled by the entire market (GRG, 2003). It seems, however, not to apply to the FM Alliance and their clients.

The cooperation network between the various alliance partners, is interesting. Generally, the FM Alliance can be described as a vertical alliance. The peculiarity here is that the alliance partners can alternately be upstream and downstream in the value chains as the Figure 2 explains. For example innosys AG uses data from ESRI for one project, while ESRI uses data from innosys AG for another project.

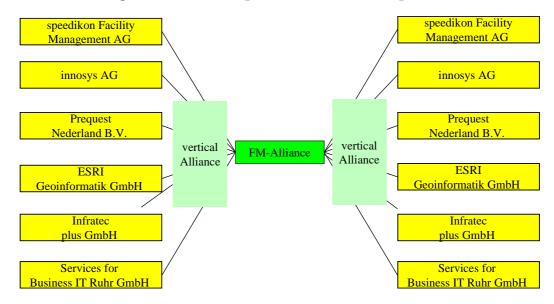


Figure 2: Relationship between the alliance partners

#### 4.3. Partners of the FM-Alliance

#### 4.3.1. Speedikon Facility Management AG

One of the initiators of the FM-Alliance is the speedikon Facility Management AG. The company develops "... software solutions for the effective management of buildings and facilities ..." (SPEEDIKON FACILITY MANAGEMENT AG, 2009a). The software solutions are distributed under the name speedikon® FM and FM Webdesk (SPEEDIKON FACILITY MANAGEMENT AG, 2009a). The price-performance ratio of the company both on the supplier side as well as on the client side is very important. The focus on the customer, which is included in new product development at an early stage, is of further importance (SPEEDIKON FACILITY MANAGEMENT AG, 2009b).

#### 4.3.2. Innosys AG

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In 2001, the innosys AG emerged from the in.nova GmbH. The company sees itself as an IT service provider and has a flexible computer system platform for portfolio management with the name innosys®-Information System (INNOSYS, 2009a). This leads both the strategic and operational aspects of real estate controlling. The innosys AG is the leader in the field of portfolio management software for the real

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estate industry. Approximately 50 companies in the residential real estate area with approximately 1 million rental units use the software (INNOSYS, 2009b). The innosys real estate portfolio controls over 30 billion Euros of the commercial real estate sector.

#### 4.3.3. Prequest Nederland BV

Prequest Nederland BV is the only foreign company in the FM-Alliance. It provides software solutions for all front-office areas and has been a leading supplier of facility management software for around 10 years – Prequest FM (PREQUEST, 2009).

#### 4.3.4. ESRI Geoinformatik GmbH

The ESRI Geoinformatik GmbH (2009) belongs to the group ESRI (Environmental Systems Research Institute Inc., headquartered in Redlands, California (USA)), which claims to be the "... world's most successful group of companies in the field of geo information systems (GIS) and in more than 90 countries of the world operates ... ". The applications range from simple information on the Internet to complex simulations. It is used by more than one million users, including public authorities, companies, universities and associations. The name of the product family is ArcGIS.

## 4.3.5. Infratec plus GmbH

The Infratec plus GmbH (2009) provides solutions in the IT field for remote management systems. The products range of server management systems to security and surveillance systems. The company acquired a global position with the help of its rack monitoring systems, which take on the supervision and control of computer and telecommunications systems. The focus is on efficient management of the entire computer system. The company is currently a dormant partner in the alliance.

#### 4.3.6. Services for Business IT Ruhr GmbH

Services for Business IT Ruhr GmbH – formerly known as RAG Infromatik – counts itself as one of the major IT service providers. The divisions are Business Consulting, Access & Communication Services, Human Resource & Health Care Consulting Services as well as hosting solutions (SERVICES FOR BUSINESS IT RUHR GMBH, 2009a). The cornerstone of the real estate software solutions are mySAP Real Estate and IVS Workbench (SERVICES FOR BUSINESS IT RUHR GMBH, 2009b).

## 5. Application of the Model

A review of the strategic orientation of the FM Alliance can take place from different perspectives. An important point is the existence of viable and sustainable alignment of the entire alliance in terms of sustainable growth of competitiveness. Furthermore, an examination of mutually advantageous transfer of resources among partners is to guarantee a successful development of the alliance and to eliminate opportunism. That's why, a questionnairy was developed to collect data for a strategy review. Subsequently, the model is applied, which is the basis for the strategy decision.



In the FM Alliance, six companies joined forces. Therefore, two possible model scenarios are to be considerated. The first scenario is based on all six companies, while the second scenario contains only the five active enterprises.

#### 5.1. First scenario - six Alliance Partners

The FM Alliance in its present form consists of six alliance partners, more precisely, there are five active and one passive partner. The passive partner may not be useful to the co-operation, but is included in this scenario. The distribution of the dormant and active companies on Figure 3 was made on the basis of self-presentation of the company and the questionnaire..

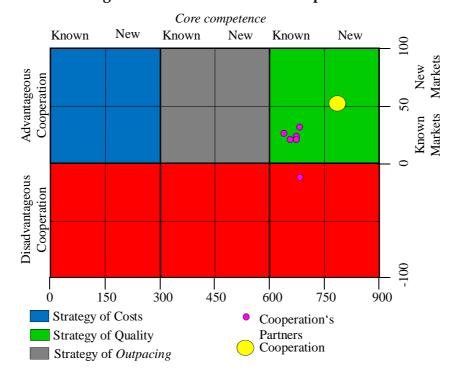


Figure 3: Matrix with six alliance partners

The figure shows that one company is not appropriate for this cooperation. In this particular case, it is the dormant companies, as it is not involved in the cooperation and according the cooperation criteria was evaluated with negative value. The five active partners of the cooperation are very close in the matrix.

All six partners have pursued the strategy of quality, being five working in known markets from known core competences. All partners are members of other cooperative alliances.

As a result of the combination of their products and their core competences, the cooperation works with new core competences and is planning to go into new markets.



#### 5.2. Second scenario - five Alliance Partners

The second scenario assumes that the dormant company is excluded from the FM Alliance. The company therefore no longer influences the strategy of the Alliance. By joining the cooperation every partner has brought 2 to 10 projects more to the alliance. Also the sales volume increased between 5 and 10 percent in each company. That was possible by creating new products and connections between the services that support them. In other words, the five partners got synergy effects in the development and sale, access to new/other markets and a higher and quicker acquisition of knowledge.

The Figure 4 presents this scenario. Compared to the first scenario, one can see the cooperation moving from the border of existing and new markets straight into the new markets region. In this case, the cooperation has better chances to create new values for all five partners by cooperation around new core competences and going to new markets by combining their strengths. Higher competitiveness and more possibilities for the growth of every partner arise.

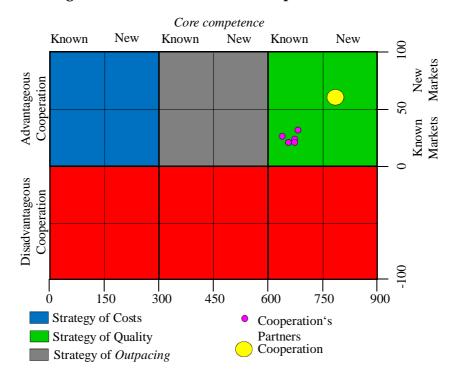


Figure 4: Matrix with five alliance partners

## 5.3. Strategy decision

The advantages and disadvantages of sceneries are directly visible on Figures 3 and 4. The first of the two figures shows the retention of the dormant partner. Even in the dormant state, this company uses the resources of the other alliance partners.

Although this comes in a small scale, the company may obtain privileged information and have access to the alliance knowledge, services and products.

This is not the main target of the Alliance. The cooperation is locked between the known and new markets region as the full power and all possibilities of the cooperation are not being used. Therefore change in this situation seems inevitable.

Synergy effects in the development and sale, access to new/other markets and a higher and quicker acquisition of knowledge, more projects and sales volume are the keys for the companies to create and get involved into this cooperation.

The result is that the cooperation with only five partners went into the new market, which is the focus of their interests. With that focus, the cooperation will develop strongly into new markets and core competences.

As an alternative to leaving the alliance, the dormant partner could be changed to an active partner. But for this, he also needs to change his alignment with the alliance, especially his contribution to the alliance, in terms of resources and knowledge, and about the strategy of the company in relation to the cooperation. Because of the information lag, it was not possible to evaluate this scenario.

#### 6. Conclusion

The strategy of the FM-Alliance can, despite a dissenting voice (for the niche strategy, quality leadership strategy) be classified as a quality leadership strategy. The alliance partners and the FM Alliance itself use the quality leadership strategy. The question to what extent this strategy benefits the overall market or a niche application, is of secondary importance and has no influence on the strategy choice. The similarities in the cooperation's objectives form an excellent basis for further development of cooperation. The exploitation of synergies, such as the development of interfaces, the market and the joint distribution, is in the foreground. All active alliance partners (five companies) can also cooperate with other companies outside of this alliance.

Business strategies are necessary in companies, but unfortunately these strategies aren't directly applicable to cooperative arrangements. The only known model of evaluation of cooperation is the strategic model of cooperation.

By using two different scenarios for the cooperation, it was possible to position the FM Alliance. The first scenario with six partners shows that one (the dormant) partner does not really participate in the alliance. He is using the partner's resources, but is doing nothing for the cooperation. Without the dormant partner, the FM Alliance is more active and can enter in new markets and core competencies, which mean the cooperation and their partners can grow. As an alternative to leaving the alliance, this dormant partner could be change to an active partner.

The constellation in the form of a vertical strategic alliance in this particular case does not really exists. Companies can change positions in each new project. Generally, one company will be the primary constructor while the others will be subcontractors. The FM-Alliance and its companies can alone or together develop new core competencies or seek new markets.



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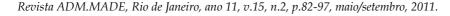
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