Chapter 6.5
Strategic Alliances and Knowledge Management Strategies:
A Case Study

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ABSTRACT

Managing organizational knowledge in alliances implies establishing the best possible strategic design to create, acquire, maintain, transfer, and apply organizational knowledge developed between the partners (or acquired from partners) in order to achieve competitive goals. In this chapter, the role of knowledge management strategy (KMS) in strategic alliances is analyzed in a technology-intensive company. Focusing on this, the importance of alliances for technological companies and the necessity of designing suitable KMSs in alliances–in terms of establishing objectives, knowledge management tools, and support systems–are explained first of all. This is followed by the analysis of a case study of KMS in the strategic alliances of a company currently developing different businesses in technological settings. Finally, a number of conclusions are discussed, based on how the implementation aspects concerning KMS in strategic alliances have been managed and the way they have contributed to the attainment of the company's objectives and goals.

1. INTRODUCTION

The growth of alliances has generated considerable interest in this topic among both academics and

practitioners. Strategic management literature has recognized alliances as a source for firms to acquire and improve their knowledge-based capabilities in current innovation-intensive environments (Oxley and Sampson, 2004). Thus, alliances can act as mechanism for firms to develop a competitive advantage over their rivals, outperforming them by means of the company's proven access to economies of scope and scale, complementary capabilities and knowledge, the possibility of competing in new markets, the improvement of their learning capacity, or the sharing of costs and risks of R&D projects, among other reasons (Saxton, 1997; Ireland, Hitt and Vaidyanath, 2002; Luo, 2008).

Knowledge Management Strategy (KMS) constitutes one of the main factors in order for firms to achieve these objectives and build collaborative advantages through strategic alliances. Managing organizational knowledge in alliances involves working on the best possible strategic design to create, acquire, maintain, transfer and apply organizational knowledge developed or acquired amongst the partners in order to achieve competitive goals (Guadamillas, Donate and Sánchez de Pablo, 2006).

A clear relationship exists between strategic alliances and the KMS of firms. Lane and Lubatkin (1998) and Stuart (2000) contend the main objective of partners in a technological alliance is the inter-organizational learning, as a consequence of the difficulty faced by each partner in terms of solving their environmental problems internally. Inter-organizational learning is based on the absorptive capacity of the company, which represents its ability to value, assimilate and use the external (acquired) new knowledge (Cohen and Levinthal, 1990; Lane and Lubatkin, 1998). Absorptive capacity depends on the path-dependent investment in R&D and technology developed by the company, so the more innovative the firm is, the more likely it is to invest in alliances with a view to inter-firm learning. However, in order for such learning to take place, an adequate

KMS has to be developed in order to effectively manage and exploit the flow of knowledge that is produced in the strategic alliance (Grant and Baden-Fuller, 2004). In doing so, this will speed up the development of innovation, thus making its implementation over a short period of time possible, ultimately leading to important advantages for the firm whilst encouraging a superior level of learning at the same time (Stuart, 2000).

It is also important to remark on certain key organizational and technical aspects related to the role of KMS in the management of strategic alliances: the use of information technology (IT) and the systems that make the access to knowledge easier, the organizational culture that fosters innovation development and ethical and responsible behavior, and human resources (HR) practices. All of these make the establishment of a coherent structure for knowledge management in strategic alliances a complicated issue (Schmaltz, Hagenhoff and Kaspar, 2004).

Furthermore, there are other kinds of problems that arise in strategic alliances which make the effective development of collaborative activities and knowledge sharing complex. The first problem is both the specificity and tacitness of knowledge, meaning its effective storage and transfer are difficult. Moreover, the distrust between partners and the cultural barriers in respect of collaboration imply certain reluctance on the part of companies to participate in alliances (Lane and Lubatkin, 1998; Ireland et al., 2002). Excessive technological and knowledge diversity (or similarity), for example, can be problematic insomuch as it gives rise to difficulties in terms of learning from partners (Lane and Lubatkin, 1998). Finally, the organizational form and the governance structure of the strategic alliance should be adapted to accomplish the alliance objectives and specific requirements of the companies involved.

In this chapter, we attempt to analyze the KMS of companies involved in strategic alliances, and in particular, a number of aspects related both to the sharing and transmission of knowledge from

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