# ALLIANCE MANAGEMENT AS SOURCE OF A SUCCESSFUL STRATEGY

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## Abstract:

In today's global environment, strategic alliances represent an important source of growth and competitive advantage; they allow firms to access new and critical resources and capabilities, to improve competitive position and rapidly to enter a new market. In spite of the strategic importance of the alliances, they still exhibit a high failure rate; previous researches show that the half of the alliance formed end up as failure. The low success rate testifies firms' difficulties in managing their alliance relationships and in ensuring enough success from them. In global markets, firms exhibit heterogeneity in terms of the overall alliance success; some firms achieve success from their alliance and others fail. Although most companies have realized the importance of strategic alliances, only few of them have developed the needed capabilities to manage them with success. In recent years, empirical studies found that firms with greater alliance success are those ones with superior management capabilities, termed in literature as *"alliance capabilities"*. This study is based on the assumption that the heterogeneity in alliance success rate is due to heterogeneity in firms' level of management capabilities. Eli Lilly & Company's success in strategic alliances represents a clear example of company that understood the importance of developing an institutionalized approach of "alliance management" that improves the likelihood of alliance success.

**Keywords:** Strategic alliances, alliance management, alliance capability, alliance success, alliance failure.

## Introduction:

In the past decades, the importance of strategic alliances substantially increased (Dyer et al., 2001); they have been deemed as a response to the challenges of market globalization (Isoraite, 2009). The external conditions, such as the growing complexity of the economic environment and the highly intense competition, make difficult for companies to preserve their own competitive position. Firms cannot compete in the marketplace just with their own resources' endorsement, that's why they are increasingly dependent on external partners. Companies set cooperative strategies with a wide range of solutions of equity and non-equity alliance[1] (Brondoni, 2003), which allow them to fill the gap of needed resources, knowledge

[1] Strategic Equity Alliances are collaborative agreements supplemented by equity investments such as by International Joint Venture and Equity participation (Brondoni, 2003).The owner aspect implies direct control and reduces the risk of opportunistic behaviors (Gulati & Singh, 1998). Instead, in Non-Equity Alliances partners share skills, competences and resource without equity participations arrangements such as in R&D

and skills and face their internal weakness. Two or more firms, involved in strategic alliances, share know-how, benefits, costs, risks and control on joint activities, in order to reach a common goal (Yoshino and Rangan, 1995) and create a sustained competitive advantage (Dyer & Singh, 1998; Gulati, 1998; Ireland et. al., 2002; Yi Wei, 2007). Although the importance of strategic alliances as a source of competitive advantage (Doz &Hamel, 1998; Ireland et al., 2002), their success rate remains rather low (Dyer et al., 2001; Bleeke & Ernst, 1993). In fact previous researches show that the half of the alliance formed end up as failure (Lorange & Ross, 1992; Bleeke & Ernst, 1993; Faulkner, 1995; Kale et al., 2001; Lunnan & Haugland, 2008). In many cases, the causes of alliance failure are due to the nature of alliances, which are characterized by the simultaneous presence of cooperation and competition (Kogout, 1988; Harrigan, 1988; Hamel, 1991; Lorange & Ross, 1992; Bleeke & Ernst, 1993; Faulkner, 1995; Ireland et al., 2002). Parkhe (1993) argues that alliances could lead to competitive or cooperative behaviors, depending on partner's private incentives (Parkhe, 1993); if partner's competitive behavior prevails on the cooperative one, strategic alliance proves a failure (Park & Russo, 1996). Park & Ungson (2001), on this assumption, identify two main causes of alliance failure such as:

- Inter-firm competition: risk of partner's opportunistic behavior.
- Managerial complexity: coordination problems due to potential lack of cultural, strategic and structural fit between partners.

Companies have poor confidence with dynamic aspects of alliance relationship management that is characterized by high interdependence among partners. The level of interdependence may have a crucial impact on each partner such as extreme vulnerability to the behavior and direction of the others; this aspect increases complexity and costs related to partnership coordination and management (Parkhe, 1993). Therefore, alliance failure could represent value destruction for firms (Kale & Singh, 2002), which have invested many financial resources. Bamford et al. (2004) observe that around 30%-70% of alliances fail without achieving shared goals or operational benefits. The high alliance failure rate highlights that firms encounter some difficulties to manage their alliance and lead them towards success; in fact, not all the companies have experience and capabilities necessary to obtain sufficient success from their collaborative relationships (Das & Teng, 2001). In global

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Partnerships, Co-production, Cooperative Marketing, Supply-Chain Partnership, Outsourcing, Franchising and Licensing (Brondoni, 2003).They are less rigid than equity alliances, but partners are less protected against the risks of opportunistic behavior. The choice of alliance governance form, depends on the level of control and risk that partners desired on their joint activity.

markets, firms exhibit heterogeneity in terms of overall alliance success (Kale & Singh, 2007); as a matter of fact, empirical studies found that companies with greater alliance success are those ones with superior capabilities, termed in literature as *"alliance capabilities"* (Kale et al., 2000; Anand & Khanna 2000; Duysters et al., 2011) and defined by Lambe et al. (2002) as a portfolio of superior abilities in managing alliances. Alliance management is crucial for firms to gain competitive advantage and create value, that's why is considered a source of alliance success.

The concept of alliance capability is useful to justify the heterogeneity in alliance success rate among companies (Ireland et al., 2002; Kale & Singh, 2009; Saebi, 2011; Duysters et al., 2011; Wang & Rajagopalan, 2015).

## Alliance capability: an overview

A*lliance capability view* gained in importance in 1990's and it is an extension of the *Dynamic capability theory*, which is useful to detect and elucidate conditions that made alliance successful (Saebi, 2011). Dynamic capability view (Teece & Pisano, 1994; Teece et al., 1997) explains how companies can achieve sustainable competitive advantage, pointing out that resources' endowment is no more enough to justify heterogeneous performance among firms. Markets are not static and under unpredictable conditions, the theory emphasizes the reconfiguration of basic resources. Dynamic capability concept refers to firms' abilities to promote changes with the integration, building and reconfiguration of basic resources in matching changing environments (Teece et al., 1997). Makadok (2001) argues that companies, in situation of rapid environment change, have to develop capabilities (high-order resources), improving the productivity of basic resources. Dynamic capabilities are heterogeneously distributed among companies and that's why they are a source of competitive advantage. Many previous studies held that alliance capabilities are a kind of dynamic capability (Draulans et al., 2003; Chang et al., 2008), as matter of fact they are high-order of resources that influence the lower-order of alliance resources such as several alliance relationships' attributes (Heimeriks & Schreiner, 2010; Schilke & Goerzen, 2010). Alliance capabilities, just like Dynamic capabilities, are heterogeneously distributed across firms and for such a reason, they are able to justify heterogeneous alliance success rate among companies. As stated by Saebi (2011), Alliance capability view capability promotes a shift in research focus from relational or structural factors, peculiar to the individual alliance relationship, towards managerial capabilities specific of a single firm. In order to achieve success from their strategic alliances, companies have to focus not only on the relationship between partners, but equally on capabilities requested for managing it (Duysters et al., 2011). According to such an assumption, firms with high alliance success rate are those ones with a higher degree of alliance capabilities (Anand & Khanna, 2000; Kale et al., 2002; Draulans et al., 2003; Saebi, 2011). Thus, differences in alliance success among firms, are due to different level of capabilities in managing alliances (Kale et al., 2000; Anand & Khanna 2000). As for alliance capability meaning, Saebi (2011) identified two main schools of thought. Both of them point out two different and important aspects of the concept. The first one describes alliance capability as a learning capability of alliance management (Kale et al., 2001; Draulans et al., 2003; Heimeriks & Duysters, 2007; Sarkar et al., 2009); it stresses the importance of learning process as a key determinant of alliance capabilities. According to such point of view, prior experience plays a critical role in alliance capabilities development. Firms, engaging in numerous alliances, gain experience about alliance management and transform it into accessible lessons that are shared and disseminated throughout organization (Gulati, 1995; Kale et al., 2002; Saebi, 2011). The second stream of research (Simonin, 1997; Anand & Khanna, 2000; Lambe et al., 2002; Schreiner et al., 2009) describes alliance capabilities abilities in managing alliance's tasks during the phases of its lifecycle. Saebi (2011), with the aim to provide a clear vision of alliance capabilities' concept, integrates the two types of definition into one as follow: "Alliance capabilities are an institutionalized approach to learning about alliance management in order to support the organization in the formation, operation and evaluation of its alliance". Saebi's definition shows that companies, in order to achieve success from their own strategic alliances, have to develop an institutionalized approach to learning about prior alliance experience with the creation of standardized procedures and best practices. The institutionalized approach is different from the trial-and-error one that does not capture lessons from past experiences. Kale et al. (2002) define alliance capability as mechanism useful to accumulate, store and disseminate alliance know-how management, derived from prior experience. Learning mechanism allow firms to transform prior alliance experience in accessible lessons on alliance management, which are shared and disseminated throughout the organization (Draulans et al., 2003). Therefore, alliance capabilities are firm's abilities to learn from previous experience and capture know-how in best practices, with the aim to support the alliance management during formation, operational and evaluation phases.

### *Alliance capability development:*

Previous researches in alliance literature identified three key elements involved in alliance capabilities development (Kale & Singh, 2009)*: prior experience, a dedicated alliance function and learning process*. Kale & Singh (2007) define alliance capabilities as firms' abilities to capture, share and store knowledge on alliance management, gained from prior experience, and which it's been used in ongoing and future alliances. Draulans et al. (2003) describes alliance capabilities as firms' abilities to create successful strategic alliance, based on learning about alliance management and levering knowledge inside organization. According to such assumptions, prior alliance experience plays a critical role in alliance capabilities development. Gulati (1995) defines alliance experience as firms' expertise on alliance management gained from prior alliances; firms, engaging themselves in a great number of alliances, learn about crucial aspects of alliance management, which are translated in alliance know-how (Kale et al., 2002). Anand & Khanna (2000) argue that firms, accumulating experience, learn how to manage successfully their strategic alliances; such assumption highlights firms' abilities to create value from their previous alliance experience. Firms, which frequently engage in strategic alliances, are more likely to benefit of superior alliance know-how that in turn allows the development of high order of alliance management capabilities (Sluyts et al., 2011); different levels of alliance experience justify different levels of alliance management capabilities, owned by firms. It is expected that, firms with more alliance experience develop superior capabilities in managing strategic alliance than those with lesser (Anand & Khanna, 2000). However, Kale & Singh (1999) state that alliance experience provides only a crude approximation of the mechanisms that lie at the foundation of alliance capabilities development; it is an important but not sufficient condition because lessons learned from previous experience have to be articulated, codified, shared and internalized in alliance management know-how through the implementation of learning process (Kale et al., 2002; Kale & Singh, 2009). Learning process plays a critical role because it allows firms to formalize, internalize and disseminate alliance know-how (Kale & Singh, 2007). Implementing an effective and efficient learning process is not easy, that's why Kale et al. (2002) claim the creation of a separate structure or entity, which supports the learning process and firm's overall alliance activity, referred to as "*dedicated alliance function*"; it is represented by an alliance department or office (Kale et al., 2002; Borker et al., 2004). Alliance function acts as a central coordination mechanism able to promote alliance capabilities development and with the aim to increase the overall alliance success likelihood. Empirical studies, led by Kale et al. (2002), demonstrate that firms are more likely to achieve success from their strategic alliances if they invest in creating a dedicated alliance function, which helps to accumulate, integrate and codify alliance know-how in manuals and guidelines for supporting managers in handling alliance during the phases of its lifecycle. Alliance function acts as a focal point for learning and leveraging explicit and tacit alliance know-how form prior experience; in matter of fact, training programs and internal meeting allow managers to share their tacit knowledge such as experience gained in carrying out several tasks of alliance management. Thus, alliance functions represents a depository of alliance know-how, without it, the knowledge owned by individual manager could be lost if they left the firms. Indeed, a dedicated alliance function, allows the coordination of internal resource across different alliance divisions and acts as a facilitator to resolve potential conflicts among partners (Kale et al., 2002). Investing in a dedicated alliance leads to the implementation of a stronger learning process (Kale et al., 2002; Kale & Sing, 2007). Draulans et al. (2003) state that alliance success depends on firm's learning process and on its capability to leverage alliance know-how within the organization. Kale & Singh (2007) define alliance learning process as *"effort to learn, accumulate and leverage know-how on alliance management"*, it allows firms to develop alliance management capabilities through four learning mechanisms: alliance know-how articulation, codification, sharing and internalization. The learning mechanisms, identified by Kale & Singh (2007) are showed as following:

1. *Alliance know-how Articulation:* helps firms to convert alliance management know-how, individually held, into articulated knowledge. This learning mechanism is defined as companies' efforts of externalizing and accessing individual held knowledge into explicit one. The alliance management know-how possessed by individual managers is articulated in valuable lessons, useful for future alliances. The tools, through which articulation mechanism is realized, are: formal and informal de-briefing, logbook on alliance events and internal reports on alliance management; these instruments help firms to understand mistakes and valuable actions in the past alliances and learn important lesson to improve the management and success of the future ones.
2. *Alliance Know-how Codification***:** allows firms to create concrete tools such as management guidelines, templates, databases, checklists and manuals, which incorporate

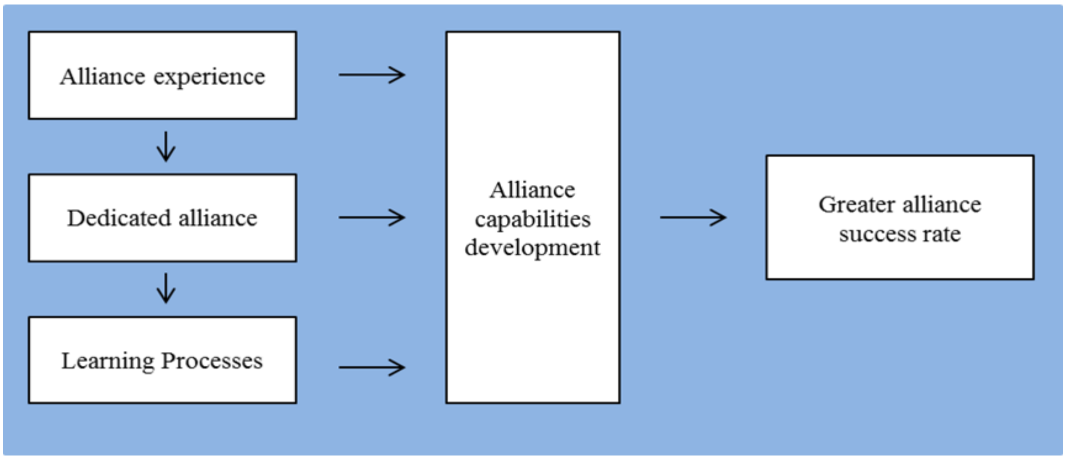
best practices and support companies in decision-making and management process for future alliances. According to Kale & Singh (2007), codification represents companies' concrete effort of codifying past alliance experiences and providing a toolkit of best practices for alliance managers.

***3.*** *Alliance Know-how Sharing* allows firms to exchange and disseminate individual and organizational know-how through interpersonal interactions such as alliance committees, tasks forces or informal discussions and conversations. Individuals put together their personal experiences for sharing both articulated and codified alliance knowledge and creating best practices.

***4.*** *Alliance Know-how Internalization* allows the absorption of accumulated organizational level know-how by individuals through internal and external training programs that help firms to enhance their own capacity of absorbing best practices and lessons on alliance management (Draulans et al., 2003; Kale & Singh, 2007). Internalization mechanism allows individuals to acquire basic know-how about alliance management and enhances their own absorptive capacity to assimilate new knowledge about specific tasks (Cohen & Levinthal, 1990). Therefore, through internalization, individuals can both learn from prior alliance experience and even understand where they can allocate the gained knowledge.

In summary, the alliance capabilities development is made up by the combination of three keys: prior experience, a dedicated alliance function and learning process; they are closely intertwined because companies, involving themselves in a great number of alliances, gain experience on alliance management that is translated in alliance know-how through the learning process and with the support of an alliance dedicated function (Simonin, 1997; Anand & Khanna, 2000; Kale & Singh, 2007).

*Table 1: Summary scheme on alliance capabilities development.*




*Source: Adapted by Kale & Singh (2009).*

## *Alliance management at Eli Lilly & Company:*

Previous studies show that half the alliances formed end up as failures (Bleeke & Ernest, 1993). The high alliance failure rate highlights the fact that alliances are difficult to handle and developing capabilities to effectively manage them is a source of competitive advantages (Dyer & Singh, 1998; Ireland et al., 2002). As stated by Alliance capability view (Saebi, 2011; Dyster et al., 2011), the source of alliance success lies not only on the relationship between partners, but equally on firms' capabilities to manage strategic alliances. In global markets many companies are well-aware of the strategic importance of alliances, but only few of them have developed the needed capabilities for achieve success; Duysters et al. (2011) state that some firms are more capable of collaborating than the others, because they have more experience and management process related to the alliance. Thus, companies which have institutionalized managerial best practices in supporting alliances, are those with more alliance success likelihood. *Eli Lilly & Company*, an American global pharmaceutical company founded in 1876 and headquartered in Indianapolis (Indiana, Us), is a clear example of firm that realized the importance of developing an institutionalized approach to learning about alliance management. The focus of this section is on strategies, tools and approaches that have enabled Eli Lilly & Co to play an increasingly important role in implementing strategic alliances. The alliance management at Eli Lilly & Co is analyzed by means of an extensive review of articles sponsored by the company and written by its professionals involved in the alliance management process. Secondary information from its official global website are also used to improve the research validity. For Eli Lilly & Co, strategic alliances represent an important cornerstone of its business strategy; the company, which is a leading innovator in pharmaceutical area, has realized that in today global market, innovative partnerships are the key to achieve success. Strategic alliances allow Eli Lilly & Co to share costs with partners and gain experience and knowledge about alliance management process. Around the world Eli Lily is involved in a great number of partnerships with the aim to usher new ideas from discovery to development and commercialization such as the worldwide licensing and collaboration agreement with Zymeworks, the co- development and co-commercialization agreement with AstraZeneca and the exclusive license and collaboration agreement with Hanmi Pharmaceutical (Eli Lilly & Co Global website). Jan Lundberg, the executive vice president for science and technology and president of Lilly Research Laboratories, states that: "*We continue to build a sustainable R&D program by integrating our internal efforts with broad access to external innovation.*" According to such an assumption, Eli Lilly's need of developing a systematic approach to alliance management is just related to its sourcing innovation process, made up by three phases (Stach, 2006):

- *Find-it*: the innovation process starts with the members of Global External Research Development Group, which seek potential business partners that will bring external innovation for complementing internal research efforts.
- *Get-it:* the Corporate Business Development Group negotiate an agreement with partners, selected in the previous phase;
- *Create-it:* the Alliance Management Group has the responsibility to coordinate the alliance and to lead it towards a successful conclusion.

Indeed, Stach (2006) states that the alliance management is actively involved in all the phases of Eli Lilly's sourcing innovation process such as during the due diligence procedure with potential partners. Alliance management identifies some difficulties or risks that could arise from the beginning and compromise the alliance success. Eli Lilly, in order to establish an alliance process efficient for managing every corporate alliance relationship, created the *"Office of Alliance Management"* in 1999 that is a management structure responsible for regularly assessing each alliance's health. Alliance managers, employed by Alliance Office, are responsible for alliance teams involved in planning, organization and start- up process (Sims et al., 2001). The Office of Alliance Management is part of a larger framework Eli Lilly's alliance management process; in fact each alliance has its own three-person management lead team responsible for the overall alliance success (Sims et al., 2001): alliance champion, alliance leader and alliance manager. The alliance champion, usually played by a senior executive, which is responsible for the entire alliance process and mainly for promoting communication between partners, with the aim to break down potential barriers that can jeopardize alliance relationship. The alliance leader, usually played by a project manager with expertise in the specific operational area, is responsible for alliance day to day operation and for the overall alliance project implementation. The alliance manager supports the alliance leader and serves as an advocate for the alliance. Stach (2006) states that the main manager's task is to serve as "ombudsman", working on behalf of the overall alliance success. Alliance managers develop close relationships with partners and build alliance capabilities, defining and applying key lessons from their previous alliance experience. They capture, codify and share alliance know-how throughout organization for supporting the management of future alliances (Sims et al., 2001). Experienced alliance managers act as trainers because, as asserted by Stach (2006), nobody knows more about tools and techniques of successful alliance than them. Alliance managers come from different backgrounds, they are recruited from several disciplines at Eli Lilly such as corporate affairs, finance, marketing and not only from R&D (Sims et al., 2001); in fact as stated by Hawkins et al. (2014) in their paper about the importance of developing great alliance managers, a successful alliance manager possesses a combination of interpersonal, professional and alliance specific competencies. Their business background and specific alliance management competencies, represent the essential requisites to identify a professional alliance managers capable to maximize value and minimize risk. The required skills, knowledge and capabilities to be successful in alliance management role, have been structured at Ely Lilly into a model referred to as *Alliance Management Competency Model* (Hawkins et al., 2014). The Model classifies the alliance managers' competencies in two categories: operational and foundational competencies. The foundational ones show how an alliance manager can best carry out its role; Hawkins et al. (2014) state that, because of the wide range of personalities and experience involved, they are difficult to structure. Foundational competencies go beyond identifying a specific task and refer to alliance manager's approach and qualities in carrying out it such as demonstrating vision, judgment and influence to evaluate a human, business and legal risk. Thompson & Twait (2011) believe that alliance success, in today's challenging environment, lies on the ability to proactively mitigate and manage business risk, human risk and legal uncertainties; managing risk should and must be alliance managers' main goal. Therefore, foundational competencies allow alliance managers to identify, prevent and mitigate alliance risks. The Operational competencies, instead, identify specific tasks performed by alliance managers, during alliance management process. They include several alliance managers' tasks (Hawkins et al., 2014):

- *Develop potential alliances*. During due diligence and contracting, alliance managers carry out a strong fit assessment supporting by means of "3D Fit" (Three- dimensional fit), which is Eli Lilly's tool developed to assess partner compatibility across three dimensions (Gueth, 2001): cultural fit (compatibility of the management style and culture), operational fit (how the operational aspects of the business model complement each other) and strategic fit (the alignment of partners' objectives). The aim of this tool is to go beyond the traditional assessment of operational compatibility and ensure that strategic and cultural partners' compatibility are being addressed and tracked over the time (Twait & Thompson, 2012).
- *Form Alliance.* Alliance managers plan meetings and joint kickoff activities during alliance organization. The joint kickoff event is an important moment in alliance life, because during this meeting are established vision, mission, strategy, objectives and operating principles that will guide how partners work together (Twait & Thompson, 2012).
- *Manage ongoing alliance*. Alliance managers implement governance, monitor and manage alliance health. Eli Lilly & Co develops a tool, termed as "Voice of the Alliance" (VOA), for the annual alliance health assessment and with the aim to evaluate the current state of partnership and identify issues requiring attention (Thompson & Twait, 2012). The Voice of the alliance is a web- based survey, administered by Eli Lilly and its partner, including questions across 14 dimensions crucial to a healthy alliance such as communication, trust, commitment etc. (Futrell et al, 2001); the results show how each partner views each dimension, the areas in which the alliance is doing well and those that need improvement or immediate attention (Gueth, 2001). According to Futrell et al. (2001) the tool allows Eli Lilly and its partners to have a picture of the health and effectiveness of the alliance in a specific moment of its life.
- *Facilitate alliance change.* Alliance managers promote alliance changes, such as contract modifications or alliance termination, on the basis of alliance health assessment (Hawkins et al., 2014).
- *Building partner knowledge.* Alliance managers translate lesson learned in alliance management know-how and share it throughout the organization. The alliance manager is considered the first responsible for capturing and sharing the lesson learned. Eli Lily & Co, with the aim to systematically capture, codify and share what it has been learned from each alliance, has created a specific tool referred to as "Partners"; it is an online database, which is accessed by anyone involved in an alliance and contains lessons learned, milestone and budget reporting, process and tools (Sims, 2001). The database promotes training and allows to develop needed skills in using alliances' tools and process.

Considering the key tasks in alliance management process, the alliance manager represents the Office of Alliance Management (Sims et al. 2001); they are at the heart of any business alliance (Hawkins et al., 2014).

Finally, Eli Lily & CO has developed an institutionalized approach to alliance management, which works through a relatively predictable lifecycle common to every corporate alliance relationship (Stach, 2006); Eli Lilly's approach is based on some essential assumptions (Gueth, 2001):

- The importance of creating replicable processes that can be applied from alliance to alliance. Development and application of alliance best practices allow company to replicate the success.
- The importance of creating a dedicated organizational structure (Ely Lilly's Office of Alliance Management), which captures, codifies and shares alliance management knowledge; it is as a feedback loop in which experience and lessons learned from one alliance influence the management of the future ones.

## Conclusion

The analysis of "alliance management at Eli Lily & Co" shows the importance of developing a systematic approach to learning about alliance management in order to support the company in the management of its strategic alliances. Eli Lilly's success in strategic alliances lies in its own effort in creating a dedicated alliance structure (Ely Lilly's Office of Alliance Management), which is responsible for capturing, codifying and sharing alliance management know-how in the form of usable lessons and best practices that enhance the overall alliance success likelihood. Eli Lilly's evidence supports the theoretical assumption of Alliance capability view, which states that alliance success lies not only in the alliance relationship among partners, but also in firms' capabilities to manage strategic alliances referred to as "alliance capabilities". They are a portfolio of superior capabilities in managing alliance; companies with a high level of alliance capabilities have established an institutionalized approach to learning about alliance management that facilities experience sharing throughout the organization. In fact, alliance capabilities development is made up by three key elements: prior experience, a dedicated alliance function and learning process; they are closely intertwined because companies, involving themselves in a great number of alliances, gain experience on alliance management that is translated in alliance know-how through the learning process and with the support of an alliance dedicated function. A dedicated alliance function acts as a focal point for capturing, storing and leveraging alliance know-how gained from prior and ongoing experience, within firms; it allows companies to codify alliance know-how in manuals or guidelines that support alliance managers in handling critical tasks during the phases of alliance lifecycle such as partner selection, choice of the most appropriate alliance governance form etc. Alliance management know-how, in the form of usable lessons and best practices, fosters a better management of alliances and enhances the overall success likelihood. Therefore, firms with high alliance success rate are those ones with a higher degree of alliance capabilities. Finally, developing alliance management capabilities is a source of alliance success, in fact as observed at Eli Lilly & Co, alliance success lies exactly in firm's alliance management process that is crucial to gaining competitive advantage and creating value from strategic alliance.

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