Declaration

This Management project paper is my original work and has not been submitted for a degree in any other University.

Signed………………………………......... Date…………...

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This Management report has been submitted for examination with my approval as the University supervisor.

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Acknowledgements

I acknowledge the hand of God in my studies. I am grateful to him for giving me and my family good health and a peaceful environment which enabled me finish my studies without any stress and in good time. I am also grateful to my husband Julius Kaloki for the support (both emotional and financial) he gave me throughout the study period.

I am also grateful to my children especially Eva who tirelessly coached me on the quantitative subjects even though she had her own studies to take care of. I am thankful to all of them for allowing me spend time that is rightfully theirs on my studies. I also thank my parents for their prayers and moral support. I cannot forget my friends in the MBA class of 2008 for the agonizing time we spent together sharing knowledge and praying for each other. Last and not least I appreciate the understanding accorded to me by my office mates-Adasa, Bii, Senete, Abdi, Barasa and Okal, I don’t know where I would be without your support.

Finally I cannot forget my supervisor, Prof. Aosa. Thank you so much for your patience and guidance; it has made me a better student and a guru of sorts in project writing. I am also grateful to Church World Services for their support and for allowing me conduct the study in their organization.
Dedication

This project paper is dedicated to orphans and vulnerable children and their families whose prayers have been answered by angels in the form of international NGO’s.
ABSTRACT

A strategic alliance is an arrangement wherein organizations agree to co-operate with each other in a business area, each bringing different strengths and capabilities to the alliance. Inter-organizational co-operation is spurred by the increased recognition of the fact that no firm or organization has all the capabilities e.g. resources and activities, needed for it to achieve its goals or objectives in the marketplace in today’s dynamic and heterogeneous global market. Benefits of strategic alliances include and are not limited to cost minimization, knowledge acquisition, and resource sharing. For these benefits to be fully realized, Strategic alliances have to be adequately managed.

A case study on Church World Services was done to investigate how strategic alliances are formed and managed for full realization of benefits. The study revealed the various phases (design phase and post formation phase) in the formation and management of these strategic alliances. It was established that the choice of an appropriate strategic partner (complementary, compatible, and committed) at the time of alliance formation, and making relevant choices with respect to alliance design in terms of equity or contractual or relational governance, the alliance is more likely to succeed.

Limitations of the study included limited time and resources resulting in a constraint on the scope as well as the depth of the research, the research design which inhibited generalization and also unfamiliarity with the organization under investigation. The role of external donors in influencing international humanitarian organization’s choice of strategic partners can be used as basis for further research because there is insufficient literature highlighting the role of these partners on the choice of strategic partners.
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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

According to Thompson and Strickland (1998), strategic alliances are cooperative arrangements between firms that go beyond normal company to company dealings but that fall short of merger or full partnership and ownership ties. Such partnerships involve the combination of resource capabilities and core competencies to pursue mutual interests to develop, manufacture or distribute goods and services.

Strategic alliances embrace a diversity of collaborative forms and activities covered include supplier-buyer partnerships, outsourcing agreements, technical collaboration, joint research projects, shared new products development, shared manufacturing arrangements, cross-selling arrangements and franchising. While the defining governance mode is the informal relational contract, strategic alliances may involve contractual agreements (e.g. franchising and cross-licensing agreements) and ownership links (e.g. cross equity holding and joint ventures).

Theories of organizational behavior dictate that organizations either adapt to their environment or attempt to influence their environment for their survival. Organizations develop strategies to survive in the environmental turbulence. Several theories of organizational behavior can be used as a basis for explaining strategic alliance formation: transaction cost theory, resource dependent theory, organization theory, relationship marketing theory, and strategic behavior theory. (Wheelen, 2002)
1.1.1 Strategic Alliances

A strategic alliance is an arrangement wherein organizations agree to co-operate with each other in a business area, each bringing different strengths and capabilities to the alliance. These are collaborative organizational arrangements that use resources and/or governance structures from more than one existing organization. There are three important characteristics of any strategic alliance; first and foremost the parent firms should remain independent subsequent to the formation of the alliance. Secondly, the arrangement possesses the feature of ongoing mutual interdependence, in which one party is vulnerable to the other. Finally, because of the independent partners an element of uncertainty exists as to the motives and actions of the other party (Walter, 2005).

Inter-organizational co-operation is spurred by the increased recognition of the fact that no firm or organization has all the capabilities e.g. resources and activities, needed for it to achieve its goals or objectives in the marketplace in today’s dynamic and heterogeneous global market. Strategic alliances are one class of widespread cooperative strategy that has gained a lot of visibility in last few decades. According to Underhill (1989) strategic alliances refer to arrangements in which corporations join forces to form corporate partnerships creating a separate co-owned commercial entity. Thus a strategic alliance is a mutually beneficial relationship formed between two or more corporate firms to pursue a set of common goals or to meet specific business needs.

According to Johnson and Scholes (2002), organizations form alliances when they cannot cope with the ever increasingly complex environments. The globalization trend and the need for firms to compete in a global economy require a much larger
scale and scope of operations. In addition, in many national markets, the presence of well entrenched local firms, different cost structures, local customers, preferences and restrictive national laws make it difficult for foreign firms to compete successfully.

Drucker (1996) propounds that the greatest change in corporate culture, and the way business is being conducted, may be the accelerating growth of relationships based not on ownership, but on partnership. A strategic alliance is a formal and mutually agreed partnership arrangement that links specific facets of two or more enterprises or organizations. The partners pool, exchange and/or integrate selected resources for mutual benefit while remaining separate and entirely independent. It is a cooperative arrangement which enables partners to achieve goals together that they could not achieve alone.

Strategic alliances can be forged by a variety of partners; alliances of strong partners who are direct competitors, alliances of the weak to gain strength, alliances between strong and weak partners, alliances between complementary equals, alliances that result in a merger of the partners or formation of a new organization, etc. Their goal is to add value to an activity whether it is focused on trade or competence, information or overcoming barriers for successful activities, and this in any domain (Powell, 2006). Other forms of alliances exist in the form of equity and non-equity strategic alliances the difference of which is the equity distribution, however their definition what strategic alliances all have in common is their goal of enabling the collaborating parties use their complementary resources effectively to pursue strategic objectives.

Management literature explains the growing popularity of strategic alliances as a response to the greater need of collaboration to keep pace with the increasingly complex technologies and global markets. Strategic alliances provide a way to
achieve the scale and scope necessary to compete globally and to overcome many obstacles to global expansions. Arms length dealings and open market transactions are often insufficient to serve the needs of firms trying to stay competitive.

Though a strategic alliance is a purposive relationship between two or more independent partners for mutual relevant benefits, strategic alliances experience challenges that inhibit the realization of these benefits. The biggest challenge in any strategic endeavor is the people aspect in that people in the partnering organizations neither have the ability to adequately manage the strategic relationships nor the skills to implement such arrangements to fully realize the benefits. In particular, the transition from an adversarial to a cooperative relationship is difficult for many managers; the changes in mind-set, culture, and behavior can be awesome. Yet, without these changes, the alliance is nothing more than a conventional, often adversarial, relationship under a new name. On the other hand, alliances also tend to demonstrate high failure rates. Studies have shown that between 30% and 70% of alliances fail; in other words, they neither meet the goals of their parent companies nor deliver on the operational or strategic benefits they purport to provide (Gomes-Casseres 1998).

Alliance termination rates are reportedly over 50% (Gomes-Casseres, 1998), and in many cases forming such relationships has translated into shareholder value destruction for the organizations that engage in them. In spite of the high failure rate, these arrangements are often necessary in today's global environment because firms lack the resources (e.g., skills, technology, capital, market access) to achieve a sustainable competitive advantage on their own (Brouthers, Brouthers, and Wilkinson 1995).
1.1.2 Non Governmental Organizations

A Non-governmental organization (NGO) is a legally constituted organization created by natural or legal persons that operates independently from any government. In the cases in which NGO’s are funded totally or partially by governments, the NGO maintains its non-governmental status by excluding government representatives from membership in the organization. Unlike the term intergovernmental organization, the term non-governmental organization has no generally agreed legal definition. In many jurisdictions, these types of organization are called civil society organizations or referred to by other names (Stone, Diane 2001).

Non-governmental organizations are today professionally-staffed organizations aiming at contributing to the reduction of human suffering and to the development of poor countries (Streeten, 1997). They do this in various ways, e.g. by funding projects, engaging in service provision and capacity building, contributing to awareness, and promoting the self-organization of various groups (Baccaro, 2001). Desai (2005) has mentioned that NGOs have an important role to play in supporting women, men and households. The support comes through functions such counseling and support service, awareness raising and advocacy, legal aid and microfinance. These services help the people to achieve their ability, skill and knowledge finally becoming empowered. On the other hand, Streeten (1997) has noted three major functions for NGOs such as service delivery (e.g. relief, welfare, basic skills); educational provision (e.g. basic skills and often critical analysis of social environments); and public policy advocacy.
International non-governmental organizations have a history dating back to at least 1839. Rotary, later Rotary International, was founded in 1905. It has been estimated that by 1914 there were 1083 NGOs. International NGOs were important in the anti-slavery movement and the movement for women's suffrage, and reached a peak at the time of the World Disarmament Conference. However, the phrase non-governmental organization only came into popular use with the establishment of the United Nations Organization in 1945 with provisions in Article 71 of Chapter 10 of the United Nations Charter for a consultative role for organizations which are neither governments nor member states—see Consultative Status.

The definition of international NGO (INGO) is first given in resolution 288 (X) of ECOSOC on February 27, 1950: which defines it as any international organization that is not founded by an international treaty. The vital role of NGOs and other major groups in sustainable development was recognized in Chapter 27 of Agenda 21, leading to intense arrangements for a consultative relationship between the United Nations and non-governmental organizations.

Globalization during the 20th century gave rise to the importance of NGOs. Many problems could not be solved within a nation. International treaties and international organizations such as the World Trade Organization were perceived as being too centered on the interests of capitalist enterprises. Some argued that in an attempt to counterbalance this trend, NGOs have developed to emphasize humanitarian issues, developmental aid and sustainable development. A prominent example of this is the World Social Forum which is a rival convention to the World Economic Forum held
annually in January in Davos, Switzerland. It has been argued that in forums like these, NGOs take the place of what should belong to popular movements of the poor.

NGO’S co-ordination act, 1990 defines a non-governmental organization as a private voluntary grouping of individuals or association that is not operated for profit or other commercial purposes. A non-governmental organization is organized nationally or internationally for the benefit of the public at large. These organizations promote social welfare, development, charity and research in the areas inclusive of, but not restricted to health, agriculture, education, industry and supply of amenities and services.

According to statistics at the NGO coordinating board, registered NGO’s in Kenya were 5461 in number as at August 2008. The number is expected to grow with registration of over 400 organizations each year. These organizations contribute Ksh 80 billion annually to the Kenyan economy. Most non-governmental Organizations in Kenya are funded by private donors, international agencies and the Kenyan Government initiatives. The main areas of concern for these organizations include health, housing, and HIV/AIDS. The sectors of food, education, disability and agriculture are other areas of emphasis for these non-governmental organizations in Kenya. Most of these NGOs are health based, improving the livelihood of most Kenyans who live below the poverty line.

NGO’s are categorized by orientation (service, charitable, empowering, and participatory) and by level of co-operation (community based, national NGO, international, city wide organization).
1.1.3 Church World Services

Church World Services is an international humanitarian organization formed by various churches in the United States of America in 1946; Church World Service (CWS) was created to be an ecumenical response to the devastation created in Europe and Asia during World War II. Over the years, the work of CWS has grown, and currently, CWS functions as the relief, development, and refugee assistance ministry of 35 Protestant, Orthodox, and Anglican denominations of the USA, working in over 80 countries around the world. CWS began working in Africa in 1964 by delivering 50,000 tons of aid to war-stricken Algeria and starting an emergency feeding program in the Congo. CWS also distributed seeds and tools for agricultural projects to provide self-sustainability to the programs. Over the years that followed, CWS was present in some of the continent’s most trying times including Sahel, Algeria, and Biafra.

In 1978, CWS established a Regional Office, the first such office for the organization, in Nairobi, Kenya. Through this Eastern Africa & Indian Ocean regional office, CWSEA was able to provide enormous amounts of needed food, medicines, clothing, seeds, and tools to the people affected by disasters in the region. Since its establishment, this regional office has been instrumental in building and maintaining relationships with various partners in Ethiopia, Uganda, Somalia, Sudan, Rwanda, Tanzania, and Kenya. In 1985, the famine across the Horn of Africa came to public view, and CWS, due to its earlier involvement in the Interchurch Response to the Horn of Africa (ICRHA) and its history of work on the continent, was well prepared to respond. Educational materials and special appeals were designed to inform US church members of the disaster and the overwhelming needs in Africa and to raise funds for those needs. In addition to distributing food and emergency medical aid
during the 1980s, CWSEA also recruited medical teams and distributed aid supplies for refugee camps in Somalia.

In the 1990s, CWSEA provided support for the tragedy that took place in Rwanda. This included helping families and communities who had taken in orphaned children as a result of the genocide to become self-reliant. In addition, CWS worked with ECZ (the Christian Council of Zaire-now Congo) to provide preventative medical care in the Goma refugee camps. In Tanzania, CWS partnered with the Christian Council of Tanzania (CCT) in the Angara refugee camps to provide social welfare, pastoral care, kindergarten, and vocational training (Church World Services strategic plan 2005-2010).

Over the past three decades Church World Services East Africa (CWSEA) has built and maintained relationships with local NGO’s and grassroots organizations in Kenya, Tanzania, Uganda, Rwanda, Sudan, and Ethiopia. Today, CWSEA continues to work in the area of emergency preparedness and response in countries stricken by famine, drought, and floods in the region. However, in addition to Emergency Response, the organization has expanded its work to include development initiatives such as Water for Life, School Safe Zones, Food Security, Improved Livelihoods, and the Giving Hope program for orphans and vulnerable children. These entire programs are driven by a network of partners (Church World Services manual, 2010).
1.1.4 Community Based Organizations in Kenya

Community organizations (sometimes known as community-based organizations) are civil society non-profits that operate within a single local community. They are essentially a subset of the wider group of nonprofits. Like other nonprofits they are often run on a voluntary basis and are self funding.

In the last decade, community based organizations (CBOs) have gained increased attention among scholars and practitioners of development. They have become increasingly important agents of the development process in African countries, in all of their main areas of work such as humanitarian relief, long-term development and social empowerment (Desai, 2005). On the other hand, there is a current view that CBOs constitute a viable alternative to government as channels of development assistance, particularly in developing countries. Some of the CBOs’ functions and advantages, according to Streeten (1997) are they are good at reaching and mobilizing the poor and remote communities; they help empower poor people to gain control of their lives, and they work with and strengthen local institutions; they carry out projects at lower costs and more efficiently than the government agencies and they promote sustainable development.

Baccaro (2001) shows how particular CBOs can promote the organization and empowerment of the poor, particularly poor women, through a combination of micro-credit, awareness-raising, training for group members, and other social services. Empowerment is the ability of individuals to gain control socially, politically, economically and psychologically through access to information, knowledge and skills; decision making; and individual self-efficacy, community participation, and perceived control (Korten, 1990)
In the long term, the aim of CBOs is to promote sustainable community development through activities that promote capacity building and self-reliance. Desai (2005) has mentioned that NGOs through capacity building help to sustain community development. CBOs are often created in order to expand the capacities of people (Korten, 1990). Furthermore, CBOs are praised for promoting community self-reliance and empowerment through supporting community-based groups and relying on participatory processes (Korten, 1990).

Within community organizations there are many variations in terms of size and organizational structure. Some are formally incorporated, with a written constitution and a board of directors (also known as a committee), while others are much smaller and are more informal. The recent evolution of community organizations, especially in developing countries, have strengthened the view that these bottom-up organizations are more effective in addressing local needs than larger charitable organizations (Armstrong, 2003).

In Kenya community based organizations operate under the auspices of the Ministry of Culture and Social Services directly under the department of social services. Registered CBO’s in Kenya are over twenty thousand (20,000) and spread across all constituencies in Kenya. Civic organizations registered under this option consist of groups in the community operating in relatively limited administrative areas such as locations and divisions within a district. The majority of community based organizations in Kenya are self-help groups. These groups are mostly organized for commercial and developmental activities for the benefit of the community in a particular geographical area. These organizations operate in a relatively informal manner and do not always have a constitution or rules that govern them.
1.2 Statement of the problem

Strategic alliances are cooperative arrangements between two or more parties for mutual and relevant benefit. Theories of the firm dictate that every organization must respond and adapt to its environment for its survival. All of those theories deal with firms trying to achieve certain strategic objectives, although each has a different focus, they should be seen as complementary rather than competing. Transaction cost theory focuses on cost minimization; resource dependency theory on obtaining resources; organizational learning on knowledge; relationship marketing on providing superior customer value; and strategic behavior theory on value maximization. Strategic behavior theory forms the basis of this study because it addresses the issue of an organization's behavior in respect to meeting its strategic objectives. Organizations are expected to form collaborative arrangements if they believe that these arrangements will better enable them meet their strategic objectives and in so doing, alter their environment.

Literature on strategic management in the developing world is insufficient and mainly focuses on the business sector. Several studies have been done in relation to strategic alliances. A case in point is Ndiao (2000) and Warsame (2002) who focused their studies on strategic choice and management practice among the relief and development NGO’s respectively. Kagai (2006) on the other hand researched on collaborative arrangements among international organizations. Kamanu (2005) conducted a research on the strategic alliances among developmental NGO’s in Kenya. The issue of the alliances between NGO’s with the private sector and the government with CBO’s was broadly addressed by those studies. Findings from these scholars highlight the value and rationale of strategic collaborations and their level of effectiveness. Literature on the process of forming strategic alliances and the
management of the same is insufficient and hence a significant knowledge gap exists which the study sought to close.

Strategic alliances are the maneuvers that organizations use to remain relevant and meet set objectives. Strategic alliances are strategic for the reasons that organizations have strategic objectives which they aim to meet through a conscious choice to enter these alliances (Streeten, 1997). Benefits of strategic alliances include and are not limited to cost minimization, knowledge acquisition, and resource sharing. Though these strategic relationships have enormous benefits, they must be sufficiently managed for those benefits to be fully realized. The study therefore sought to investigate, what is the process of forming strategic alliances? How are these strategic alliances managed for full realization of stated benefits?

1.3 Objectives of the study

The study had two objectives:

i. To establish the process of setting up strategic alliances between Church World Services and community based organizations in Kenya.

ii. To establish how Church World Services is managing its alliances with community based organizations in Kenya.

1.4 Value of the Study

First and foremost, the study will be of importance to policy makers in organizations that seek collaborative arrangements with strategic partners. The findings will shed some light towards policy formulation, management and implementation under these arrangements.
The study will also be of importance to players and practitioners in the civil society. The role of strategic alliances, its challenges and how well to develop appropriate mechanisms, and tactics to manage the strategic relationships will, as a result of the study findings be clearly understood. Finally, the findings in this study will provide contemporary evidence to the theory of knowledge surrounding strategic alliances and NGO / CBO management.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter reviews previous studies relating to the topic under study. The chapter begins with literature on the concept of strategic alliances, various types of strategic alliances, reasons for strategic alliances, benefits realized as a result of these alliances and also challenges experienced.

2.2 Strategic Alliances

The concept of strategic alliances has become widely used in business language to refer to the different types of partnership agreements between two or more companies that pursue clear strategic collaborative objectives with different levels of possible integration among the members Elmuti & Kathawala (2001). In this sense, Elmuti & Kathawala (2001) state that much of the discussion regarding strategic alliances has typically focused on alliances between two companies. However, there is an increasing trend towards multi-company alliances.

Gomes-Casseres (2003) introduced such multi-company alliances as constellations. A constellation is a set of firms linked together through such alliances but compete in a particular competitive domain. The constellation may compete against other constellations or against single firms. The second idea to evaluate from Elmuti & Kathawala’s definition is the concept of achieving strategically significant objectives. It is here that the main differentiation of Strategic Alliances over any other type of partnership can be identified. Companies throughout their business life establish relationships with significant others (companies, suppliers, competitors and customers). However, it is important to clearly identify which of these relationships
evolve to real strategic partnerships and which ones are just simple business relationships for the organization.

Wheelen and Hunger (2000) state that a strategic alliance is an agreement between firms to do business together in ways that go beyond normal company-to-company dealings, but fall short of a merger or a full partnership. Ernst & Bamford (2005) define an alliance as an agreement between two or more separate companies in which there is shared risk, returns, and control, as well as some operational integration and mutual dependence.

Gomes-Casseres (2003) presents his definition of alliance as any governance structure to manage an incomplete contract between separate firms and in which each partner has limited control. The author complements his definition by stating that an alliance is a way of sharing control over future decisions and governing future negotiations between the firms. Evans (2001) states that the concept of strategic alliances is defined as a particular horizontal form of inter-organizational relationship in which two or more organizations collaborate, without the formation of a separate independent organization, in order to achieve one or more common strategic objectives. Porter and Fuller (1986) cited in the work of Evans (2001), define strategic alliances as an attractive mechanism for hedging risk because neither partner bears the full risk and cost of the alliance activity.
2.3 Challenges of Strategic alliances

Strategic alliances entail the partnering of two or more parties for mutual benefit. The choice of a right partner is the main challenge. Getting the right partner takes research and strategy. It is difficult to get viable, productive, mutually beneficial strategic partners. It is also a drain on one's resources.

Strategic alliances as with other business ventures require a lot of thought, planning and strategic objectives. According to Strickland (2004) businesses have no clear concept of what would be required to make the strategic relationship succeed or even if the relationship has the potential to generate a result that is in line with one's overall business objective.

Strategic alliances should be approached with caution. The ability to accomplish successful strategic arrangements lies in the foundations that one builds before entering the relationship (Finlay, 2000). High level of scrutiny and diligence should be extended in all spheres - duration a firm has been in business or in their area of expertise, reputation of the business and its key people; financial stability of the firm; how the relationship will be formalized - agreements & legal structure; what the partner is bringing into the relationship and if it is worth the additional complexity and the risk; what the partners are seeking in the relationship; what is the intellectual property one will be exposing; and the likely damage to the business if something goes wrong (Doz & Hamel, 1998; Jauck and Gluek, 1998; Strickland, 2004). Protecting a firm and its business should be standard practice and expected by all parties involved in the collaboration.
2.4 Types of Strategic Alliances

When analyzing the types of strategic alliances that have been created and implemented by different companies, academics tend to classify them based on different criteria. On one hand, we find those academics that classify the type of strategic alliances based on the areas of collaboration. In this group, we find for example the work of a study of Coopers and Lybrand (1997) presented by Elmuti & Kathawala (2001).

There are four types of strategic alliances namely joint venture, equity strategic alliance, non-equity strategic alliance, and global strategic alliances. Joint venture is a strategic alliance in which two or more firms create a legally independent company to share some of their resources and capabilities to develop a competitive advantage. What mainly recommends a joint venture is that it supports quick responsiveness (Rumelt et al., 1994).Equity strategic alliance is an alliance in which two or more firms own different percentages of the company they have formed by combining some of their resources and capabilities to create a competitive advantage. None equity strategic alliance is an alliance in which two or more firms develop a contractual-relationship to share some of their unique resources and capabilities to create a competitive advantage. Global Strategic Alliances are working partnerships between companies (often more than two) across national boundaries and increasingly across industries, sometimes formed between a company and a foreign government, or among companies and governments.
Johnson and Scholes (2002) cite three main types of collaborative arrangements, which they refer to as co-operative developments. These cooperative developments comprise joint ventures, consortia and networks, while other forms include opportunistic alliances, licensing, sub contracting and core-production.

A joint venture is an agreement by which two companies co-operate to do business remaining independent in their status, yet founding another that they own and manage together. Both successful and non-successful ventures are often terminated at the end of the contract since partners in a successful venture will have learnt enough to go it alone, while the opportunity to collaborate will have been lost for the unsuccessful partners.

Networking involves two or more organizations working together in collaboration through mutual trust, yet without any formal relationship referred to by Wheeler and Hunger (1995) as inter-organizational linking which involves developing cooperative ties with other organizations. A consortium is when two or more organizations come together and focus on a particular venture or project.

2.5 Rationale for Strategic Alliances

The importance of strategic alliances in today’s business environment has been a common point of discussion from several academics. Different set of reasons can be found as to why a company should seek for strategic alliances in order to compete in today’s open, aggressive markets. For some of them, strategic alliances are a must in today’s business strategy and are a matter of survival; Alliances between companies, whether they are from different parts of the world or different ends of the supply chain, are a fact of life in business today (Streeten, 1997).
Gomes-Casseres (1998) state, the reality of alliances is complex, but their impact on every facet of economic competition is profound. No firm can afford to ignore the use of alliances in competitive strategy. Strategic alliances are growing as a response of rapid advances in the business environment. The basis for the growing number of competitive business alliances lies in the rapid advancement of technology, the management of knowledge, more aggressive competition and the uncertainties and complexities of today’s business environment.

The different types of benefits that organizations can achieve by forming alliances with strategically chosen competitors include: companies shortening development cycles, sharing financial risks, improving organizational learning and increasing access to markets (Rijamampianina et al, 2005). According to Elmuti & Khatawala (2001), the reasons for creating strategic alliances can be classified into: Growth Strategies and entering new markets, Obtaining new technology and/or best quality, cheapest cost and achieving or ensuring competitive advantage.

Elmuti & Khatawala (2001) based their classification in a study of Coopers & Lybrand (1997) that shows that growth strategies and entering new markets are among the main reasons cited by organizations to form strategic alliances. Again the authors, state that many companies are forming alliances looking for best quality, technology, the cheapest labor or production costs. In a similar line of thought, Segil (2004) states that once seen primarily as a way to cut costs, alliances now play a strategic role in increasing revenue, fueling growth and improving efficiency. Kleymann and Seristo (2001) present three categories in which benefits from alliances can be classified these include: Market presence related, Resource utilization related and Learning of practices. Learning of better practices is, in a way, an indirect source
of benefits as it eventually leads to financial benefits either through better utilization of resources or through maximization of revenues. As to market-presence related benefits, alliances have an impact over its member’s revenues allowing them to be present in markets where they wouldn’t participate as a single organization. Concerning resource utilization benefits, we can differentiate, for instance, labor productivity, product productivity, and benefits accrued from lower costs of procured goods and services. Most of the cost reduction potential is in labor costs, whether that labor is in marketing, maintenance, or operations. (Kleymann & Seristo, 2001).

Button et al. (1998) suggests a number of possible reasons for alliance formation – cost savings, market penetration and retention. Financial injection, infrastructure constraints, circumventing institutional constraints and market stability are also reasons cited for strategic alliance formation. More specifically, the scholars identified four advantages of alliances: Access to new markets by tapping into a partner’s underutilized markets, Costs and economies of scale through resource pooling across operational areas or costs centers.

2.6 Causes for Failure

The term strategic alliance implies the working together to achieve a common course and is a loosely defined term that encompasses a wide range of collaborative business activities. Despite the fact that strategic alliances are formed for mutual benefits of the parties involved, these strategic relationships are not always successful. Causes of failure include the fact that even though firms form alliances, they retain their individual entities and hence remain competitors. This poses a significant risk to any form of collaboration. Thompson & Strickland (1989) state that poor contract development, misrepresentation of partners firms competencies, failure of partners to
make complementary resources available, and a misunderstanding of a partners
strategic intent are major reasons of failure of any form of strategic alliance.

Lack of linkage between strategy and implementation is also a fundamental cause of
failure of strategic collaboration. According to Segil (2004), much collaboration in
1980, in the form of joint ventures did not meet their objectives and were disbanded;
major problem cited was weak executive investment in the implementation. While
executives had devoted 23% of time developing collaborations only 8% was devoted
to setting up a management system to implement strategy.

Brown and Eisenhandt (1999) on the other hand note over-collaboration as one aspect
that inhibits success of a cooperative undertaking. According to the scholars, there are
three common traits of over-collaboration these include: placing the choice of how
collaborations will be effected with senior managers who lack relevant perspective
and therefore view collaborations as easier to accomplish than it actually is;
Collaborating on everything hence trying to capture most of the possibilities for
collaboration and failing to focus on the best opportunities; giving equal treatment to
businesses and therefore attaching equal importance to all, managers fail to make
distinctions among their business regarding difference in profitability and growth
therefore losing sight on best areas in which to collaborate.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter explicit rules and procedures upon which research is based and against which claims for knowledge are evaluated will be discussed. This will also include data collection and data analysis. The purpose of this study was to examine the strategic alliances among international humanitarian organizations, how the alliances are managed to ensure effectiveness in meeting set objectives and the challenges experienced in managing these alliances. In order to assess the management and challenges of implementing the strategic alliances by international humanitarian organizations, it was necessary to analyze various data available in respect to strategic alliances between Church World Services and community based organizations in Kenya.

3.2 Research Design

The study sought to examine the strategic alliances between Church World Services and local community organizations in Kenya. An in-depth analysis of the phenomena was carried out. The study design adopted for this research was a case study.

A case study was most appropriate in meeting the research objectives in terms of providing a detailed explanation of the phenomena under study. A case study is concerned with explaining the unique features of the case and therefore was most adequate in extrapolating and explaining concepts in the study.
3.3 Data Collection

The researcher used both primary and secondary data collection methods in the study. Primary data provides original data collected at source and compiled for a specific purpose. Primary data was collected through personal interviews reinforced by use of an interview guide. Secondary data on the other hand was obtained by examining official literature (Strategic plan and Policy manual).

A qualitative approach was chosen as the data collection technique for the reason that the technique allows for the exploration of meanings, motivations, understandings and experiences of the research participants regarding strategic relationships. This technique was most appropriate because it’s a technique that aims to explore key informants subjective perspectives. It also provides an opportunity to explore phenomena in detail which was the main aim of the research.

Key respondents of the study were ten (10) Programme coordinators of Church World Services but I managed to interview only four (4). Selection of these subjects was based on the technical knowhow of the strategic alliances between CWSE with its strategic partners.

Data was collected using guided semi-structured interviews. Semi-structured interviews encourage a two way means of communication with respondents. The two way communication not only confirmed what was already known but also provided the opportunity for further learning. Guided interviews are useful data collection methods for enabling respondents give detailed responses about significant issues of interest.
Open-ended questions were used which defined the area to be explored and also allowed the interviewer and interviewee diverge so that particular areas would be followed up in more detail. The interview guide used included the name of the department under the study, personal information of the respondent and measurement variables distributed in the following category – processes and procedures followed in forming the strategic alliances by the international organizations and the management those alliances.

3.4 Data Analysis

Unstructured questions were used to collect respondent feedback on strategic alliance processes and implementation challenges so far realized. Based on the response, the study used content analysis to establish how CWSE manages strategic alliance with CBOs in Kenya. Content analysis is the method of analyzing data through coding categories derived directly and inductively from raw data, interview transcripts were analyzed in order to reveal or model interviewee information, related behavior and thoughts.
CHAPTER FOUR: DATA ANALYSIS, AND INTERPRETATION OF RESULTS

4.1 Introduction

The chapter outlines the data analysis carried out on qualitative data. The objective of the study was to determine the process of forming strategic alliances and the management of the same to fully realize the benefits of forming these alliances. Data was collected by personal semi-structured interviews with project coordinators of Church World Services. Out of the intended ten (10) project coordinators, only four (4) were interviewed. The data was analyzed by content analysis, which sought an objective, systematic and qualitative description of the content of the communication between the researcher and representatives of the organization under study. Findings reported were obtained through in-depth interviews with respondents by years of employment and experience attained. All had the necessary information needed on strategic alliances between Church World Services and local community based organizations.

4.2 To establish the process of setting up strategic alliances

Kogut (1988) provides discussions of motives for organizations forming strategic alliances. Key drivers of forming strategic alliances can be grouped into categories: cost advantages, decreasing risk and uncertainty, organizational learning, managing industry structure and timing.

Church World Services is an international humanitarian organization formed by various churches in the United States of America. Currently CWS works in over 80 countries around the world in the area of emergency preparedness and response in catastrophic situations (famine, drought and floods). According to the Church World Services manual
(2010), Church World Services provides advocacy, funding, and capacity building to support its partner organizations on the ground as they continue to lift themselves out of poverty and oppression. The organization is also involved in development initiatives organized as programs (School Safe Zones, Food Security, and Water for life, Improved Livelihoods and Giving Hope program), 90% of these programs are implemented through partnerships, CWS provides funding, training, and capacity building, to enhance partner’s ability to self actualize in terms of development.

Organizational learning differentiates between tacit and specific knowledge. Whereas specific knowledge can be transferred through licensing, tacit knowledge is that knowledge embedded in an individual and which can only be transferred by learning alongside the individual (Kogut, 1988). Church World Services being a foreign organization partners with local community organizations mainly for knowledge sharing because these local based organizations have vast knowledge on the situations at hand and their interaction levels with the local communities is higher than that of the international organization. Church World Services partners with local indigenous organizations that have extensive relationship networks and deep investments in their communities this is a key driver to forming alliances because CWS is able to ride on these relationships to meet set objectives.

Resource dependency theory explains that firms have specific resources but that few companies are self sufficient in these resources (Kogut, 1988)), and therefore must depend on others for important resources. This goes to explicate why CWS enters into strategic relationships with local Community based organizations that poses vast relationship networks with local communities. The relational networks are an invaluable asset that CWS can exploit in meeting organizational objectives.
In conformity with the Strategic behavior theory that addresses the issue of a firm’s behavior from a managerial, rather than a marketing approach in respect to forming cooperative agreements, if it is believed that these arrangements will better enable strategic partners meet set objectives with the focus being on maximizing profits. (Kogut, 1988). Church World Services partners with local community based organizations owing to the dynamism in the environment that CWS operates on. CWS’s international aspect brings about some dynamism which can force a shift in priorities. This shift can pose the danger of abandoning local programs in response to international issues. A case in point is the Haiti disaster which prompted a big number of international organizations to change their focus to the international disaster at the expense of local programs. To guard against the danger of shifting priorities, CWS works with local organizations to strengthen their capacity for sustainable impact of its programs among the communities. Building on the existing ideas of the local communities also forms the basis of forming strategic alliances with local community based organizations. CWS is able to work from the point of view of the local communities in initiating programs that will ensure sustainable development in those communities.

Another reason cited by CWS in forming strategic relationships is the fact that when CWS partners with local organizations, risk involved in the undertaking of any project is shared among the partners. Risk could be financial when the organization undertakes a non viable project or social when the organization shares blame with the local CBO’s when projects fail to meet general expectations of the public, this is best explained by the Transaction cost theory (Williamson, 1979) which suggests that companies form alliances in order to minimize their costs and/or risks. Forming an alliance according to the theory represents an internalization process for a firm, thereby removing it from the
price vagrancies of the market place, accompanying negotiation, and risk. Thus, according to Williamson (1979) forming an alliance represents one way a firm adapts to an uncertain world.

Church World Services is interested in working with CBO’s that can institutionalize its methodologies which include the use of a network of stakeholders and services to enhance the adaptation to local needs because of the understanding that every community and the challenges it faces are unique, which means that the imposition of a single model or approach is discouraged. Church World Services recognizes that without consultation with the targeted communities in the planning and implementation of projects, to take advantage of the communities’ guidance and unique knowledge of the area’s needs and capacities, it (CWS) risks diminishing its effectiveness in poverty reduction and empowerment of the communities.

The planning and implementation of strategic alliances also called a pre-award period takes not more than six (6) months. The alliance formation phase of CWS provides for consultative meeting of program managers who engage in a need/want assessment to choose the strategic partners who can best help meet set objectives. CWS has three guiding pillars when choosing strategic partners. These include partner complementarily, commitment and capability. Complementarily relates to the extent to which a partner contributes non overlapping resources to the relationship. Commitment refers to a partner’s willingness to make resource contribution and also willingness to make sacrifices. Compatibility refers to a partners fit with CWS culture, values and overall organizational behavior. Strategic partners who fit the set standards are selected from an existing database of partners. New partners can also be enlisted depending on the running programs and availability of funds.
After a pre-assessment of the partners, CWS enters the design phase which includes the choice and implementation of alliance governance which defines the governance structure of the alliances in relation to roles and reporting system. In this respect, CWS as the governing body of the alliance prepares a checklist for monitoring, evaluating and reporting the progress of the alliances. After the design phase, CWS is also involved in a post formation alliance management phase which includes definition of roles of coordinating the alliances and strategies of building trust to ensure the success of the alliances in meeting set objectives. CWS uses an asset based community development approach focused on building resilience and empowerment within communities by enabling them build on their knowledge, skills and other capacities that they already posses.

In the choice of a strategic partner, CWS is mostly concerned with a partner’s compatibility in respect to the governance structure of a particular partner; this is because a sound governance structure translates into an organization that upholds transparency and accountability in its operations, values highly regarded by CWS because CWS is accountable to its external donors. A sound governance structure also means sustainability in meeting objectives because a well organized organization is most likely to outlast one without a good governance structure.

Another element in the choice of a partner is the value the partner will bring to CWS as an international humanitarian organization, this is called partner complementarity. A partner with a higher value-add to the international organization will be chosen over another with a lesser value-add to the organization. Ongoing programs also determine the choice of strategic partners. Partners with similar or complementary objectives with the international organization can be selected for partnership as opposed to those with
dissimilar objectives owing to the fact that those partners will be more committed and will therefore be more willing to sacrifice own resources to ensure success of the programs.

4.3 To establish the management of strategic alliances.

An alliance exposes a firm to several transaction or coordination hazards that can adversely affect the firm itself or its partner. Thus, how a firm constructs alliance governance during the design phase of the alliance life cycle is crucial to alliance success. The governing bodies of many alliances tend to include at least one member from each participating organization, often the director of the member organization. In the case of CWS the country director seats in all such boards. These boards according to CWS are viewed as key links to the local communities and their resources. CWS alliance boards are large so as to represent the various interest groups as the organization focuses on the empowerment approach to community development. Strategic partnerships with community based organizations are sealed by contracts between the parties. A contract clearly sets forth mutual rights and obligations of partners by specifying each partner’s inputs to the alliance, processes by which exchanges will occur and how disputes will be resolved and the expected outputs from the relationship. Through a contract, an organization and its partner set up appropriate governance to oversee the alliance.

Church World Services formalizes its strategic relationships by drawing letters of understanding and agreement between the organization and its strategic partners. The letters of understanding outline pertinent issues relating to the duration, level of partnership, level of funding, system of reporting, evaluation and monitoring progress between the partnering organizations and commitment of both parties is sealed by appending signatures of the top most representatives of both the parties. The contractual
arrangements not only help in mitigating exchange hazards but also limit information disclosures by partners during the operation of the alliance. The letters of understanding specify how each partner will interact with third parties, and outlines ways in which the alliance will end and the provision of information that will facilitate required coordination between alliance partners.

CWS programs are implemented through local grassroots and ecumenical African indigenous organizations with firm roots within the community, sound traditional knowledge, and trust from the community, such organizations have built extensive relationship networks locally, nationally, and internationally over the years. These networks facilitate in carrying out relevant and sustainable interventions. Occasionally CWS also implements projects directly or through a combination of partnership and direct implementation depending on the particular project.

Monitoring and evaluation of strategic alliances by CWS is participatory in nature. Stakeholders, local leaders, program partners, other funding organizations and board of directors all participate in monitoring and evaluation exercises. Evaluation of programs is done annually because most programs do not go beyond one year owing to the funding regulations of the external donors (CWS programs are funded on a yearly basis). Evaluation is mainly an institutional strengthening assessment. Pre-assessment of all CWS partnership programs are done at the period of provision of grant. Monitoring is done by quarterly visits to the field to check on partners progress in addressing agreed upon issues and the status of projects. Two days are taken to do an improvement plan to prioritize areas that need further funding and consultation; metrics based on a developmental questionnaire are designed to aid in monitoring the partnerships.
The process of monitoring and evaluation has greatly enhanced the success of CWS alliance with CBO’s with CWS registering 95% success rate in meeting program objectives as a result of adequate monitoring and evaluation strategies. In as much as CWS monitors and evaluates the success of programs as a result of partnerships, it has not been able to evaluate success from the perspective of its partners.

4.4 Discussion of Results

Theories of organizational behavior affirm that organizations either adapt to their environment or attempt to influence their environment for their survival. Organizations as a result develop strategies to survive in the environmental turbulence. Several theories of organizational behavior have been used as a basis for explaining strategic alliance formation. Study findings have confirmed that indeed organizations form alliances to cut on costs as affirmed by the transaction cost theory, they also form alliances to share resources because no organization can be said to be self sufficient in terms of resources. Resources can be in various forms including learning practices or knowledge acquisition. CWS has formed alliances with local indigenous groups in order to learn from them and acquire knowledge of the local situation. The concept of forming an alliance to share resources is backed by the resource dependent theory. The strategic behavior theory is also supported by the fact that organizations as evidenced by CWS form alliances to help them meet strategic objectives. CWS has strategic objectives which it hopes to meet by forming the alliances with its strategic partners.

Alliances must be appropriately managed for their success to be fully realized. Success in an alliance depends on the partners having a common vision of the future (Walter et al. 2005). Alliance success requires the establishment and execution of clearly defined goals, and to achieve these goals, well-defined procedures must be clearly communicated
to the managers involved with the alliance. In assessing the process of setting up strategic alliances between Church World Services and community based organizations in Kenya, this statement was clearly demonstrated as CWS always evaluates the project goals and defines procedures to govern the alliances.

CWS monitoring and evaluation programs are participatory in nature, in this forums all stakeholders, local leaders, program partners, other funding organizations and board of directors all participate in monitoring and evaluation exercises. Evaluation of programs is done annually because most programs do not go beyond one year owing to the funding regulations of the external donors.

Church World Services faces many challenges in the implementation of strategic alliances with local organizations in Kenya. The main challenge is the issue of partner non-compliance with regulations set up by the international NGO. Non-compliance is registered mainly in the area of transparency and accountability where financial misappropriation is the main factor.

According to policy, CWS cannot drum up ideas to partners, partners have to be guided not directed this poses a challenge because it might take time to systematically transform a partner to CWS methodologies. Over reliance of the CBO’s on funding is another challenge that CWS has to contend with. Community based organizations sometimes assume that CWS provides 100% funding of the partnership projects, this provides a feeling of mistrust between the partners and also breeds contempt as the partners at times are not ready to engage their own capacities. On a Continuous approach to strengthen the alliance CWS organizes training and workshops for capacity building for its strategic partners.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter addresses the research questions and objectives outlined in Chapter one. The chapter also covers conclusion, recommendations, and suggestions for further research. Study limitations have also been discussed. The study attempted to answer the questions, how are strategic alliances formed? And how are these alliances managed for best realization of the benefits of these strategic relationships?

5.2 Summary

Strategic alliances are fundamentally built upon organizational resources and designed to develop capabilities and meet shared objectives. Strategy, according to Walter (2005) is the match an organization makes between its resources and environmental risks, threats and opportunities and today’s competitive landscape has made this match-making a complex and difficult task, organizations are seeking cooperative ways to fulfill their strategic objectives.

Strategic alliances provide a safe ground for reducing risks, improving organizational learning, achieving strategic flexibility as a competitive capability and increasing market share and power as well as positioning by decreasing the intensity of competition(Finlay,2000).Due to these beneficial results of strategic alliance, organizations normally plan and pursue their alliances across a wide range of strategies and activities and develop numerous alliances from operational level alliances to business level, corporate level, promotional and price alliances, horizontal and vertical
alliances and even synergistic alliances in order to maximize the cumulative value created by alliances and strategic partnerships.

In respect to this premise, the study sought to study the process of forming strategic alliances and the management of these alliances to reap expected benefits. Processes and procedures at CWS were studied to establish the strategies involved in driving the strategic relationships. The management of the those alliances with community based organizations was broadly analyzed and it was established that CWS has put in place a sound strategic framework upon which strategic relationships have been built. These have guaranteed optimal benefits in meeting program objectives. Applying appropriate strategies when dealing with strategic relationships, has ensured 95% success in running development initiatives which include Water for Life, School Safe Zones, Food Security, Improved Livelihoods, and the Giving Hope program for orphans and vulnerable children.

5.2.1 Process of forming strategic alliances

The success of any single alliance depends on some key factors that are relevant at each stage of alliance development. These key factors include the alliance formation phase, in which an organization decides to initiate an alliance consequently selecting an appropriate partner, the design phase, in which an organization (and its partner) set up appropriate governance to oversee the alliance, and the post formation phase, in which an organization manages the alliance on an ongoing basis to realize set objectives. Church World Services process of forming alliances is anchored on the three pillars thus ensuring 95% success on all strategic alliances with local CBO’s.
5.2.2 Management of strategic alliances

To realize expected benefits, organizations must proactively manage an alliance after it is implemented. Two factors are especially important during the post formation phase of the alliance life cycle: managing coordination between partners and developing trust between them.

Alliance partners must coordinate their actions to manage their interdependence and realize the benefits of their relationship. But severe coordination problems can result from the lack of sufficient knowledge about how one’s actions are interdependent with the other’s, what decision rules a partner is likely to use, how to allocate resources, or how information should be handled. Coordination problems refer to the difficulties of aligning actions between partners. These problems can arise even when partners’ interests are fully aligned with each other.

To manage coordination successfully, alliance partners can use any or all of three classic mechanisms: programming, hierarchy, and feedback. Programming entails the setting up of tasks to be accomplished in meeting agreed upon objectives by the alliance partners, assigning roles and setting an implementation timetable. This enhances coordination in that improves clarity and enhances predictability of partner’s action and decision-making. Hierarchy on the other hand implies the setting up of a role structure to oversee the alliance in terms of reporting and role play. Feedback entails the reporting and evaluation of the alliance relationship.
5.3 Conclusion

Strategic alliances are extensive in today’s business setting. Environmental turbulence in the form of growing competition, high rate of technological change and discontinuities within most industries have forced organizations to pursue a large number of alliances in order to access new resources, enter new markets, or minimize their risk.

Though alliances are popular, empirical knowledge reveal that organizations involved in these relationships rarely reap the benefits of such alliances. The study's major objectives as a result were to examine the process of forming strategic alliances and the management of the same to fully realize the benefits of these collaborative arrangements. The study highlighted the critical stages in the life cycle of an alliance and factors at each stage of the alliance life cycle critical to alliance success. It was established that the choice of an appropriate strategic partner (complementary, compatible, and committed) at the time of alliance formation, and making relevant choices with respect to alliance design in terms of equity or contractual or relational governance, the alliance is more likely to succeed.

During the post formation stage (monitoring and evaluation), alliance success depends on the effective use of relevant coordination mechanisms to manage the interdependence between the two firms, and the successful development of trust between partners as the alliance evolves. The study clearly shows that collaborative arrangements when appropriately managed enable organizations to extend, and thereby improve, their outreach abilities in order to serve as many target groups and individual beneficiaries as possible.
5.4 Limitations of the study

The study was carried out within limited time and resources resulting in a constraint on the scope as well as the depth of the research. Another limitation was that the study was a case study therefore research findings cannot be overly generalized to reflect the situation across all international non-governmental organizations.

Researching on an organization that I was not familiar with posed a challenge in that it was quite difficult accessing all the information and material I was interested in because permission had to be sought at request from the administrator who was away most of the time on official duties.

5.5 Recommendations

The study sought to establish the process of forming strategic alliances and the management of the same to fully realize acknowledged benefits. The findings from the study have apparent implication on policy and practice. Study findings imply that for organizations to register success in any strategic alliance endeavor, stringent policy guidelines have to be put in place for practitioners to follow to ensure the success of any strategic alliance. These guidelines include the formulation of a winning strategy, a unique value proposition for the alliance. A winning strategy draws upon the distinctive competencies of the partners and will generate a sustainable competitive advantage in the target market. Policy guidelines should also ensure clarity of objectives this is because great clarity is needed in alliance objectives, for both the parent institution and the strategic partner, to avoid misalignments. Unclear objectives can lead to goal divergence and conflict between partners much earlier than might otherwise occur.
In the selection of a suitable strategic partner, policy guidelines should always override all other aspects in the choice of a strategic partner. This is because the selection of a strategic partner is a two-way exercise which must be transparent and guided by mutual strategic objectives. These could prove as a challenge if not guided by organizational policy. Difficulties in aligning the value systems of the partners must be recognized, and consideration given to the decision rights which will be delegated versus agency costs in maintaining the integrity of the alliance and organizational reputation.

Organizations that seek strategic alliance relationships should also put in place guidelines that help foster the development of core competencies in any collaborative arrangement. Collaboration is a learned skill that each partner must have or deliberately acquire if an alliance is to flourish. People are needed who have a demonstrable ability to work in a difficult collaborative environment, thus organizations must design policies that encourage learning of these skills through adequate training programs.

For an organization to succeed in any collaborative arrangement it must establish an effective governance structure. The policy of organizations in respect to strategic alliance must guarantee that an alliance specific governance structure with a clear purpose is instituted with explicit delegations from existing institutional governance structures giving it the freedom to deliver targeted benefits and carry contingent risks to initiate, fund and manage strategic alliances.

Organizations should formulate policies that can actively manage cultural challenges because strategic alliances provide an environment of co-existence among its partners. Cultural challenges vary in complexity depending on the country of origin of the alliance partner and the target country of alliance operations. Policies on the protection of intellectual property should also be institutionalized. The institution’s competence to develop
intellectual property should not be for sale to the strategic partner, rather the emphasis should be on the capacity to continuously update intellectual property. Finally organizations or strategic partners should enforce policies that allow for an agreeable exit strategy. As most alliances do not last for extended periods an exit strategy is essential. It is important to agree in advance on how the alliance will be unwound when, rather than if, it fails.

From the study findings it is hence recommended that organizations and more specifically Church World Services must strive to build alliance capability by considering alliances a central element of their overall organizational strategy. Organizations improve their overall alliance success if they take systematic action to develop processes and talent in support of alliance management, this concept has been highly supported by empirical evidence and the various theories that the study has proved true in terms of strategic alliance formation and management. Alliance capability requires attention to both a dedicated alliance function within a firm and a set of institutionalized processes to accumulate and leverage alliance management know-how across the firm. A functional department should as a result be installed to overlook and administer all alliances that an organization will have at a point in time.

Non-governmental organizations can also design strategies that will drive partnering from the operational level of development initiatives to a deeper administrative relationships in which resources and governance of the relationship is also equitably shared (in most cases the non governmental organizations take the role of big brother in the NGO/CBO relationships) This can help deter feelings of mistrust among the partners and ensure swift decision making because all parties will as a result share the same vision for optimal results.
Given the current global scarcity of resources and the resultant need for organizations to limit their spending, joint projects and programmes entail the sharing and more effective use of available resources. Strategic alliances are therefore important for ensuring more efficient use of resources and more effective intervention programmes and should as a result be properly managed to ensure the success of any undertaking.

**5.6 Suggestions for further research**

Previous studies have been done on strategic choice and management practice among relief and development NGO’s. The issue of alliances between NGO’s with the private sector, and the government with CBO’s has been broadly addressed by previous studies. Findings from scholars highlight the value and rationale of strategic collaborations and their level of effectiveness.

The study investigated the process of forming and managing strategic alliances. The study was not able to touch on the role of external donors in influencing the international humanitarian organization’s choice of strategic partners. Therefore future studies need to relook into this more comprehensively in order to establish the significance of international humanitarian organization’s in strategic choice and resource mobilization.
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ANNEX I: INTERVIEW GUIDE

PART A: DEMOGRAPHIC INFORMATION

1. Name ___________________________

2. Position held ____________________________

3. What is your highest level of formal education?

   Diploma ( ) Degree ( ) Post-graduate degree ( ) others ( )

4. Please indicate your work experience _____________ Years

PART B: STRATEGIC ALLIANCE FORMATION PROCESS AND MANAGEMENT

1. How long does it take to plan and implement a strategic alliance at CWS?

   1 – 3 Weeks ( ) 1 – 3 Months ( ) 4 Months and above ( )

2. Based on the timeframe chosen above, what considerations are put in place to set up the alliance?

3. In the choice of a strategic partner, list the key elements of consideration by CWS?

4. List the factors that drive CWS towards forming strategic alliances.

5. Explain the procedures used by CWS to formalize strategic relationships with strategic partners (legal framework)
6. What level of strategic alliances does the Program have with CBOs? 10% - 25% ( )
   30 – 45% ( )  50 – 65% ( )  70% - 85% ( )  90% - 105% ( )

7. Does your organization monitor and evaluate strategic alliances? If the answer is yes, explain the process used.

8. To what extent does monitoring and evaluation enhance the success of the alliances with CBO’s?

9. List the challenges experienced by CWS in implementing the strategic alliance framework?

10. What strategies have been taken to manage the challenges above?
ANNEX 2: CWSEA CBO PARTNERS LIST 2010

1. African Brotherhood Church (ABC)
2. Bugumbe Development Forum (BDF)
3. Christian Community Services (CCS) - Anglican Church of Kenya, Eldoret Region
4. Christian Community Services (CCS) - Anglican Church of Kenya, Eldoret Region
5. Christian Council of Tanzania (CCT)
6. Christian Partners Development Agency (CPDA)
7. Church of Uganda: Planning, Development, and Rehabilitation (COUPDR)
8. Community Resource Initiative (CRI)
9. Diocese of Kitui (Anglican Church of Kenya)
10. Evangelical Lutheran Church in Tanzania - HUYAWA
11. Evangelical Lutheran Church of Kenya (ELCK)
12. Farming Systems Kenya (FSK)
13. Foundation for the Development of Needy Communities (FDNC)
14. Grassroots Organizations Operating Together in Sisterhood (GROOTS)
15. Kenya Adult Literacy Association (KALA)
16. Kenya Evangelical Lutheran Church (KELC)
17. Kenya Evangelical Lutheran Church (Tana River)
18. Kulima Ntwanano (Mozambique)
19. Lifeskills Promoters (LISP)

20. Medical Assistance Program (MAP)

21. Member organizations of the Action by Churches Together (ACT) Kenya Forum

22. Mkombozi

23. Narok Community Drought Recovery Project (NCDRP)


25. Organization of African Instituted Churches (OAIC)

26. Pokot Outreach Ministries (Africa Inland Church)

27. School Management Committee -- School Safe Zones

28. The National Council of Churches of Kenya (NCCK)

29. Trust for Rural Food and Development (TRUFOOD)

30. Uganda Community Based Association for Child Welfare (UCOBAC)

31. Uganda Joint Christian Council (UJCC)

32. Yang'at Girl Child Potential Sensitization Group

33. YWCA Kenya

34. YWCA Rwanda