BUILDING SUCCESSFUL STRATEGIC ALLIANCE

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Abstract

Through this paper we intend to bring to the fore the idea of "*Business Network*", which refers to an association of companies in a certain region with the purpose of supporting and developing new products and services. The association in this *Network* provides the necessary framework for regional research, innovation and development and helps to motivate "*sustainable*" employees and determines economic development, competitive advantages for its company members. When we associate the topics "employees", "motivation" and "sustainability", we refer to an active involvement of the employer in the professional activity of the employee, through internships, projects, activities, exchange of experience, etc. - All this, thanks to the Network of Business. The paper contains important elements of synthesis regarding the benefits of network implementation, because it is achieved an interconnectivity of companies, which offers stability and confidence in the business environment.

Keywords: Business Network; Companies, Developing; Interconnectedness; Strategies

1. Introduction

This paper highlights the importance of creating a Business Network both at the level of the member companies and at the level of the region in which they are created. This ensures stability, support for companies and, above all, economic development.

The research methods used are the *qualitative method* because it is based on the evaluation through the use of concepts and strategies of communication and development and the *observation method*, because it aims to give meaning to the things and processes perceived, to verify the hypotheses to identify a regularity, a law of their production. [2]

In this moment, the Small and Medium Enterprises (SMEs) have a gap in the business market because they are not very well known, very big or have no support. For this, setting up and engaging in a business network can remove these companies from anonymity and bring more benefits.

In the specialized literature and in practice have appeared clusters based on the following criteria:

- attracting companies from the same field;
- involvement of universities;
- State involvement

Clusters are efficient, but they do not help SMEs in different fields to grow and develop together. The Business Network get a helping hand to grow.

Starting from establishing the importance of this Network [5], we continue to highlight the contributions and the essential stages in the development and evolution of the concept of business development, also taking into account the fact that, in order to ensure the quality of products and services, good quality must be ensured of the processes, and not only productive ones, but all processes within an organization. In order to have infallible traceability of products and services, the main benefits of a Business Network must be identified. The benefits are:

1. **Discount** for services / goods for network partners;
2. The **office for the promotion** of services, on complete packages of goods and services - fulfillment;
3. **Interconnectivity** for the companies within the *Network*;
4. The **speed of solving any requests within the Network** - omitting certain steps (recognition, trust, establishing a relationship, etc.);
5. **Business solutions**;
6. **Promoting research and development** within the *Network*;
7. Finding **optimal variants for better functioning**;
8. Possibility for **exchange of experience of employees between companies**;
9. Increasing **production capacity**;
10. Increasing the **quality of production** and execution in the partner units producing goods and services;
11. Increased **confidence in the affiliated companies** and the services offered;
12. Writing projects to **attract funding**.

From the benefits listed, we will take over and highlight the most important ones, so that we are limited to those based on the efficiency criterion (Doing things right), which will subsequently lead to effectiveness (Doing the right things):

1.1 Discount in network

Any company wants to get a lower price from the suppliers of products and services. Sometimes there is a success, but most of the time, either the discount is small or it does not exist. Thus, within a Network, in order to motivate the member companies, there will be a principle of supporting business partners that will be found in the lower price with 15% respectively 20% for the services and products of the suppliers.

Considering the services for which a discount was made, a profit would be created which we will explain below. For an SME, financial benefits [3] are helpful.

For example, if we had a 15% or 20% discount from the network service providers, we could pay the minimum wage in the economy now for an employee. At this moment, the minimum wage in the economy is 441.20 Euro / month. In the table below we have highlighted the services and products indispensable for the proper functioning of a company, type SME with two employees.

Nr. Crt.	Services	Services/ month	Price list/service	Price with 15% discount	Price with 20% discount	15% discount profit	20% discount profit	15% discount profit in EURO	20% discount profit in EURO
1	Accountancy	Month	500 lei	425 lei	400 lei	75 lei	100 lei	16 EUR	21 EUR
2	SSM Services - Labor Protection	Month	300 lei	255 lei	240 lei	45 lei	60 lei	10 EUR	13 EUR
3	Event organization services	1 event	2.500 lei	2.125 lei	2.000 lei	375 lei	500 lei	79 EUR	106 EUR
4	Catering services	2 pax x 20 lei x 20 days	800 lei	680 lei	640 lei	120 lei	160 lei	25 EUR	34 EUR
5	IT services	Month	2.000 lei	1.700 lei	1.600 lei	300 lei	400 lei	63 EUR	84 EUR
6	Human Resources	Month	500 lei	425 lei	400 lei	75 lei	100 lei	16 EUR	21 EUR
7	Detailing services	1 car	500 lei	425 lei	400 lei	75 lei	100 lei	16 EUR	21 EUR
8	Web design services	1 site	4.750 lei	4.038 lei	3.800 lei	713 lei	950 lei	151 EUR	201 EUR
9	Marketing services	Month	1.000 lei	850 lei	800 lei	150 lei	200 lei	32 EUR	42 EUR
10	Car service services	1 car	500 lei	425 lei	400 lei	75 lei	100 lei	16 EUR	21 EUR
TOTAL			13.350 lei	11.348 lei	10.680 lei	2.003 lei	2.670 lei	423 EUR	564 EUR

Table 1. The services and products indispensable for the proper functioning of a company

Chart 1. The price difference on some categories of services and products for companies within the Network

2. A joint promotion office

In addition to the marketing, PR, online or offline promotion services that companies want to purchase, they can have a BONUS promotion service through a common office. This common office is the one that deals with the promotion of the Network, but, with this, it promotes the services and products of the companies. The credibility of the services, but also of the company itself is high due to its affiliation with the Network.

The promotion can be both on the presentation page of the Network, and on social pages, as well as in offline advertising materials, such as flyers, posters, spiders, brochures, conferences, etc. The main idea is to support and recommend integrated services [10] for companies.

For example, the *Network* promotion plan can be developed through:

3. Interconnectedness

This term is used only in the technical field, but I want to use it in the business field, because it expresses very well a heterogeneous relationship [8] based on trust and mutual support, at the level of companies.

This benefit "translates" through a good collaboration at the managerial level and not only of the member companies in order to find an optimal variant of promotion, support and increasing the performance in the business.

Collaboration strategies between companies represent the joint activity of two or more companies in order to achieve common goals or to gain competitive advantage (Nicolescu, O. (2011), *Strategy and strategic management*. Bucharest: Prouniversitaria Publishing House). The strategic collaborations between the companies in the Network will pay more attention to this type of strategy and they will be developed to grow and be in competitive advantage on the market.

The competition is increasingly taking place between strategic alliances and strategic networks, to the detriment of competition between companies taken separately (Holmberg, S., Cummings, J. (2009), *Building Successful Strategic Alliances. Strategic Process and Analytical Tool for Selecting Partner Industries and Firms*, Long Range Planning, 42: 164-193.), so that these strategies would be divided into:

- Collaboration strategies for research and development;
- Collaboration strategies in the field of production;
- Collaboration strategies for achieving marketing objectives;
- Collaboration strategies for support activities.

Common benefits of interconnectivity:

Nr.Crt.	Actiuni pentru promovarea Retelei	Descriere
1	Facebook Ads Promoting	Facebook is published news from all fields, is used for entertainment, professional interests, games, connection to the pulse of society. There are artists who communicate with a fan base, there are small, medium and large businesses and organizations that connect to the public (clients and other organizations), there are political parties, NGOs, institutions, social causes, events are organized, they participate. during public debates, fundraisers are organized or social movements take place. Our actions are aimed at gaining the public, increasing the traffic to the Facebook website, increasing the sales volume of the traffic generated to the Facebook website, supporting the opinions of people on various topics, gaining the public's participation in social events or simply to inform and provide entertainment topics. ării publicului la evenimente sociale sau pur și simplu pentru a informa și a oferi subiecte de divertisment.
2	Google Ads Promoting	Immediate visibility to the audience of the Network's website through the representative keywords of the member companies' businesses.
3	Site	Creating a website to provide integrated services and products of Network companies.
4	Articles	Promote the network and automatically the companies through written video articles.
5	Meeting-uri	Regular meetings of company representatives to establish new strategies.
6	Events	Holding events with topics of public interest, to be invited by the stakeholders.
7	Promote Radio and TV shows	Promoting the Network within programs of written and audiovisual media.
8	Flyers, brochures	Making promotional materials for the products and services that can be made by the members of the Network.
9	Mail Chimp	Creating and sending e-mails to potential customers.

Table 2. *Network* promotion plan

4. The speed of actions

This feature helps to solve faster the requests coming from the network members. It omits certain steps that reduce the reaction time of the suppliers. For example, if you want to buy a certain product or service, and the supplier is a company from the Network, you get to the purchase faster, and the confidence in providing the service or product is high.

Establishing a relationship is already underway, and the benefits are recognized in the "time" resource. In the business environment, it is quite important to get results quickly (everything is being done very quickly on the market and if one is really good and prompt in its business it came become number 1). Efficiency and efficiency represent performance, especially if everything happens quickly. [4]

5. Business Solutions

Each company has its own visions and problems and within the Network can find the optimal solution in accordance with existing needs. The solution of the Network for each client is developed starting from the binomial "cause-effect" and drawing the strategy of business development. [7]

In each business it is necessary to highlight the strategies to find the best solution for increasing the profitability; so, strategies must be thought of:

- Company
- Departments
- Team
- Recovery / Consolidation. Development
- Low costs / service differentiation / market niche / quality / technological advance

Nr.Crt.	Beneficii	Descriere
1	Networking	Socializing to grow the profession.
2	Exchange of values	Cultural awareness is reached as the major impact of any experience exchange program.
3	Exchange of experience between employees of companies	In the long term, we will have qualified employees and with an overview, necessary for any business in ridge.
4	Analytical thinking	By analyzing and participating in this interconnectivity, thinking about the business becomes more analytical for the employee. It is put in the manager's place and becomes more involved in its activity.
5	Social identification	By connecting and collaborating with other companies in the Network, employees begin to identify with a certain organizational culture that makes them socially identify on the labor market.
6	Inovation	When two people from different departments / companies thinking strategically are "put at the same table", they can think of a different, innovative concept that will turn into business. In other words, when collaboration for innovation becomes repetitive and continuous, there will always be new business opportunities and strategic development.
7	"Out of the Box" Teams	La baza companiilor sunt oamenii, astfel ca totul se bazeaza pe emotie, empatie, energie. Astfel ca, in timp, prin aceasta interconectabilitate intre companii, se vor forma echipe care se motiveaza reciproc sau chiar leader-i care incep sa se conduca sau sa ia decizii importante, fara gestionarea directa a amangerului (ci doar supraveghere) ajungang la rezultate neasteptate.

Table 3. Common benefits of interconnectivity

Depending on the directions that each entrepreneur wants, but also on the needs of the company, we can create the business strategy.

The contribution that the network brings, on the one hand, is that at a regular meeting these issues and situations can be discussed, and the necessary solutions can be identified in the smooth running of the company's activity. On the other hand, it is possible to carry out trainings at Network level [12], in which the employees participate. The costs would be lower and the results will be observed in the proliferation of companies, because the employees will be motivated and their involvement will be continuous.

Based on the strategies followed, the identification of the solutions can be done according to the following criteria:

- transforming the Network and the companies in the network into market leaders;
- project management;
- implementation of changes;
- reducing operational costs;
- risk reduction in business;
- creating brand value;
- generating income from new sources.

6. Supporting and promoting research

Within the Network, projects will be created to support and develop research. With this, the notion of innovation and "research in innovation" is implemented. Entrepreneurs who want to grow in the business community will invest in research, and the costs will be lower due to the involvement of Network companies. [9]

We can take the current example of the company UiPath, which has become a world leader in the IT field, being a Romanian company. They have invested in the automation of robotic processes [3], by developing a platform. If there is involvement for the research, the Network will be able to grow with it as well as companies.

Thus, supporting and promoting advanced, multidisciplinary and interdisciplinary scientific research and substantial progress helps any company to consolidate and grow its business. Within a network based largely on services, research can start from customizing the services offered and focusing on the client and their needs. From these ideas new concepts can be developed that offer unique and complete services.

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8. Conclusions

The present study is very important for the business environment in Romania, because it is designed to provide support to obtain competitiveness. The general objective formulated for the economic practice is collinear with the increase of the competitiveness of the companies, but also with the increase of the related performances in terms of *productivity* (turnover, profit, better market share etc.) and innovation: new products, new solutions, etc. (by participating in strategic collaborations). Thus, the present work aims to offer, first of all, a set of principles of collaboration, then a set of methods, techniques and practices for maintaining and managing their own collaborations.

We highlighted the benefits and the positive contribution that the Network would bring through the active connectivity of companies in this formal framework. It is important to form an organizational culture that emphasizes employee and innovation. The creation of this network comes as a solution to support SMEs in developing and supporting each other. The benefits are multiple, as highlighted, which lead to better functioning and sustainability of companies. In this respect, all the aspects identified above represent principles for collaboration, implementation and development to be useful to the Business Network. In the future, I want to implement this Business Network, because in Romania, the SME's need helpful organisations which could give bonus to start a business and to develop itself.

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