

Alliances, Networks and Innovation

Atos Consulting, 22 March 2007

Ard-Pieter de Man



Heineken-Krups



Adidas-Goodyear



Heinz-Lay's



Philips-DE

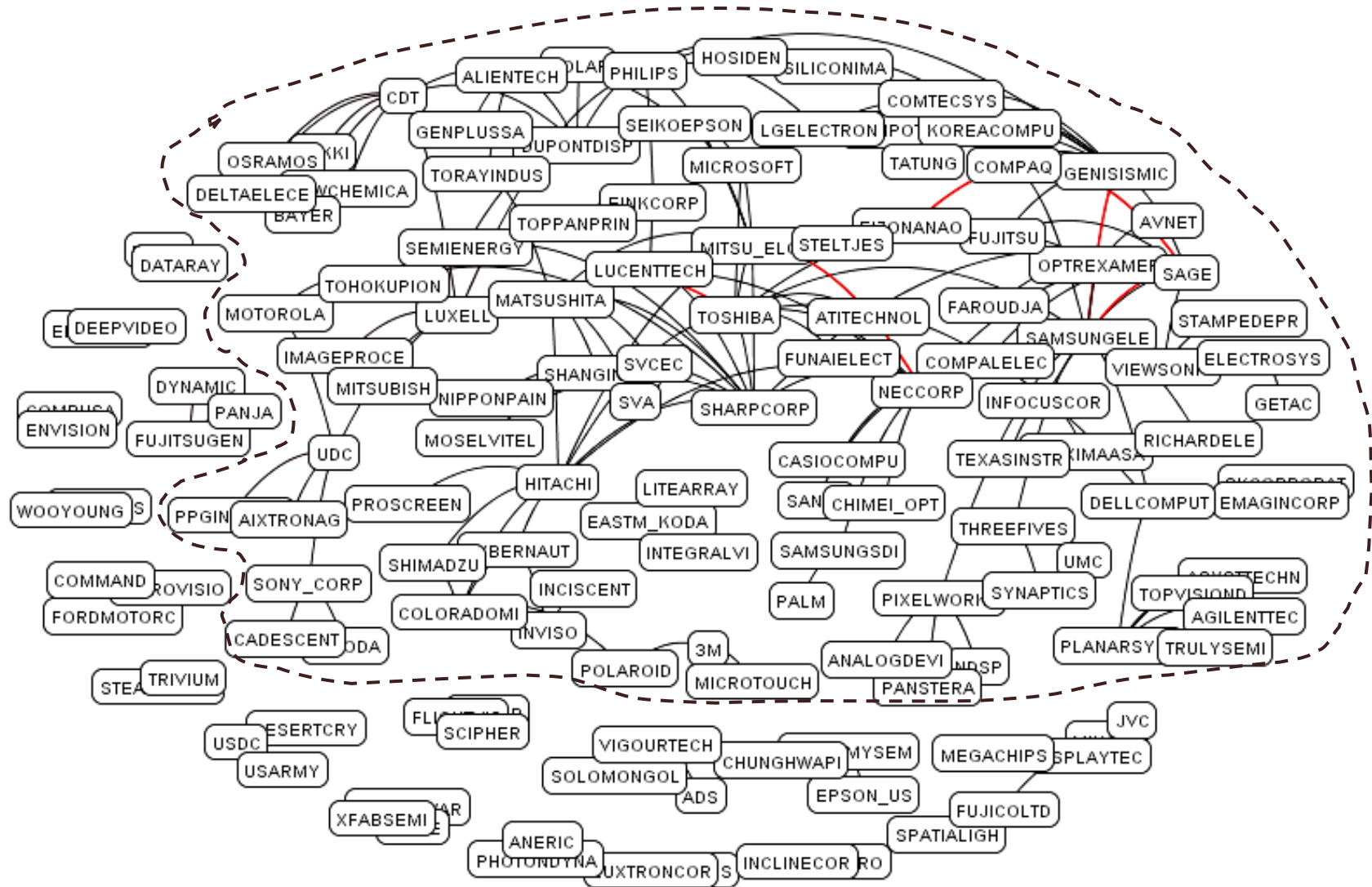


Apple-BMW



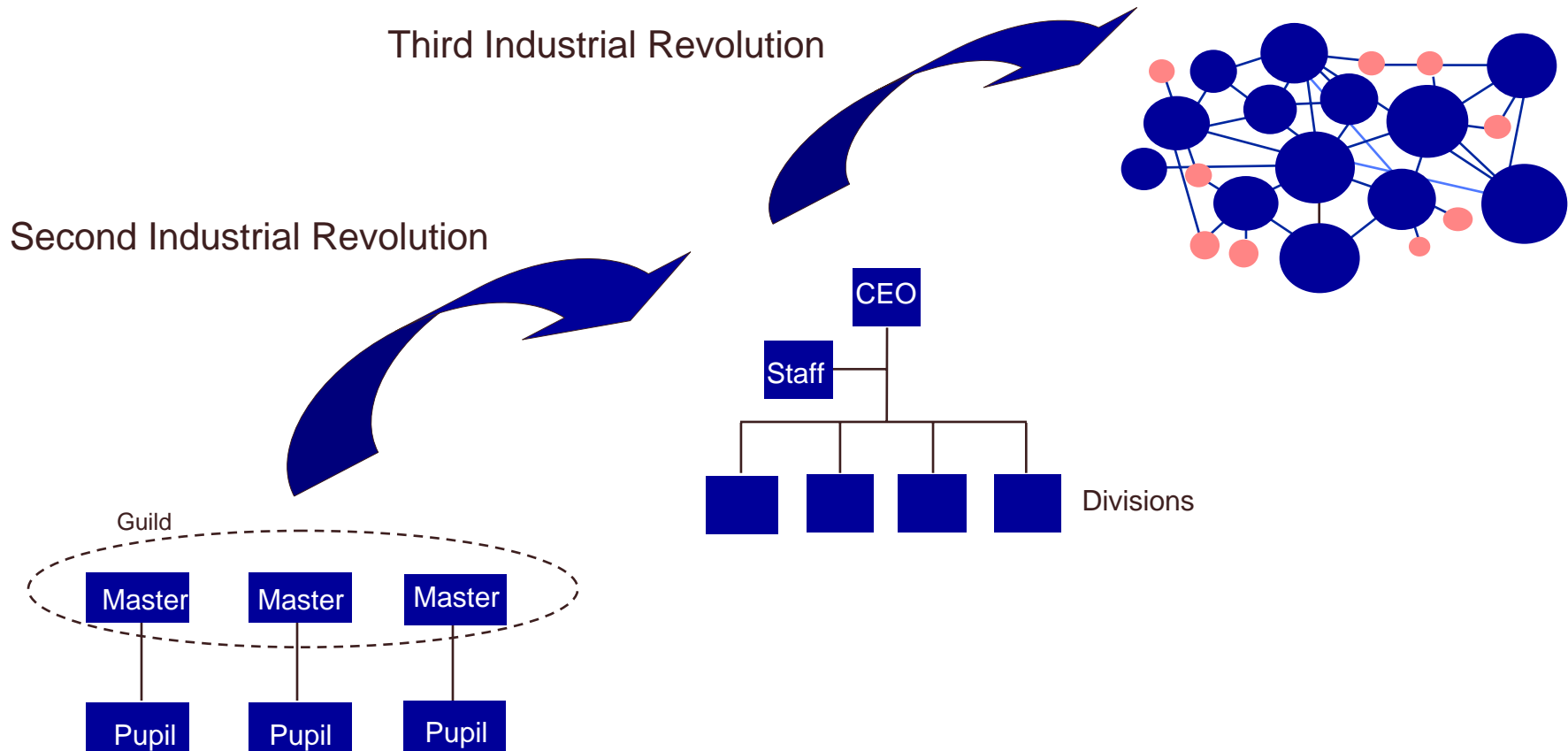
Oral-B, Disney, Duracell

Alliance Network in Flat Screens 2000-2001



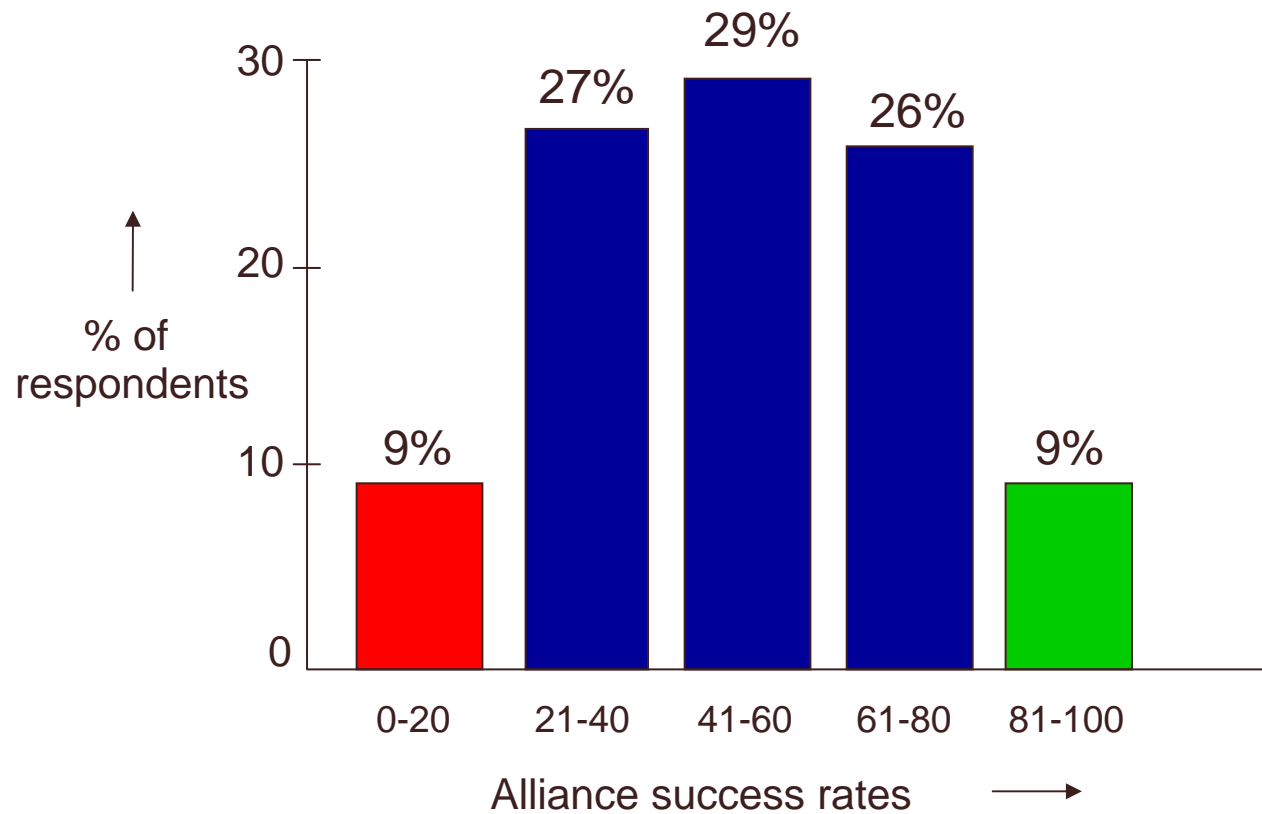
In only 2 years 75% of the firms in the industry are directly or indirectly connected

The knowledge economy is a network economy



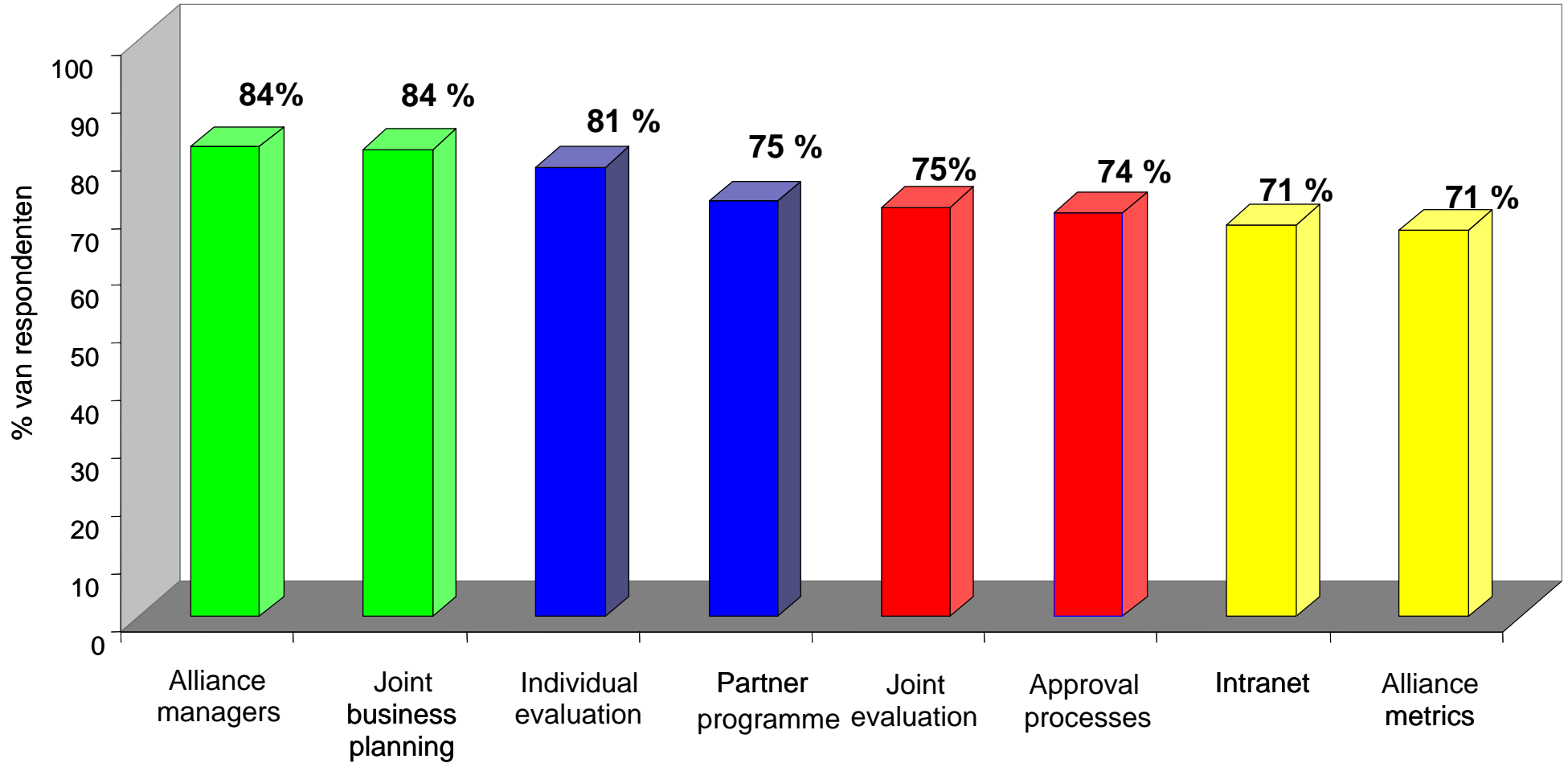
The organizational model is transforming from a stand alone model to a networked model

On average 50% of alliances fail, but...



...some companies perform much better than others

Most common alliance management techniques



Most important tools for alliance success

| Alliance Management Tool | Rank |
|---|------|
| Individual evaluation | 1 |
| Joint evaluation | 2 |
| Alliance Metrics | 3 |
| Cross alliance evaluation | 4 |
| Alliance management development program | 5 |

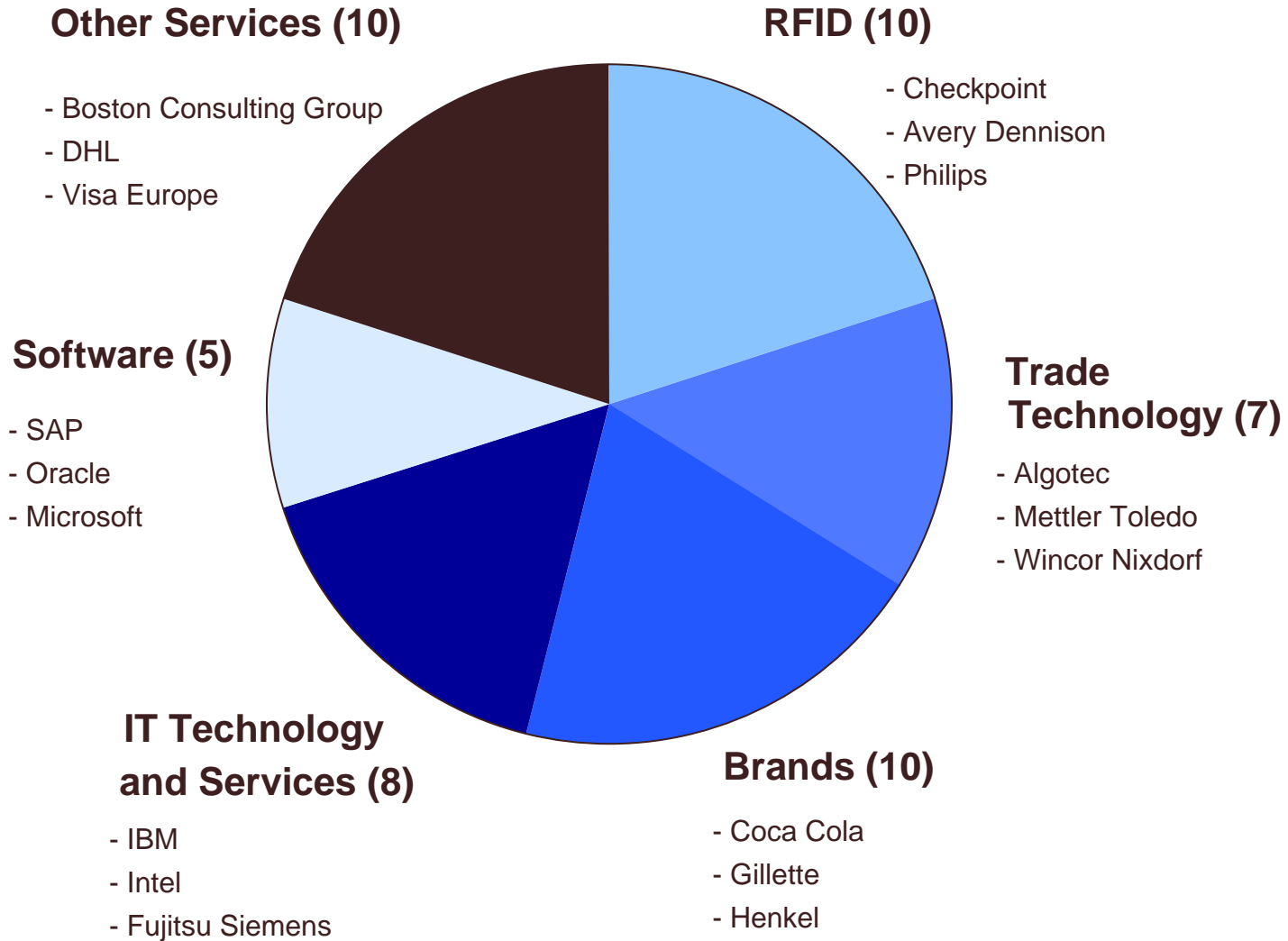
About METRO Group and the Future Store Initiative



METRO Group
Future Store Initiative

- Third largest retail chain worldwide
- Based in Germany
- Aim: Create the retail store of the future, to test technology and to enable METRO to distinguish itself
- Project initiated: september 2002
- Store open: 2003 (existing store with most loyal clients and near the head office)
- Continuous innovation and roll out of new concepts to other METRO stores

The METRO Future Store Initiative has over 50 partners



Examples of new technologies and services



- Self check out (IBM, NCR, AlgoTec)
- Electronic advertising displays (Cisco, Cittadino)
- Personal shopping assistant (Wincor Nixdorf, AlgoTec, IBM, Fujitsu Siemens, Loyalty Partners)
- Intelligent scales (Mettler Toledo, IBM, Cisco)
- Information terminals (IBM, Cittadino, Cisco, Wincor Nixdorf, Sonopress; content provided by a.o. Henkel Schwarzkopf, Procter & Gamble, Kraft Foods)
- Electronic shelf labels (NCR)
- PDA for the staff (Hewlett Packard, Microsoft, Cisco)
- Wireless LAN by Cisco and Symbol Technologies
- Core RFID technology by SAP, IBM, Intermec Technologies, Intel, DHL, Philips, Avery Dennison, CHEP

The governance model

Chair



Executive Committee



Project Committee



- Contract
- Partner type
- Financial model
- Community
- Planning

Conclusions

- The transition from stand alone companies to networked organizations is progressing rapidly
- Knowledge is the key driver
 - Specialization in a certain knowledge area
 - Learning from other companies
- Managing an alliance network requires an alliance capability
- Network governance relies to a large extent on informal mechanisms