ALLIANCE SUCCESS FACTORS AND PERFORMANCE IN SOCIAL ECONOMY ENTERPRISES

Abstract

Purpose: Establishing alliances between social economy enterprises (SEE) is considered to be a solution to the problem of providing enough resources and knowledge to compete in the global market and, at the same time, to maintain identity and ownership. Nevertheless, an important number of alliances break up after several years. Therefore, it is important to study the key factors that affect alliances’ development and outcome. In this study the success factors that have been extensively tested in investor-owned companies are assessed in SEEs, which present important differences in organizational issues and corporate principles and values.

Design/methodology/approach: This study defines a scale that includes the most important factors that might be controlled by SEE managers to develop successful alliances. These factors are grouped into three categories: relational capital, relationship governance and the partner selection process. The study also assesses the impact of these factors on alliance performance.

Findings: Statistical analysis through structural equation modelling (SEM) shows that relationship governance and the partner selection process have a significant impact on performance. Therefore, they can be considered success factors in alliances among SEEs.

Originality/value: Taking into account the relevant contribution of the SEEs to the European economy, and having noted the scarce number of studies about alliances success factors in the social economy sector, this study offers a significant contribution to this research field. Moreover, findings will be also interesting for SEE managers and social economy authorities when designing programmes to empower and support alliances.

Keywords: Alliance; Success factors; Performance; Social economy enterprises; SEEs; Cooperatives

Article classification: Research paper
1. INTRODUCTION

The study of alliances between enterprises is a broad field of study. Scholars define alliances as partnerships of two or more corporations or business units that work together to achieve significant objectives that are mutually beneficial (Bronder and Pritzl, 1992; Elmuti and Kathawala, 2001; Tanganelli, 2004). In that sense Todeva and Knoke (2005) pointed out that an alliance might involve at least two partner firms that: (i) remain legally independent after the alliance is formed; (ii) share benefits and managerial control over the performance of assigned tasks; and (iii) make continuous contributions in one or more strategic areas, such as technology or products.

According to the resource-based view (RBV) theory, frequently cited objectives include the sharing of resources (Das and Teng, 2000) and the exchange of complementary skills and talents that cover different aspects of the know-how needed (Rothaermel and Deeds, 2006). According to the transaction cost economics (TCE) theory, the use of alliances is a means to reduce risks and costs (Williamson, 1985). These are two of the most commonly used theories in the alliance research field. Nevertheless, other theories exist and present alliances as a way of gaining legitimacy in the market (institutional theory) and aligning the goals of different agents (agent theory). All these theories have been linked and tested in the investor-owned company (IOC) context (MNEs, SMEs, etc.). The authors note a lack in the literature, both theoretical and empirical, regarding testing these theories on alliance success factors among SEEs.

SEEs have a long tradition of creating and managing alliances and cooperation agreements, although they have rarely been studied. SEEs are ruled according to the ICA principles (ICA, 1995). One of these principles is inter-cooperation, which empowers enterprises to establish relationships between them. This principle is considered to be a business strategy without which cooperatives and other SEEs would remain economically vulnerable (Birchall and Ketilson, 2009). From a normative perspective, the definition of formal inter-cooperation agreements may be exemplified by second-level cooperatives, consortia, network contracts, public–private partnerships, social capital networks, financial linkages, subcontracting and market relations (Sachetti and Tortia, 2016). These forms of collaboration can be compared with the ones set up by IOCs because they look for similar goals, although important differences might appear because of the specific characteristics that SEEs present.
Identification of the SEEs as they are known today began in France in the 1970s. The National Liaison Committee for Mutual, Cooperative and Associative Activities (CNLAMCA) published the Social Economy Charter, which defines SEEs as organisations that do not belong to the public sector, operate democratically with members having equal rights and duties, and practise a particular regime of ownership and distribution of profits, employing surpluses to expand the organisation and improve its services to its members and to society (Économie Sociale, 1981). These defining features have been widely disseminated in economics literature and outline an Social Economy sphere that hinges on three main families – cooperatives, mutual societies and associations – which have recently been joined by foundations. The main difference between SEEs and IOCs is that decision making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote. Therefore, all events take place through democratic and participative decision making processes. Voluntary non-profit organisations that are producers of services for households can also be defined as SEEs, even if they do not possess a democratic structure, as this allows very prominent social action third sector organisations that produce social or merit goods of unquestionable social utility to be included in the social economy (Monzón and Chaves, 2008).

In the EU there are 2 million SEEs, accounting for approximately 10% of all European businesses. The social economy employs over 14.5 million people, equivalent to 6.5% of the EU entire working population (Social Economy Europe, 2015).

In this paper the alliance success factors that have been extensively tested in IOCs are assessed in SEEs. Two objectives are set. The first objective is to define and validate a scale of the key factors that affect SEEs alliances’ development and outcome. As far as we know, no other validated scale dealing with alliance success factors in a social economy context exists. Thus, the introduction of a validated scale in this field of research will be a contribution of this study. The second objective is to assess the impact of these key factors on SEEs alliance performance. Accordingly, the main contribution of this study will be to identify the key factors that might help SEEs to set up successful alliances.

The paper is structured as follows. The next section summarizes the current state of the art. The third and fourth sections contain the hypothesis and the methodology conducted
in the analysis, respectively. In the next sections, results are presented and discussed. The paper ends with concluding remarks for both academics and practitioners.

2. LITERATURE REVIEW

2.1. Alliances’ success factors in investor-owned companies

This section shows the main alliance success factors according to Krathu et al. (2015), who reviewed 177 publications dealing with factors influencing Inter-Organizational Relationships (IORs). In this study, we refer to SEE alliances instead of IORs, but as Franco and Haase (2015) stated, different terms have been used to refer to relationships between enterprises, although relevant differences don’t exist between them. Regarding the broad range of publications reviewed in this study and the recent publication of the literature selected, the alliance success dimensions obtained represent a reliable base on which to build up the research. Krathu et al classified success factors into 5 main constructs:

i) Relationship orientation. It represents the tendency of an organization to maintain relationships with partners (Cheng and Sheu, 2012). The measurement of relationship orientation typically gauges the attitude of business players towards their relationships in the long run (Fantazy et al., 2010; Prajogo and Chowdury, 2010). According to Cheng and Sheu (2012), relationship orientation can be determined based on relationship quality, connectedness among partners and performance.

ii) Relational capital or social capital. It is described in the literature as relationships with dimensions such as trust, shared goals, open interaction, feelings of shared destiny and togetherness (Kohtamäki et al., 2012). Thus, relational capital is presented as a construct formed by trust, shared vision and connectedness.

iii) Relational norms. Liu et al. (2009) defined them as the expected norms shared by a group of decision makers and directed towards collective goals. Doucette (1996) defined relational norms as solidarity, information exchange and role integrity. Relational norms is presented as a construct formed by communication, cooperation and integration.

iv) Atmosphere. According to Woo and Ennew (2004), atmosphere is described in terms of a relationship that is dependent on power, conflict, cooperation, closeness or
distance of the relationship and mutual expectations between business partners. Atmosphere is divided into four main dimensions: conflict, cooperation and integration, power and connectedness.

v) Others. Other factors that do not have any major similarities and that cannot be grouped have been identified. These dimensions are compatibility, commitment, top management support, relationship learning, contract, investment, complementarity and opportunism (Cheung et al, 2010; Liu et al, 2009, 2012; Gil-Saura et al, 2009). They are included in the study because it was considered that they would improve the quality of the findings.

These five success factors’ constructs include the majority of the dimensions presented in the IOC alliances research literature. We will adopt them in order to analyse them as potential alliance key factors in the SEE context. Furthermore, apart from the dimensions introduced by Krathu et al., another key factor, named ‘partner selection process’, has been added to this study. This factor is described by the actions that an enterprise develops in order to find a suitable partner. The partner selection process is assessed by having a partner selection plan, compiling a short list of potential candidates, or analysing the partner before setting the alliance, among others (Cummings and Holmberg, 2012; Bierly and Gallagher, 2007; Wu et al., 2009; Wuyts and Geyskens, 2005). Considering the large amount of research that has dealt with this factor and the specific characteristics of SEEs already explained in the introduction, we expect that the partner selection process will be one of the most influential factors of success in alliances among SEEs. Thus, we have added the partner selection process as a potential key factor in this study.

2.2. **Alliance success factors in SEEs**

Fulton et al. (1996) assessed several hypotheses concerning the success of cooperative business arrangements. Data were collected by in-person interviews with general managers of grain marketing cooperatives. The results showed that the most-cited success factors were: (i) trust; (ii) commitment; (iii) managers who work well together; (iv) agreements in which the benefits of joint efforts are visible; (v) good, open communication; (vi) not intruding on the business territory of others; and (vii) staying involved in the business agreement.
Vandeburg et al. (2000) examined the relative importance of factors in the success of business arrangements. Seventy local agricultural cooperatives in Indiana and Colorado, 35 in each state, were surveyed during May and June 2000. The results showed that the important success factors were those factors related to interpersonal dynamics: trust, communication, commitment and managers who can work together as a team. Both cited studies concluded that factors such as trust, commitment, communication and managers’ relationship are crucial for the success of alliances.

Banaszak (2008) tested 6 hypotheses based on the factors affecting the likelihood of success of producer groups. Data were collected from 62 Polish farmer cooperative organizations called producer groups. The findings showed that the key to the success of hybrid modes of governance, such as producer groups, is the selection of partners based on previous experience in market relationships. In the same vein, Roth and Menguy (2015) explored the framework of the alliances among SEEs in France. They found three main success factors involving inter-organizational agreements: (i) the integration degree with the partner, (ii) the socio-psychological criteria used to choose the partner and (iii) the speed of the integration. In that sense previous studies have confirmed that partner selection is an important issue in alliances’ formation and development.

Mazzarol et al. (2013) studied different cases of strategic networks formed through cooperatives in Australia and France. They found that the ability to maintain the unity and stability of the network requires the fostering of a common sense of purpose and the commitment of the cooperative to focusing on delivering value to the members. In that sense encouraging a strong sense of community identity based on trust and a sense of common purpose is very important.

Pesämaa et al. (2013) examined inter-personal and inter-organizational commitment in the context of small business cooperatives in Northern Minnesota. The findings showed that the success of small business cooperatives ultimately depends on the level of inter-organizational commitment. In that sense firms should develop cooperative strategies that focus on enhancing trust, which in turn builds inter-personal commitment, thereby ultimately helping to strengthen inter-organizational commitment and successful alliances. However, the findings also showed that encouraging reciprocity in the short term is important to enhance inter-organizational commitment.
There are several similarities between success factors in SEE and IOC alliance literature. Success factors identified in SEE alliances such as trust, commitment, or managers’ relationships have also been found to be success factors in IOC alliances. Partner selection has also been found as a success factor in SEE and IOC alliance literature, which confirms the importance of adding it into this study. Other success factors seem to be specific for each type of alliance, and they include sense of community in SEE alliances and relationship learning or compatibility in IOC alliances.

3. HYPOTHESES

Considering the previous literature, three hypotheses have been predicted in order to test the relationship between the SEE alliance key factor constructs and performance. To set up these hypotheses, only constructs included in the SEE alliance key factors scale have been used. In that sense, when a positive relationship exists, we can confirm that the key factor construct becomes a success factor in SEE alliances.

Research on trust and performance has increasingly suggested that trust-inspired relational behaviours enhance performance by reducing the transaction costs and increasing the transaction value. Robson et al. (2008) argued that inter-partner trust is positively related to alliance performance. Khalid and Larimo (2012) assessed the relationship between a common vision and alliance performance. The findings suggested a positive significant relationship between these two dimensions.

Considering the previous literature, this paper predicts the following:

**H1: Relational capital, formed by trust, shared vision, communication and cooperative integration, is positively related to SEE alliance performance.**

This section introduces a new dimension called relationship governance, which has not been presented in the literature review. However, it includes several factors that have already been presented in section 2.1., such as top management support and commitment, relationship learning and compatibility.

Yang et al. (2008) studied the relationship between relational commitment and performance in supply chain alliances. This study revealed that the relational
commitment is important for firms developing stable relationships with their suppliers in a supply chain alliance, which in turn is critical for alliance performance.

Considering relationship learning, Jiang and Li (2008) examined the relationship between organizational learning and firm-level financial performance in the context of strategic alliances. The results from a survey of 127 German partnering firms suggested a significant, positive and strong relationship between organizational learning and financial performance.

Considering the previous literature, this paper predicts the following:

**H2:** Relationship governance, formed by compatibility, relationship learning, commitment, top management support and atmosphere, is positively related to SEE alliance performance.

As far as the authors know, there are no previous studies about the relationship between the partner selection process and the alliance performance. In that sense the findings will be a step further in this field of research and will help practitioners and scholars to understand better the importance of the partner selection process in obtaining satisfactory alliance performance.

In this study the relationship between the partner selection process and the alliance performance outcome is assessed. The partner selection process is analysed with four items related to different activities that companies might develop to choose the partner that fits best with them, for example planning the partner selection process, preparing a shortlist of potential partners, starting to look among the companies with which they already conduct business and analysing the partner before starting the alliance (Anand and Khanna, 2000; Schaan and Kelly, 2007).

Considering the importance of the partner selection process in alliance success, the following is posited:

**H3:** The partner selection process is positively related to SEE alliance performance.
The three hypotheses taken together permit a further step to be taken in analysing the impact of key factors identified in alliances among IOCs as success factors, on performance in alliances among SEEs.

4. METHODOLOGY

4.1. Questionnaire structure, data collection and sampling

To capture data regarding the alliance success factors among SEEs, an online survey was launched, in June 2016, to 450 SEEs that have been involved in alliances in the last 10 years (2006–2016). These enterprises have registered their alliances in the Catalan Cooperation Register or have received funds from programmes focused on the promotion of cooperation in Catalonia. The cooperatives’ contact details were obtained through the Catalan Social Economy Authorities. The survey was sent twice to the cooperative database (June–July 2016), and 160 questionnaires were collected. After the data review process, we had a rate of valid reply of 22.4%, corresponding to 101 questionnaires.

The questionnaire is shown in Annex 1. It included a section to collect 24 items related to the alliance success and failure factors. The items were gathered into the previously described 5 dimensions used by Krathu et al. (2015). Moreover, the questionnaire was completed with new items obtained through a complementary literature review of the alliance research field and 15 interviews with cooperative managers, alliance advisors, cooperative authorities and scholars developed during the first semester of 2016. As a consequence of this process, another factor was identified as the partner selection process, and several new items were introduced. All the items were presented as statements to which the respondents indicated their agreement/disagreement on a 5-point Likert-type scale (from 1=strongly disagree to 5=strongly agree).

4.2. Assessing the reliability and validity of the alliance key factors scale

The items were gathered a priori under the aforementioned dimensions. However, these dimensions had to be proven to be consistent in the SEE context. Therefore, an array of four different exploratory factor analyses (EFA) through principal component analysis were performed to explore the six different set of items. Two different sets of criteria were used to debug these dimensions. The resulting scale is named from now on the “SEE Alliance K-Factors” scale (Annex 1).
The resulting scale is analysed according to the current methodology, assessing its psychometric characteristics. The statistics for reliability (Cronbach’s alpha and composite reliability (CR)) and convergent validity (average variance extracted (AVE)) of the six factors were calculated alongside the discriminant analysis of the dimensions within the scale, comparing the square of its AVE with the correlations with the remaining dimensions.

Once all of the dimensions displayed the correct psychometric properties, two confirmatory factor analyses (CFA) were performed with the remaining items, obtaining the validated “SEE Alliance K-Factors” scale.

4.3. Assessing the research model: The alliance key factors’ impact on performance

The proposed model was applied to the alliance key factors scale. For this purpose the dependent variable was the item “SEE alliance performance”, regressed by a second-order factor (which in its turn reflects the three dimensions of the scale).

5. RESULTS

5.1. Sample characteristics

Tables 1 and 2 show the characteristics of the sample as well as the characteristics of the alliances analysed.

<< Insert Table 1 about here >>

The alliance typologies, objectives and number of participants are also presented in Table 2.

<< Insert Table 2 about here >>

5.2. Assessing the reliability and validity of the “SEE Alliance K-Factors” scale

Three EFAs using principal component analysis were performed to investigate the unidimensionality of each of the three success factor dimensions. The Kaiser–Meier–
Olkin statistic and the Bartlett test for the three cases forecasted a good result for these analyses. These results confirmed the linear dependence between the variables and supported the authors’ view that the results were sound (Hair et al., 2010). Table 3 shows the suggested factors including the percentage of variance extracted.

As mentioned earlier, a scale to assess the alliance key factors is presented. The “SEE Alliance K-Factors” scale contains the items that loaded at 0.64 or more, and they did not load more than 0.26 on other items. Considering the previous criteria, the “SEE Alliance K-Factors” scale contained: (i) a set of six items for relational capital; (ii) a set of six items for relational behaviour; and (iii) a set of three items for the partner selection process. Table 4 presents the loads of the three CFAs for the “SEE Alliance K-Factors” scale as well as the statistics for their reliability analysis.

The internal reliability of the factors was assessed and confirmed, as the retained indicators exhibited loadings of 0.674 or higher. The internal consistency of the constructs reaffirmed the approach, obtaining values that exceeded the recommended threshold value of 0.7 for both the Cronbach’s alpha coefficient and the composite reliability (CR). The AVEs also surpassed the cut-off point of 0.5 (Nunnally and Bernstein, 1994) for all the factors. An exception was the Cronbach’s alpha for the partner selection process, which was lower than expected. Despite this result, the CR and AVE results were positive and sufficient to confirm the internal consistency of the construct. Thus, it was decided to maintain this third factor.

The next step consisted of analysing the discriminant validity, which was performed using linear correlations or standardized covariances between latent factors by examining whether the inter-factor correlations were less than the square root of the AVE (Fornell and Larcker, 1981). Table 5 provides the results of this analysis for the “SEE Alliance K-Factors” scale.
As shown in Table 5, the values in the off-diagonal elements were higher than the square roots of each AVE. Therefore, discriminant validity was confirmed in the “SEE Alliance K-Factors” scale.

A first-order CFA was estimated using the robust maximum likelihood method from the asymptotic variance–covariance matrix. The standardized solutions for the scale (as reflective second-order factors) are summarized in Table 6. As can be observed, the fit indices obtained in the measurement model estimation showed that the variables converged towards the factors established in the CFAs. The fit was assessed through the Satorra–Bentler $\chi^2$ statistic, which was 145.88 with 87 degrees of freedom and a p-value of 0.00008. The $\chi^2$/df was 1.677, which was below the acceptable limit of 5, the RMSEA was 0.082 and the CFI was 0.872. Taking the significance of the robust $\chi^2$ statistic with caution and noting the global indicators, the global fit was acceptable (Hair et al., 2010).

5.3. Assessing the research model: The alliance key factors’ impact on performance

The entire research model was estimated again with the robust maximum likelihood method from the asymptotic variance–covariance matrix. The fit was also good, taking into account the aforementioned considerations. Table 7 provides the analysis alongside the goodness-of-fit summary. The model has significant explanatory power according to the determinant coefficient of 0.24, proving that it explains one-quarter of the performance variance. Nevertheless, further research is needed to gain broader information about the performance variance in alliances.

The impact of the alliance key factors on performance was tested. The findings do not confirm the first hypothesis (H1) that relational capital has a positive impact on alliance performance. According to Table 7, the standardized coefficient is 0.281 and the impact (1.836) is not significant at the 5% level. In that sense it is agreed that the impact should
be at least 1.936 to be significant. The second hypothesis (H²) has been successfully confirmed. The results verified that relationship governance has a positive impact on alliance performance. According to Table 7, performance is directly influenced by relationship governance factors, and the standardized coefficient is 0.273. Finally, the third hypothesis (H³) has been confirmed according to the standard solution. This means that the partner selection process factor might affect alliance performance. However, according to the robust method, H³ cannot be confirmed. According to Table 7, the standardized coefficient is 0.269 and the impact (1.808) is not significant at the 5% level. A larger sample would permit the confirmation of these results.

<< Insert Table 7 about here >>

6. DISCUSSION

The first objective was to define and validate a scale of key factors in alliances among SEEs (SEE Alliance K-Factors Scale). Considering the results obtained, the following three factors determined the alliance outcome: (i) relational capital; (ii) relationship governance; and (iii) the partner selection process. These factors are formed by dimensions such as trust, shared vision, commitment, and partner selection planning, among others. The results are sound with the previous literature presented in the literature review section, where all these dimensions are stated as success factors in alliances among IOCs and SEEs. However, findings confirmed that two success factor constructs identified in IOCs such as relational orientation and relational norms were not included in the SEE alliance key factors scale. Regarding this result, we can affirm that SEE managers don’t consider as key factors dimensions linked to the attitudes of alliance partners in the long term, and to the norms shared by the partners of the alliance. An explanation of the first fact can be that SEE managers don’t have long term vision because alliances are launched for a concrete aim and duration. Another explanation can be that managers’ day-to-day duties and obligations don’t permit them to put efforts into reinforcing their partnerships in the long term. Therefore, they don’t consider this aspect as a key factor for the success of an alliance.

Considering the second fact, results indicate that SEE managers don’t consider the level of integration and communication as a key factor in alliance success. An explanation
can be that SEE managers and members prefer to be independent and don’t create joint teams to share information and have fluent communication with partners. Another explanation can be the lack of professionalization in management positions because they have volunteers in some cases and because they offer lower salaries than IOCs in others (Encinas Duval et al., 2011; Giagnocavo et al., 2014). Consequently, an increase in management professionalization might help to increase alliance success possibilities.

The second objective was to assess the impact of these three SEE alliance key factors on performance. According to the results, findings confirmed that relationship governance and partner selection process factors have a significant impact on alliance performance, although $H_3$ is confirmed using the standardised method. This means that the partner selection process influences the alliance performance outcome if the significance index is relaxed. In that sense the results are in line with previous studies that affirmed that several dimensions included in relationship governance, such as top management support, commitment and relationship learning, exert an impact on alliance performance (Jiang and Li, 2008; Yang et al., 2008). The results also confirmed that the partner selection process is an influential factor for the success of SEE alliances.

However, relational capital hasn’t been confirmed as a success factor in SEE alliances. According to the results, SEE managers don’t consider dimensions such as trust or shared vision as important factors for alliance success. These findings don’t fit with the previous literature (Fulton et al., 1996; Vandenburg et al., 2000). One possible explanation for this result is that in this study alliance performance has been measured, basically, according to financial results, and SEE managers do not consider that relational capital aspects have much influence on alliance financial performance. Accordingly, further research might be needed to confirm this result.

7. CONCLUSIONS

SEE are gaining importance in today’s economy. Nowadays, they represent approximately 10% of European business and employ 14.5 million people. Alliances are a key issue for SEE, because they are mainly SMEs and need to collaborate to improve their access to resources and knowledge. This study assessed the alliance success factors identified in IOCs using a sample of SEE. SEE are guided by principles and values based on social aspects, such as preserving community interests, giving priority to
members instead of capital in decision making (one member, one vote) or in sharing potential benefits. The main findings are discussed in the following paragraphs; first regarding the first objective (the scale definition and validation) and next, some considerations regarding the second objective (assessing the impact of the key success factors on performance).

Considering the first objective, findings confirmed that three key factors constructs out of six identified in IOCs alliances can be included in the SEEs alliance key factors scale. The three factors are: (i) relational capital, formed by dimensions such as trust or shared vision, (ii) relationship governance, formed by commitment or relationship learning, and (iii) partner selection process, formed by partner selection planning or candidates shortlist development.

Considering the second objective, the three key factors constructs were test in order to assess their positively impact on SEE alliance performance. Findings confirmed that relationship governance and partner selection process constructs have a positive impact on alliance outcomes. In that sense, we can affirm that these constructs can be considered as success factors in SEEs alliances. However, relational capital construct doesn’t seem to have a positive impact on performance in SEEs alliances.

The findings have important implications for practitioners and scholars. SEE managers might use these results to identify alliance key factors and define methods to control them to increase the probabilities of alliance success. Social economy authorities might also use these results to develop programmes to promote and mentor alliances, defining the alliance key factors on which enterprises might focus. Considering scholars, this study takes one step further in the research on alliance success and failure factors between SEEs, which is definitely scarce if compared with the importance of this type of enterprise in today’s economy.

Although this study has been conducted carefully, some limitations should be mentioned. First, the authors consider that the sample used to analyse alliance success and failure factors was large enough to test the research model, and the reliability and validity tests were also satisfactory. However, the generalizability of the research results could be limited, because only 101 questionnaires were completed satisfactorily. Second, the paper assessed performance using financial indicators, such as an increase in sales, benefits or the number of customers. In that sense it would be useful to
introduce other items related to the operational or global performance. Future research should consider the limitations described above.
REFERENCES


ANNEX 1

Items of the questionnaire used to assess alliance key factors and performance; the main references from which the items were taken are also included. The items included in the alliance key factors scale “SEE Alliance K-Factors” are marked in grey.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Code</th>
<th>Item</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship Orientation</td>
<td>RO1</td>
<td>We view our partners as an integrated part of the company.</td>
<td>Fantazy et al. (2010)</td>
</tr>
<tr>
<td></td>
<td>RO2</td>
<td>We expect our relationship with our partners to last a long time.</td>
<td>Fantazy et al. (2010)</td>
</tr>
<tr>
<td>Relational Capital</td>
<td>RC1</td>
<td>We and our partner have a similar understanding about the aims and objectives.</td>
<td>Li and Lin (2006)</td>
</tr>
<tr>
<td></td>
<td>RC2</td>
<td>We and our partner have a similar understanding about the importance of collaboration.</td>
<td>Li and Lin (2006)</td>
</tr>
<tr>
<td></td>
<td>RC3</td>
<td>I can trust this partner when I share relevant information with it.</td>
<td>Cambra-Fierro and Polo-Redondo (2008)</td>
</tr>
<tr>
<td>Relational Norms</td>
<td>RN1</td>
<td>We exchange information frequently, accurately, informally and/or in a timely manner with the partner.</td>
<td>Fantazy et al. (2010)</td>
</tr>
<tr>
<td></td>
<td>RN2</td>
<td>We involved our partner in our strategic planning process.</td>
<td>Fantazy et al. (2010)</td>
</tr>
<tr>
<td></td>
<td>RN3</td>
<td>In this relationship problems or conflicts are expected by both parties to be solved through joint consultations and discussions.</td>
<td>Liu et al. (2009)</td>
</tr>
<tr>
<td></td>
<td>RN4</td>
<td>Teaming up and working closely with your partner allow you to be more effective.</td>
<td>Johnson and Sohi (2001)</td>
</tr>
<tr>
<td>Atmosphere</td>
<td>AT1</td>
<td>I consider the general atmosphere surrounding the working relationship with the partner as very harmonious.</td>
<td>Woo and Enew (2004)</td>
</tr>
<tr>
<td></td>
<td>AT2</td>
<td>You don’t have decision-making power in the cooperation relationship.</td>
<td>Morris and Cadogan (2001)</td>
</tr>
<tr>
<td>Partner Selection Process</td>
<td>PS1</td>
<td>The selection of the partner (or partners) is the result of a planned process.</td>
<td>New item</td>
</tr>
<tr>
<td></td>
<td>PS2</td>
<td>We began the search for a partner among those companies that we already knew (customers, suppliers, distributors, etc.).</td>
<td>Anand and Khanna (2000)</td>
</tr>
<tr>
<td></td>
<td>PS3</td>
<td>We compiled a shortlist of potential partners before selecting the final one.</td>
<td>Schaan and Kelly (2007)</td>
</tr>
<tr>
<td></td>
<td>PS4</td>
<td>We undertook a complete analysis of the partner before allying ourselves with it.</td>
<td>New item</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
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<td>---</td>
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</tr>
<tr>
<td>OT1</td>
<td>There is a match in our philosophies/approaches to business dealings.</td>
<td>Cheung et al. (2010)</td>
<td></td>
</tr>
<tr>
<td>OT2</td>
<td>We share a similar corporate culture and management style.</td>
<td>Cheung et al. (2010)</td>
<td></td>
</tr>
<tr>
<td>OT3</td>
<td>We are very committed to this relationship.</td>
<td>Gil-Saura et al. (2009)</td>
<td></td>
</tr>
<tr>
<td>OT4</td>
<td>The top management considers the relationship between us and our trading partners to be important.</td>
<td>Li and Lin (2006)</td>
<td></td>
</tr>
<tr>
<td>OT5</td>
<td>We frequently adjust our common understanding of trends in technology related to our business.</td>
<td>Cheung et al. (2010)</td>
<td></td>
</tr>
<tr>
<td>OT6</td>
<td>We have formal agreements that detail the obligations and rights of both parties.</td>
<td>Liu et al. (2009)</td>
<td></td>
</tr>
<tr>
<td>OT7</td>
<td>We have made significant investments in tools and machines dedicated to this relationship.</td>
<td>Corsten et al. (2011)</td>
<td></td>
</tr>
<tr>
<td>OT8</td>
<td>Our two firms have separate abilities that, when combined, enable us to achieve goals beyond our individual reach.</td>
<td>Cheung et al. (2010)</td>
<td></td>
</tr>
<tr>
<td>OT9</td>
<td>This partner sometimes breaches informal agreements between our companies to maximize its own benefits.</td>
<td>Liu et al. (2009)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>PE1</td>
<td>As a result of the alliance with the partner, the company achieved a sales increase.</td>
<td>Liu et al. (2012)</td>
<td></td>
</tr>
<tr>
<td>PE2</td>
<td>As a result of the alliance with the partner, the company has increased its profits.</td>
<td>Liu et al. (2012)</td>
<td></td>
</tr>
<tr>
<td>PE3</td>
<td>As a result of the alliance with the partner, the company has increased its number of customers.</td>
<td>Liu et al. (2012)</td>
<td></td>
</tr>
<tr>
<td>PE4</td>
<td>As a result of the alliance with the partner, the company has improved the efficiency of its processes.</td>
<td>Liu et al. (2012)</td>
<td></td>
</tr>
<tr>
<td>PE5</td>
<td>I would recommend that other dealers do business with this partner.</td>
<td>Jonsson and Zinedine (2003)</td>
<td></td>
</tr>
<tr>
<td>PE6</td>
<td>My firm is satisfied with this relationship in terms of coordination of activities, decision making, level of commitment, etc.</td>
<td>Whipple et al. (2010)</td>
<td></td>
</tr>
<tr>
<td>PE7</td>
<td>My firm is satisfied with this relationship in terms of profitability, market share, sales growth, etc.</td>
<td>Whipple et al. (2010)</td>
<td></td>
</tr>
</tbody>
</table>