Discussion

The companies use cross-border strategic alliance for expanding their business internationally. This is also used for boosting the company's performance and attaining premium position by cutting costs. Another prominent reason is for the reinvention and redirection of the business model. This is one of the common business strategy used by companies for gaining numerous benefits such as cracking into new markets, gaining skills, technology and for sharing of fixed costs and resources (Deresky, 2013).

The firms in emerging economies embark on strategic alliance differently from the firms in developing economies. The companies in emerging economies stress on reducing the poetical risks and targeting new customers. While in developed economies the companies aim at competing with the already existing firms. In developed economies, the firms find aims at sharing resources for creating operating synergies. This means capitalization of intangible resources for proprietary processes and new partner resources (Bleeke & Ernst, 1991).

In emerging economies, the outcomes and profitability are ambiguous, so the companies aim at creating synergies for cost minimization. By forming an alliance, the firms manage to share the outcomes of profitability and loss. This improves their chances of survival in the emerging economies. The risk level is high in all domains including corporate, strategic and Research and Development. Compared to that the firms in developed economies are more concerned about technology, skills, and advancements. Their alliance with other companies allow them to learn innovative ways of production that improves the product quality and overall process of efficiency. in emerging economies the outcomes are uncertain, so the central concern is attaining sustainability.

Questions

* Do firms in developed economies face lower risks compared to those adopting cross-border alliances in emerging economies?
* Are there more chances of success and growth in developed economies or companies face fierce competition?

References

Bleeke, J., & Ernst, D. (1991). The Way to Win in Cross-Border Alliances. *Harvard Business Review*.

Deresky, H. (2013). *International Management: Managing Across Borders and Cultures, Text and Cases (8th Edition) 8th Edition.* Pearson.