Considerations on university alliances

Motives, risks and characteristics

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Abstract:
The main emphasis of this study has been to explore the phenomenon of creating alliances between universities. Alliances are a response to a hardened international competitive climate. An examination of ten alliances during the recent years is carried out, and the motives behind as well as the outcomes of them are analysed. The analysis indicates that there are threats and risks at play side by side of large opportunities. An alliance should be able to increase the interface between the universities on many levels and also create more opportunities for establishing powerful forms of cooperation to compete for international grants, programmes and corporate funding. Some policy implications and recommendations are given in the end.

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Purpose of study

Powerful international drivers of change are forcing universities to consider new strategic choices. A new approach is needed to the positioning of universities in the future and to the way in which teaching, research and modes of cooperation are structured. One response to this is alliance-building and closer forms of cooperation between universities.

The reality for institutions of higher education has for some time been characterised by a trend towards expansion (Trow 2005). Although new sources of research funding are appearing, there are also more players who want a share of the pie. Resources have to be shared. This is an international phenomenon, but one that is particularly evident in some national academic systems where universities lack their own sources of capital and fixed assets, and where alternative sources of funding besides the state budget are limited (Neave, Blückert, Nybom 2006).

The forces behind this development are well known. Competition is on the increase – for students, staff and resources (Clark 1998, Florida 2002, Trow 1996). Moreover, this tendency is increasingly international as well (Castells 1996, 1997, 1998). In Europe, the processes of Bologna and Lisbon combined with the creation of a European research council and European technology platforms, are all signs of the ongoing changes and they will most likely strengthen the trend towards collaboration and differentiation.

One effect is likely to be that one of the past motives for the EU's technology policy, namely *cohesion* (greater cohesion within the European Union), will be toned down – and this is already becoming apparent. The cohesion argument manifested itself mainly in the form of a desire for an extensive partnership network, where both strong and weak research environments were stimulated to create formal forms of cooperation. The real benefits of these partnerships were not always perceived as particularly significant. If the competition argument replaces the cohesion argument, which is what appears to be happening, this will probably increase the legitimacy of allocating resources to individual universities or to research environments that are geographically close or related from a research perspective. In the European Research Area (ERA) strong research environments are perceived as concentrated clusters rather than geographically spread networks. The logic here is that research of high class requires density and volume just as much as critical mass.

Alliances and partnerships, even mergers, is a response to these changes (Harman & Meek 2002, Georghiou & Duncan 2002). If mobility among students increases and if competition for resources grows, alliances may be one way for university administrations to lower their risk of missing out on resources, and may even provide an opportunity for them to increase their resources by becoming more competitive or to use an alliance to maintain their old brands. They will be able to work in traditional areas while generating energy and with less risk exposure, take on new challenges and exploit the new niche areas that are constantly emerging. Basically, the alliances can be seen as a result of external pressure for change, increased competition and reduced predictability.

Yet we do not have much knowledge about the process of alliance formation between universities. The purpose of this study is to explore the driving forces and the motives behind the formation of university alliances and to analyse what the effects may be of such a process.

Method and questions of study

We have selected ten cases of university alliances which we have investigated in particular. They are listed in Table 1. It should be noted that these cases all differ from each other and are unique cases. The reason for looking at these particular ones have to do with availability of material, how recent the processes are and also the authors' own knowledge and interest. The idea has not been to make a representative sample of any kind or include or exclude certain types of alliances.

Table 1. Sample of alliances between universities

Wharton-Insead Alliance (USA-France)
University of Miami and McGill University (USA-Canada)
The SETsquared Partnership (UK)
Cambridge-MIT Institute (CMI) (USA-UK)
The White Rose University Consortium (UK)
The Øresund University (Sweden-Denmark)
IDEA League (UK-The Netherlands-Switzerland-Germany)
Royal Institute of Technology-Chalmers (Sweden)
Glasgow-Strathclyde Universities Strategic Alliance (Synergy) (UK)
The International Alliance of Research Universities (IARU) (Eight countries)

A few additional cases have been investigated as well but in less detail and more for the purpose of having reference material. In addition we have in detail investigated the preconditions and prerequisites for a merger or an alliance between two Swedish universities: Örebro University and Mälardalen University (Broström *et al*, 2005). The work with these universities has provided in-depth knowledge of a more comprehensive kind than the above-mentioned cases. In our analysis, we furthermore draw on the experiences of an earlier study of the preconditions for an alliance between two Swedish technical universities: The Royal Institute of Technology in Stockholm and Chalmers University of Technology in Gothenburg (Broström *et al*, 2004). This alliance is included among the selected ten cases. It should be noted that this is not a study of university mergers, but of alliances; however, we have looked at cases of mergers as well during our studies of reference material and comparisons.

With these selected objects of investigation as a background, we wish to explore and discuss the phenomenon of university alliances with respect to the following specific questions:
- What structural factors motivate an alliance?
- What results are sought for through an alliance?
- What are the risks associated with an alliance?
- What should one pay attention to when planning, organising and implementing an alliance?

To answer these questions, the motives given in strategy documents and, in some cases, the effects outlined in evaluation studies have been scrutinized for the ten university alliances (Table 1). Some ten interviews were also undertaken with administrators and representatives from several of the investigated universities. They had a semi-structured shape where a few main questions were followed up with additional questions depending on how the respondent did answer, and what type of information the respondent could give. Most interviews were done over telephone but some were also carried out face to face with various representatives at the Øresund University and the Cambridge-MIT institute. From this information and empirical material a synthetic analysis has been made with respect to the benefits, disadvantages, risks and opportunities of a strategic alliance.

Presentation of the alliances of study

Several of the alliances that we have studied took place during the end of the 1990s or beginning of the 21st century. The possible positive and negative effects of many of the alliances will become more apparent with time. But we have found only a few cases where the main motive for an alliance has been to rationalise operations according to the classic business model through extensive closures and restructuring measures. Rather, the reason behind alliances is to collaborate in order to deliver more efficient education and research programmes, especially in terms of what is offered to international students, top researchers and global corporations. Most information below has been found at the respective universities'/alliances' websites.

To take advantage of the opportunities that internationalisation offers has also been an important incentive for the alliance between the already highly regarded management schools of Wharton (US) and Insead (France). The purpose of this collaboration is to be able to deliver global management education at four campuses around the globe that exceeds what is offered at most other management schools. The alliance leadership has already concluded that the research base is being used more effectively through the development of new programmes and through the new, specialised contract education programmes that are offered to large global corporations.

The University of Miami (UM) in the US and McGill University in Canada signed a strategic alliance in 2004 with the purpose to collaborate in the fields of engineering and information technology. The objectives are to boost joint ventures, grant making opportunities and faculty and student exchanges between the two universities. As part of the faculty exchange that is expected to result from the alliance, UM and McGill University will write joint proposals to international funding agencies to improve research initiatives and increase the economic impact in their respective communities. Both universities have been signing several national and international alliances, some faculty to faculty and others university to university.

The SETsquared partnership is an alliance and collaboration of the universities of Bath, Bristol, Southampton and Surrey. It was formed in 2002. The partnership supports and encourages business operations and technology transfer through a range of services, specifically aimed at high-growth potential technology start-ups from both within and outside the university setting. Some 170 companies have been supported by the different SETsquared Centres and investors have been contributing

with over 15 million pounds. Recently the alliance was awarded a state grant to involve in an alliance with University of California, San Diego.

The alliance between University of Cambridge and MIT (Cambridge-MIT Institute, CMI) aims at bringing together the cutting-edge expertise of both of the universities to enhance entrepreneurship, productivity and competitiveness. One important point of departure for the alliance is that innovative ideas arise when researchers at leading institutions work together and exchange and develop ideas. CMI's mission is thus to "think the unthinkable" by funding experimental research projects with direct applications in industry (Cambridge-MIT Institute, 2004).

The White Rose University Consortium is a strategic partnership between Yorkshire's three leading research universities in Leeds, Sheffield and York. The consortium was established in 1997. The aim of the partnership is to develop the region by combining the strengths of the universities, particularly in science and technology. The means to achieve this are increased collaborative research, intensification of industrial partnerships and joint postgraduate programmes. The Consortium will enable the combined research strengths of the three universities to more easily attract major research projects and increase the share of private funding. The partnership also aims at a combined research power that is comparable to that of the universities of Cambridge and Oxford.

The Consortium does not provide funding but works to facilitate and support the partner universities' creativity and innovation, and to ensure that together they can secure the funding and resources they need for their research, teaching and entrepreneurial initiatives. The model has been a success. The Consortium managed to exceed its original goal of £3 million with a good margin. In 2003/2004 it managed to secure funding and research projects for a value of £40 million for the White Rose universities.

The Øresund University was established in 1997 as a collaboration between universities in the Øresund region (Denmark and Sweden), including the big universities in Lund and Copenhagen, Lund Institute of Technology (part of Lund University) and the Technical University of Denmark. Other schools are involved as well, altogether 14 universities and university colleges. The idea was to create a loose association of universities which, over time, would collaborate in research and education. The Øresund bridge, which was being constructed around that time over the sound between Sweden and Denmark, was an important driving force. The bridge was expected to provide more opportunities for taking full advantage of what the region of the sound had to offer. In particular, student mobility would be easier and the universities could therefore make courses available across the border.

There were three important reasons for creating the Øresund University: One was "selective excellence" based on the realisation that no university can excel in every area, especially not the smaller ones. An alliance with a large, combined resource base would make it possible for each of the members, with a good conscience to select the fields in which to concentrate their resources, and thereby achieve excellence. In order to assert itself internationally, the region must be able to attract Master students, research students and businesses. In this situation, having numerous small and weak

universities and colleges is not helpful, only environments of excellence would be regarded as attractive.

IDEA League is a strategic alliance initiated in October 1999 between **I**mperial College London, TU **D**elft (Technische Universiteit Delft), **E**TH Zurich (Eidgenössische Technische Hochschule Zürich) and RWTH **A**achen (Rheinisch-Westfalische Technische Hochschule Aachen). The purpose of the alliance is to develop competitive Master programmes in line with the universities' internationalisation policy and in accordance with the Bologna Process. The benefits that IDEA is expecting to gain from the alliance are the ability to recruit international students and to use their collective resources to attract more public and private funding.

IDEA League has no earmarked budget for research or undergraduate education, but is trying, in a variety of ways, to promote cooperation between the four universities (there are similarities with the Øresund University which has a budget, albeit a very small one). From an organisational perspective, IDEA is headed by a president and a board consisting of the rectors of the four universities.

The strategic alliance between the Royal Institute of Technology and Chalmers University of Technology in Sweden was formed in 2005 after a thorough investigation of the pro and cons of enhanced co-operation (Broström *et al* 2004). The decision to actually form an alliance between the most prominent Swedish technical universities and historical rivals were giving a large echo in the Swedish university system. Both universities conducted independently a strategic review which disclosed an increased competive landscape of students, researchers and cooperation with companies. The consideration of forming an alliance grew out of these strategic findings. The major opportunity envisaged with the alliance was to market the two universities to students and researchers, particularly in Asia. The alliance has so far established several new initiatives in the development of various master programmes. However the main single event is the formation of an Asian office (together with the Karolinska Institute) in Beijing with the objective to market the three universities to Chinese students and to search for collaboration with Asian universities in various research fields. The alliance has led to intense collaboration and information exchange between the two technical universities, even including joint board meetings.

The alliance between University of Glasgow and University of Strathclyde (Synergy) was established in 1998. The objectives were to establish higher levels of joint research activity, offer an improved range of teaching and learning opportunities and to enhance administrative and service functions. A number of new research and teaching activities have been initiated in areas of for example understanding schizophrenia, smart splints to mend tendons and several new teaching initiatives such as the Glasgow School of Law and the Glasgow School of Social Work (launched in august 2004). The expected outcomes regarding research were higher quality research and higher research income mainly through critical mass and economies of scale, enhanced interdisciplinary research and the joint marketing of research. In teaching, the main expected outcomes were in offering more attractive programmes and enhanced curricula as well on economising on the development of new teaching initiatives.

The International Alliance of Research Universities (IARU) was officially created in early 2006. The members are Australian National University, ETH Zurich, National University of Singapore, Beijing University, University of California at Berkeley, University of Copenhagen, the University of Tokyo, Yale University, University of Oxford and University of Cambridge. Even these prestigious institutions are feeling the need to forge alliances with each other. The alliance will sponsor a range of student and faculty exchange programs but also hoping to go beyond traditional exchange programs to introduce joint and dual degree programs, joint research projects, and scholarly conferences. As the alliance grows it will also seek support for its research projects and to enhance collaboration in commercialisation of research. Joint research projects have been discussed including topics such as global movement of people, ageing and health, food and water, energy, and security.

Structural changes in the academic sector

The most important driving force behind the current trend of cooperation is easily forgotten and should therefore be clearly stated: expansion. Higher education has been on the increase for decades throughout the western world. Now other parts of the world are following and there is a rapid expansion of the university sector, including research, in Asia, Latin America and even parts of Africa. The demand for education in these parts of the world often exceeds the supply and this is creating an increasing international demand. This is probably most evident in North America and Australia where there is a university sector that is more or less market-driven. The trend of more market oriented higher education is also spreading to Europe. There are many universities, particularly British ones like University of Oxford and Imperial College, that are now in their strategic planning counting on a large recruitment of tuition-paying students from outside Europe.

A number of themes are suggested to be particularly significant. *One theme* concerns the universities' new situation and new playing field. The changes within the universities are more likely to be the symptom of a deeper societal transformation that is changing the rules for the authorities, businesses and individuals (Gibbons et. al. 1994, Nowotny et. al. 2001, Ziman 1994, Beerkens 2004). "Knowledge society" is the term that has been used to illustrate this development. But the knowledge society is also associated with new terms and conditions that are not as easy to plan for politically. The process of adjusting the rules is in a phase that could be described as dialectic. It is fair to say that structural transformation will continue in the university sector, but the exact details are hard to predict.

Even universities that have not – at least not yet – formed alliances with others are affected by the same general climate of change and are often thinking along the same lines. University College London produced a green paper in 2004 describing the university's strategic situation (University College London 2004). The paper points out how in some ways the university has become a victim of its own success with increasing numbers of students who pay lower fees, skyrocketing costs for leasing and maintaining premises in the most expensive locations in Bloomsbury. Even the favourable evaluation in HEFCE (on a par with Imperial College in the group after Cambridge, Oxford and Edinburgh), which provided prestige and an increasing research budget, has, according to some, been a disadvantage in that the amount of

freely available funds reduced significantly and with them the university's ability to control its own destiny.

Extensive research in recent years has focused on analysing these locational characteristics and trying to determine what it is about a location or a region that is the most important (Markusen 1996, Saxenian 1994). Characteristics that the most successful locations or regions possess are scale and size. A single university does not need to be large if it is surrounded by other universities, institutes, research companies and an innovative environment in general. In the right environment even small players can make a difference. In general, strong research environments have far greater potential than weak ones to attract investments of the type that can promote growth in a knowledge-based society.

A second theme is that the playing fields on which the universities and the business community operate – despite their completely different backgrounds and traditions – are starting to increasingly overlap and resemble one another. Universities and the business community will essentially remain different and continue to operate in distinct normative systems; it is a question of degree rather than type. But since we are talking about gradual change, it is possible for different universities to take different strategic positions (Clark 1998).

There is reason to believe that an alliance is unlikely to result in any major rationalisation benefits in a traditional sense as in the business world, where closures and divestment of operations are usually the norm (Gomes-Casseres 1996). The benefits for universities are instead the opportunities for branding, profiling, differentiation and synergies in teaching, research and cooperation. In this respect, the potential is both significant and likely to be fulfilled with a well-executed alliance.

A *third theme* relates to how the new competitive climate puts pressure on the universities to change internally, with respect to their management, governance and co-ordination (Trow 1996, Clark 1998, Harman & Meek 2002). If all of the potential benefits of an alliance are to be realised, changes in the universities' corporate governance are needed. By tradition universities have what can be described as a "soft management" or governance. Collegiality and professional autonomy are and will continue to be core elements in an academic organisation. But universities that want to work at the highest international level and which are also to be characterised by complex relationships with demanding surrounding communities, must have the capacity for strategic planning and "rallying the troops", sometimes at short notice. They have a better chance of achieving this in an alliance, partly because of the increase in available resources. It should be remembered, however, that there might also be negative consequences if an alliance complicates the processes of management and governance.

In Germany, the best universities will receive resources for high profile and powerful "clusters of excellence," and to expand research departments to promote new growth. The biggest investments will be targeted at around ten leading "Spitzenuniversitäten" to be selected by representatives of the German and international research community. The criteria for even being considered as a favoured top university include already having succeeded in attracting a research institute and a cluster of excellence. The competition thus comes into play in stages, and *a priori*, no university is excluded;

each must qualify and the old and large universities have no more right to the resources than the smaller and younger ones.

The signal being sent in Germany is an interesting one: that even in a hard-pressed economy there are fresh, public funds for research, although they are only available after the universities declare what they are going to use them for, and provided that the funds are used to promote profiling and new initiatives. The German example seems to be entirely in line with the ideas above. The German government also justifies its actions by declaring that it wants to take a step towards reaching the 3% target of the Lisbon Process.

Against the backdrop of the forces of change described above, universities have begun to discuss the possibility of new forms of management, organisation and cooperation. Over the past ten years, a number of new partnerships have been formed between universities, both within and across national boundaries. Just as in the business world, there is an increased need for universities to form joint ventures, educational consortiums, networks, partnerships, international R&D partnerships, and in some cases, actual mergers. EU-programme initiatives have also stimulated cooperation and mobility over national borders. The market and competitive situation for universities resembles – and perhaps increasingly so – the trends of specialisation and differentiation that characterise a dynamic sector of industry.

From rhetoric to reality

In several of the case studies we found an underlying alliance philosophy which could be summarised as follows: Cooperation facilitates profiling, specialisation and international excellence, which enables the universities to achieve international critical mass, something that is crucial in the competition for external funding from both national research councils and global corporations. Increased corporate funding is seen by many as an important prerequisite in order to increase levels of government funding. In some cases such as The White Rose University Consortium, the Wharton-Insead alliance and the Cambridge-MIT Institute, the cooperation exceeds the expectations with respect to securing more funding from the business community.

The motives behind the alliances vary, but a common theme is preparation for or implementation of an adjustment to a new international approach that emphasises critical mass, renewal, profiling and branding of research and educational offerings, and competition for internationally mobile students and companies.

The driving forces include both international factors and more specific domestic circumstances. The fight for mobile students offers new revenue potential which is driven by increasingly diversified income flows, where external funding increases but state funding does not at the pace that the expansion and competitive climate actually requires. New external circumstances lead to strategic opportunities which require new strategies, the need for new forms of cooperation and new organisational structures.

A number of illustrative key words and phrases appear in strategy documents and in articles that describe the new competitive landscape: "scale", "world class",

"restructure", "full range of services" and "create new centres of excellence". The internal discussion is thus focusing on more efficient universities and perhaps, most importantly, universities that are more forceful and competitive in what they deliver, even if they may be more selective when doing so.

The case studies show that key terminology like 'profiling', 'cooperation' and 'strategy' are no longer merely education policy rhetoric; they are a reality. We are already beginning to see the results internationally through new field formations. Often the experiences are positive ones. An international study of more than 40 different university mergers around the world summarises the trend in the following way:

"While merger experiences have often been traumatic for participants and participating institutions, on balance, the longer term results have been positive, producing a university system […] comprising relatively large and comprehensive institutions, well suited to compete in the new internationally competitive environment." (Harman & Meek, 2002:343).

Table 2 illustrates the most important motives for the ten alliances in our study.

Table 2: Summary of main motives behind ten international alliances

Motives	Wharton-Insead	UM-Mcgill	SETsquared	CMI	White Rose	Øresund	IDEA	Chalmers-KTH	Synergy	IARU
Economies of scale		√	√	√		√		√	√	√
Synergies		√	√	√		√		√	√	√
Revenues	√	√	√	√	√	√	√	√		√
Efficiency			√			√			√	
Recruitment	√	√				√	√			
Renewal		√	√	√		√		√		√
Commercialisation benefits	√	√	√	√	√	√	√			√
Joint marketing of research and teaching		√						√	√	√
Stronger leadership	√									

The alliances in this study were formed over the past few years. It is therefore too early to evaluate the effects on teaching, research and cooperation. Neither is this an issue in this study. Still of interest, in the interviews we conducted with various people in charge, we learned about both positive and negative experiences. The positive ones include the emergence of unexpected and new ideas as a result of the alliance. The negative experiences include underestimation of the management capacity and the extent of resources needed to make the alliance happen. In this respect, the experiences from university alliances are similar to those in the business world. The probability of an alliance's success is increased when organisations match each other with respect to physical, intangible and organisational resources and where there is a significant common value-system – historically, culturally and strategically.

Risks and negative experiences

As for negative experiences and risks that an alliance may involve, various case studies and practical experience show that building alliances cannot be treated as yet another separate endeavour among a university's already diverse range of activities. Alliances are actually a way to deal with this lack of cohesion. They require constant care, new incentives, new structures and the capacity of the alliance participants to be open to the new opportunities that alliances can and often do provide. There is also a lot to learn in this regard from how the business community exploits the benefits of alliances.

Perhaps the most significant risk relates to "soft" values linked to traditions, the brands and the role that each of the universities play at the national and regional levels and internally with respect to its own staff and students. These are assets that are hard to value and it is very important, especially in the initial stages, that nothing is done so that an alliance could be perceived as a threat to these values. An alliance must build legitimacy based on its own merits and therefore gradually convince the players that it is appropriate to proceed to the next stage. This is another argument for ensuring that a number of clear strategies are defined regarding how to tackle the initial phases of an alliance. These strategies should not have problematic or irreversible consequences if the alliance despite everyone's best efforts would run into difficulties. It is therefore much better to begin with educational initiatives with short take-off times than attempting to restructure research.

One question that could be asked is whether 1+1 really equals 2 as is often assumed in the business alliance literature (Gomes-Casseres 2002). Research funding, whether it comes from a parliament, a research council or a foundation, does not fall under any formal distribution policy mandate; on the contrary. At the same time, it is hard to get away from the fact that such considerations are fairly common in reality. From this point of view, it may be risky for the parties in an alliance to be seen as *one* player. This could actually lead to them being punished for their cooperation. Therefore, the alliance should be formed in such a way that it becomes a "third player", at least initially. A third player will, through cooperation, be able to act as a recipient of resources without this hindering or inhibiting resource-seeking activities by the participants in the alliance.

The difficulties related to geographical distances should not be underestimated. With today's technology, contact networks can easily be extended to other places, as is exemplified by CMI and the Wharton-Insead alliance. But experience shows that everyday interactions are important – perhaps even crucial – for the long-term success of an alliance. There need to be a great deal of ingenuity and new forms of concrete collaboration to avoid a situation where an alliance is merely a set of general strategic decisions, or at worst a "distribution policy".

Perhaps the biggest risk is that an alliance is announced, attracts attention, is motivated by expectations for change and great improvement, but then in practice does not lead to much change at all. This, to some extent, was what happened with the Øresund bridge linking Sweden and Denmark – and in part also with the Øresund University. The effects of the bridge are now gradually starting to show, but it may

take decades before they can be measured. It could be problematic to use such a time frame to motivate a risky venture in academia.

One uncertain factor in this respect is always the staff and the students, i.e. the very groups that are supposed to gain from an alliance. To begin with, the students and the staff need to believe that the essential benefits of an alliance outweigh the disadvantages. It is crucial that a thorough and sensitive process is carried out to ensure maximum commitment to the changes. This is not to say that every individual will experience a change. In a situation like this, one cannot ignore the fact that there will be the usual opposition and a well thought-out strategy should be put in place for such a scenario.

An historic example of an alliance that can be regarded as less successful is the one between the University of Chicago and Northwestern University, which was initiated back in the 1930s. The alliance was actually way ahead of its time, and was motivated by arguments that are in line with the discussions of today, i.e. to combine the strengths of the two schools to build the largest educational institution in the world. One fundamental problem behind the failure of the alliance was that the presidents of the two schools had very different philosophies on higher education. The result was an unbalanced alliance where the different cultures of the universities made cooperation very problematic. Also, it was very difficult to promote the perception that the alliance was a cohesive entity when the institutions were spread out over the entire city.

Another example of an alliance in the U.S. that, at least in the beginning, was unsuccessful is Case Western Reserve University in Cleveland. The alliance, which was initiated in 1967, took much longer to implement than planned: 25 years instead of 5-10 according to the original schedule. The task of building the alliance – the goal of which was to create a complete, national university with no components lacking – was a long and arduous process. Despite the long starting run and all of the difficulties, the alliance was a success in the long-term, and today the university is a strong entity that has learned from its mistakes.

The alliance between the University of Toronto and Ontario Institute for Studies in Education (OISE) was in many people's minds a failure right from the start because of the different circumstances of the two institutions. It proceeded to turn into an aggressive takeover from Toronto University's side, which took only two years to implement (from 1994 to 1996). The alliance/merge can be seen as an example of poor leadership which led, among other things, to grave concerns among the employees at both universities and had a series of other negative effects.

In 1994 parts of the National Resources Institute (NRI) were taken over by the University of Greenwich, the University of Edinburgh, Wye College and the University of London. This is also an example of a process that was controlled by an external party (*Overseas Development Administration)* and was plagued by a general lack of communication. This caused concern in the beginning among the staff at NRI that they were going to lose their jobs.

The arguments for and against an alliance are summarised in Table 3 below. The table also contains perspectives on the opportunities and threats that a strategic alliance

may involve. The details in the analysis have not all been discussed at the same length above, and a few have not been discussed at all. However, we have decided to present a fairly detailed picture to serve as input to a discussion that needs to be further advanced and developed in later studies.

Table 3: Arguments for and against an alliance

Arguments in favour:	Arguments against:
- Profiling and concentration	- Traditions, reduced autonomy
- Easier to compete for increased funding	- Regional linkages
- Greater opportunities for renewal	- Distance
- Cooperation, critical mass, competence	- Relative weakening of the influence of heads of faculties (or equivalent)
- Recruitment (international)	- More bureaucracy, slower reactions
- International cooperation	- Legal and financial administration obstacles
Opportunities:	**Threats:**
- Classic merger arguments (synergies etc.)	- Weakened identity and brand
- Easier to obtain new resources for reappraisal and restructuring	- Less chance of establishing strong alumni support
- Educational opportunities (international recruitment, masters and Ph.D.s)	- Impact on undergraduate education
- Relationship with industry and the community	- Many subjects will feel threatened (more than the number that will benefit?)
- More resources to handle intellectual property issues	- Trade union aspects

Conclusions

In the beginning of this text, a number of specific questions were posed which we have attempted to answer. Along the presentation of the study we have touched upon each one of them, and we will not repeat the outcome here. Instead some conclusions related to policy implications, even recommendations, can be drawn.

Alliances are formed and will keep being formed in the higher education sector, just as they have been formed in the business world. The benefits are likely to be opportunities for profiling and branding, combination of strengths and generation of synergies in education, research and cooperation. Therefore one important priority is the creation of a common vision for a possible alliance defining content, the level of ambition and the connection to the overall strategic development.

The alliance's content and level of ambition must be related to the overall systemic effects. Experience from the business world shows that strategic alliances must be in line with the overall visions and strategies of the players. An alliance must be seen as a means of achieving the organisation's objectives rather than an end in itself. Numerous unsuccessful alliances are marked by this type of confusion. The analysis of the various university alliances here shows that the alliances have different purposes and are organised in different ways depending on the overall focus and the route the parties are taking.

The goal of many of the alliances has been to become more attractive to external financing organisations and to secure more corporate funding. Several alliances have enjoyed success in this respect. It seems as if companies have welcomed their aspirations for bigger and more specialised research initiatives. The new competitive climate and the fact that industry and enterprise are becoming increasingly global, means that the challenge is to ensure that the actors have enough cutting-edge expertise and critical mass to attract both regionally-based as well as globally-active companies to support research at the universities, or conduct research in cooperation with them. High profile research in an international perspective and a willingness to fully commit to research initiated by external players are crucial factors, and strong, interacting institutions are the lubricant.

In the same way as in the business world, university alliances must be built from below (Gomes-Casseres 2002). A few of the important management lessons learned in different university alliances are summarized below:

- In alliances there need to be a strong commitment from the participating institutions and their staff, as well as strong support from the presidents.
- It is crucial to have a common vision of the alliance's future and potential benefits.
- The staff must be involved in both the planning and implementation processes. The decision processes must be open and transparent.
- The staff must be informed promptly about possible changes in positions/job descriptions. The students must also be informed about any changes in the courses and academic programmes.
- There should be a well thought-through plan for negotiations concerning the alliance and for implementing agreements that relate to the alliance.
- Decisions regarding the name of the new alliance must be taken as quickly as possible.

Alliances are dynamic rather than static. It is important for alliances to evolve over time so that the universities can get maximum benefit from them. They must be managed, organised and coordinated, and require participation from the highest levels of management. Experience shows that the management issues and costs must not be underestimated. A strategic alliance will require significant leadership capacity, and it may limit collaboration activities with other universities than the alliance partner over the next few years.

This picture suggests that the traditional rationalisation benefits are probably limited. International experience with respect to alliances supports this conclusion. Neither is there any simple or immediate way of influencing the research structure that exists in terms of cooperation in an alliance. Rather, the opportunities offered by an alliance involve increased interfaces between the universities at all levels. This is of course a process that requires delicate planning and a strong mutual understanding of each side's strengths and weaknesses. It also requires a good measure of mutual trust, which means that a joint declaration regarding a lasting alliance is a good idea, and perhaps also a prerequisite.

Research collaboration within strong areas takes time and must be preceded by careful analysis as well as strong relationships between research groups. A financial analysis

should also be made first. Alliances, if organised in the right way, can lead to a significant formal and informal growth of knowledge and knowledge transfer where 1 plus 1 equals 3, to use a common cliché for describing alliance benefits. The benefits often appear in unexpected, new and exciting collaboration processes. Successful communication – both external and internal – with staff and other stakeholders is probably the most crucial factor.

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