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Inter-firm Cooperation and Innovation: The Role of Strategic Alliances

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Abstract

This article explores interfirm cooperation and its relationship with downscaling, cooperative outsourcing, and the network structures of multiple firm alliances. Downscaling is defined and related to cooperative outsourcing, as major influences shaping interfirm relations. The advantages of embedding cooperative outsourcing in strategic alliances are then addressed, with special relevance to small and medium-size firms. Five types of network structures that may develop within alliances are considered, relating their main characteristics and internal division of labor to various aspects of interfirm cooperation, such as embeddedness, disparities, commitment and trust.