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by Simon Mwaniki

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The international strategic alliance is crucial for organization success. This report will analyze the case study of Tiffany and Swatch international strategic alliance. From the case there is critical significance of the alliance between Tiffany and Swatch, the two organization has an objective in which they were to benefit mutually from the alliance. Tiffany group needed a distributor to channel their products to other parts (Balabanis & Mitchell, 2016). On the other hand, Swatch wanted to increase its distribution and venture into the jewelry market. Tiffany was to provide the watches which was stock to Swatch stores. In other words, the alliance between the two-organization aimed at manufacturing and marketing watches under Tiffany's name. The is no strategic fit for the alliance of the two companies because they lack a common objective or aim.

The operational fit for the two businesses was well presented in the case of two organizations. The two organizations united to support each other in attaining the overall objective of the alliance. However, the strategic alliance lacked a clear objective of the alliance. In other words, the operational fit for the business was not well aligned as it did not address all the possible risks and challenges that the organization would encounter. Lack of a well-aligned operational fit for the business leads to the termination of the contract. However, Tiffany provided a distribution channel for the products whereby the company utilized various widely distributed stores. The distribution channel for the company is not effective in ensuring an effective way of distributing goods. Poor distribution channels contributed to the failure of the contract.

The operational fit for the alliance between Tiffany and Swatch company had some negative issues that contributed to the alliance's failure. The operational fit assessment for the

alliance involves identifying the organizational culture and aligning the organization's culture with the various operational obligations of the organization. The alliance can ensure it is a good distribution channel by utilizing the widely spread stores. When assessing the operational fit, it is essential to identify the distribution channel available to facilitate the distribution of goods (Gomes & Yarime, 2017). The utilization of the strong distribution network of Swatch would help penetrate the international market effectively.

Further, the organizations should identify the financial resources available to facilitate the activities of the alliance. The organization should assess the financial requirements needed to fund the alliance and every firm's resources. Lastly, operational fitness assessment for the alliance involves analyzing the activities' particular expertise that would help overcome the international competition in the jewelry market. The assessment of the level of expertise that both firms provide, for example, the brand name of Tiffany and the ability to produce high-quality products.

There are several recommendations that the two organizations need to put in place to mend their alliance. The primary issue that the organization should do is to ensure there is proper integration of the objectives of both businesses with the objectives of the alliance. The proper alignment of objectives would help the organization work together on one course. Secondly, the organization should ensure they have a solid strategic financial plan to avoid a financial crisis. Finally, the organization should make plans to effectively utilize the resources to ensure solid operational fitness from the alliance. For example, the organization should ensure there is an efficient use of a well-developed distribution network available.

References

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