

International Strategic Alliances: Identifying Objective Performance Measures

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Abstract

With the acceleration of globalization, International Strategic Alliances (ISA) are increasingly playing a critical role in a firm's strategic arsenal. Despite its importance measuring an ISA's success is difficult because of the reticence of failing partnerships to announce these issues.

This paper presents an analysis of 29 alliances from 18 countries and 5 industries. The success or failure of these alliances was analyzed utilizing ROA, ROE, ROI, and operating margin as the variables of performance measurement. Discriminant Analysis demonstrates that operating margin correctly classifies the success of an alliance 70% of the time.