

”BENEFITS AND CHALLENGES OF TRANSNATIONAL PARTENERSHIPS IN THE KNOWLEDGE BASED SOCIETY”

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Abstract:

The present paper focuses on the challenges and benefits of transnational partnerships and their key role in sustaining European Union’s mission of becoming a knowledge based society and who therefore rely on the knowledge of their citizens to drive the innovation, entrepreneurship and dynamism of that society’s economy. The paper identifies key succes factors and golden rules in the creation and implementation of transnational partnerships and elaborates on some of the lessons learned from the experience gained in the field. The paper presents some of the results of a SOP HRD project-based transnational partnership that has as an objective the development of entrepreneurial awareness and european collaboration for SMEs.

Motto: “Your Good is a Jew
Your car is Japanese
Pizza is Italian
And kouskous is Algerian
Democracy you put into practice is Greek
Your coffee is Brazilian
Your watch is Swiss
Your shirt is Indian
Your radio set is Korean
Your holidays are Turkish, Tunisian and Marrocan
Your numbers are Arabic
Your writing is Latin
and you criticize your neighbor for being a foreigner”

Key words: *transnational partnership, intercultural, cooperation, collaborative*

1. Introduction

According to the American Heritage Dictionary (1992), a partnership is defined as “a relationship between individuals or groups that is characterized by mutual cooperation and responsibility, as for the achievement of a specified goal.” The term "partnership" first appeared in business law where it refers to a contract for sharing fairly the profit and loss of a joint business. This concept of a partnership as a fair division of profit and loss has been translated into the organizational development and management fields (Linder, Quill, and Aday 2001).

One key motivation for working in partnership is to achieve more than could possibly be achieved by any stand-alone organization - the whole being greater than the sum of the parts. (Edwards, 2007, Armistead & Pettigrew 2004, Keele and Strathclyde 2006, Huxham and Vangen, 2005, Thorlby and Hutchinson, Audit Commission 2005, Effective Interventions Unit 2003, Carley 2006).

This concept is central to Huxham and Vangen's (2005) notion of collaborative advantage, in which both the common goal and the individual goals of organizations are forwarded by collaborating - in particular, they refer to the ability for partnerships between private sector, public sector organizations and those with non-profit organizations to "tackle social issues that would otherwise fall between the gaps".

2. Benefits of transnational partnership

Therefore, the benefits of partnerships refer to greater impact, reduced/shared costs - pool resources, shared costs of common functions; spread risks - complementary strengths, resources, perspective, greater flexibility within a team; more resources - attract public funding where policy required partnership bids and evidence of partner ability to deliver joint projects; strengthened negotiating power; new and better ways - innovation; more effective ways of doing things , new perspectives and challenging views within the partnership, improved intelligence about needs and opportunities.

Globalization is radically transforming our society and partnerships become even more important in the knowledge based society. There is high level of activity, planning, and interest in global partnerships and revealed a range of creative and innovative partnerships that systematically integrate new opportunities for collaborative international research.

There are a variety of motives for starting a partnership, and therefore also a number of different ways to achieve it. The initial impetus can be:

- Locally driven, or bottom-up, meaning from the organization or departments of the organization itself where the need for better co-operation and co-ordination of activities is recognized;
- Policy driven, or top-down, when someone at the central level considers the partnership approach to be the right one for the solution to a certain type of problem;
- Incentive driven, where that money is offered for a certain type of activity (as was the case with the European Commission programs which support partnerships).

Before beginning an international partnering process, it is important that organizations *look inside* to renew their vision, build alignment, establish priorities and identify their expectations of partnering. Organizations with international partnership experience agree unanimously that investing time up front is essential to a successful international partnership. Partnerships should start with an inward look to build a common vision of expectations and commitment.

Before looking for an international partner, any organization must decide *what they are looking* for the organizational partner. This will help them narrow tailor their search so they can find a partner who can do the job they are looking for. One will want to find a partner who complements, but not necessarily matches, with culture and management style of the organization and at the same time who has the same interest in the product portfolio and market. Choosing the right partner helps to avoid conflict, gain resources and profits for the organization.

3. Key success factors for transnational partnerships

The success of any international partnerships requires adequate preparation.

- Start by creating a shared Vision & Mission

As in any business, it's critical for the partners to define the Vision and Mission as the very first step. If all brains aren't going in the same direction in the same way, problems are bound to arise. The motives for each partner can be different. The overall objectives and methods, however, need to be the same.

- Make sure each partner's needs and expectations are addressed

Each person in the transnational partnership has his own reasons for being in the partnership. Sometimes companies seek a partner for capital, sometimes for expertise, sometimes for connections. These are not always expressed, yet they remain as an underlying expectation. If the expectation isn't met, the relationship can become strained. Because each company expertise and motivation are different, it's important to have this discussion before anything is committed contractually. Because companies and individual needs and expectations may change over time, a clear dissolution or modification plan needs to be in writing also.

- Identify the relevant actors and utilize the strengths of each partner

Because partners join forces for a variety of reasons and expectations, sometimes the strengths of companies may be overlooked. The most obvious strengths will probably be recognized; however, underlying strengths, when brought out can often make a big difference in long term motivation, commitment and success.

- Support the partnership's limitations

In an effort to save money, little things often pile up in areas where partners have neither expertise nor interest. Limitations can be in any area: strategy, product/service development, marketing and sales, personnel and operations management, financial management and administrative. Wherever they are it's important to identify them as early as possible and have a plan to manage them so they don't get out of hand.

- Handle disagreements, disappointments and frustrations early.

As in any type of partnership, disagreements will happen. Handling them effectively is the key to keeping the relationship on an even keel and the partnership in good order. Don't let bad feelings build and fester over time. Make it a rule that each can approach the other when something needs to be addressed.

- Define roles for each transnational partner.

Lack of clarity around written roles is a major source of frustration and disappointment in many transnational partnerships.

There are a number of reasons to bring a transnational partner into your business. You might need a certain expertise, you might need funding, e.g. Stories abound about great business ideas that never got off the ground or businesses that folded because of partnership issues. It's human nature that people don't always get along, and among entrepreneurs, who often have strong, stubborn personalities, conflicts and power struggles can be severe enough to ruin the best laid plans. So it's critical that you choose business partners with care, and that you plan your partnership in a way that will set you up for success.

The following steps will help you do just that.

- Get clear on your needs.

Why are you looking for a partner? Who will fulfill the answer to that question best? Figure out exactly what you're looking for in a partner, and, just as importantly, what you aren't looking for. You and your new partner are going to be two parts of the same picture, so you've got to make sure what they bring to the table completes the picture.

- Fish in the right waters.

You now have a clear picture of what you're looking for in a transnational partner, so now it's time to find them. A key to success here is to give yourself plenty of time to find the right company. A business partnership, much like marriage, isn't something to rush into. Your goal is to meet a lot of people and develop relationships, not to approach everyone you see about being a partner in your company. In the end, you'll find you've benefited from this step in ways well beyond finding your next partner. If done right, networking will net you industry contacts, sales leads, and even life-long friendships.

- Be selective.

Again, this goes back to the plan you laid out in step 1. Don't compromise on your needs. You should be getting to know people pretty well before even discussing a business partnership, so you'll have a good idea of the kind of people they are and what they have to offer. If you're bringing a partner on to share in your great business idea, you have the upper hand. Don't feel that just because they have more money or are highly skilled in a certain area that you don't have the right to be selective. Remember, hopefully you're talking about a long-term working relationship, so make sure the person you choose is more than just technically qualified. Be sure they're someone you'll enjoy being around and that they share your core values and ambitions.

- Clarify roles, duties, and expectations.

Once you feel like you've found the right company to partner with, it is critical that you lay out a plan for going forward. Avoid misunderstandings, conflicts, and hurt feelings by clarifying exactly what each person's and organisation role is going to be. Don't assume anything. You might think because it was your business to start with that your new partner is going to defer to you on all major decisions, but they might be thinking that because they brought in money or the necessary skills in a particular area that you should be bowing to them. Also, don't be thinking 50-50. Half and half partnerships are doomed for failure. Someone needs to be the deciding vote, and you'll both need to agree on who that is before going to the next step.

- Get legal.

Sign a partnership agreement, or create another legal form."

4. Conclusions

Forming a partnership takes much thought, preparation, and hard work; however, the benefits of partnering can be huge. Transnationality goes beyond the national frontiers. It pertains to cooperation, for instance, of communes, non-government organizations or education and research institutions from other countries. And it does not matter whether these are countries directly neighbouring with Romania or countries from the other end of the world, provided that these entities, despite of having different origins, combined their goals and are interested in collaboration.

A transnational partnership will really take place when it's international context. Moreover, transnationality should be present during all stages of the project (i.e. planning, actions, effects, dissemination), and the quintessence of partners' cooperation should be joint execution of other initiatives after the given project is completed.

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