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Research on the Institutional Advantages of Enterprise Strategic Alliance

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Abstract
Strategic alliance is an organizational form between bureaucratic enterprises and the market. As a new enterprise operation mode, it has developed rapidly in the 21st century, and has made great breakthroughs in breadth and depth, which benefits from the strong competitive advantages of strategic alliance. This paper systematically discusses the competitive advantage of strategic alliance from the institutional aspect of strategic alliance, in order to promote a more in-depth study of this problem.

Keywords: Strategic alliance; Competitive advantage; Institution

1. Introduction
Since the 1980s, facing the increasingly fierce external competitive environment, western enterprises have begun to strategically adjust the competitive relationship of enterprises, change their business philosophy, and change from maintaining the opposite competitive relationship with other enterprises to cooperative relationship. Among them, the establishment of strategic alliance relationship is the most important form of cooperation. As an important organizational innovation, strategic alliance has achieved rapid development and made great breakthroughs in breadth and depth, which is due to the strong competitive advantage of strategic alliance. As an innovative organizational form, strategic alliance has become an important way for enterprises and even the whole alliance to strengthen their competitive advantage.
Enterprises establish strategic alliances with the goal of obtaining long-term competitive advantages, which will inevitably create competitive advantages over competitors for alliance member enterprises on the core competence platform, and these advantages are mainly reflected in the aspects of system, technology, organization and concept. As an important organizational form between enterprise and market, the development of strategic alliance is bound to be affected by the institutional environment. Therefore, this paper uses the institutional theory to analyze the competitive advantage of strategic alliance, hoping to better promote the research on this issue.

2. Definition of strategic alliance
The term enterprise strategic alliance was first put forward by Jane Hopland, President of American DEC Company and Roger Nagel manager, but the definition of strategic alliance is still very inconsistent. Professor Michael Porter believes that strategic alliance is a long-term alliance with other enterprises, but it cannot reach the degree of complete merger. Alliance means that partners coordinate or share the value chain together to expand the effective scope of the enterprise value chain. Teece (1992) defined strategic alliance as a cooperative activity characterized by commitment and trust carried out by two or more partner enterprises to achieve strategic objectives such as resource sharing and complementary advantages [1].
Porter & Fuller (2000) believed that strategic alliance is a long-term joint agreement reached between companies in different countries, which is beyond the normal market relationship and does not reach the degree of merger.

According to this view, strategic alliance is a kind of transaction between the market and the company, including joint venture, license, supply agreement, marketing agreement and other agreements [2].

Li Yuan et al. (2006) pointed out that strategic alliance refers to a cooperation mode of complementary advantages, risk sharing and two-way or multi-directional flow of production factors built by two or more enterprises with common strategic interests through various contracts or agreements in order to strengthen their competitive advantage [3].

Zhang Jian-ning (2008) believes that a strategic alliance is a cooperative organization in which two or more participants transfer, exchange and learn each other's knowledge and create valuable new knowledge in a mutually beneficial and mutually beneficial way [4].

It can be seen that strategic alliance is an organizational form of long-term cooperation between enterprises combined with each other's resources in order to create competitive advantage. The essence of strategic alliance is that two or more enterprises exchange information, share products, technologies and services and seek common development on a voluntary basis. It is an alliance established between partners to achieve common interests and a long-term institutional arrangement between enterprises.

Although there are different understandings on the meaning of alliance, the characteristics of strategic alliance include the following aspects. First, organizational flexibility: strategic alliance is a cooperative organization form among enterprises with diverse forms, dynamic openness and loose structure. Alliance members can quickly form alliances in order to achieve certain strategic goals. Once the goals are completed, alliance members will form new strategic alliances for other goals. Second, the enterprises participating in the alliance are a kind of partnership, which goes beyond the general transaction relationship, and there is no subordinate relationship between control and controlled. They maintain the independence and equality of their enterprises while cooperating closely. The third is the mutual benefit of cooperation: the members of the alliance are basically cooperative partnerships that make use of each other and improve their competitiveness, hoping to obtain more benefits than their "independent" or "opposing" behaviors through cooperation. Fourth, the fundamentality of competition: Cooperation is for better competition. The cooperation between alliance enterprises is not necessarily all-round, and the cooperation is often carried out in an agreed field. Fifth, the long-term nature of the strategy: The establishment of the alliance aims to create long-term competitive advantages for enterprises, which belongs to the long-term arrangement of the company level strategy.

In addition, there are many types of strategic alliances. First, contractual agreements, such as license agreements, marketing agreements and development agreements, are the simplest forms of alliances. Such alliances are often short-term, and the provisions of the contract depend on business arrangements. The second is the investment or joint venture based on the interests of minority shareholders, such as Limited Liability Company and partnership, which is the most complex form of alliance. Joint ventures often involve legal personality, and joint venture alliances need some conditions, such as willingness to form long-term alliances; Commitment to resources. The members of the alliance have a close cooperative relationship. Third, strategic business partners. This alliance can improve the business value of the company and obtain venture capital.

3. Background of strategic alliance

Through the analysis of the formation and development process of strategic alliance, combined with some existing theoretical research results, this paper believes that the background of strategic alliance mainly includes the following aspects.

First, economic globalization. Economic globalization and world economic integration provide unprecedented opportunities for the development of enterprises, but also accompanied by severe challenges. Enterprises are no longer facing the market and competition in a region or a group, but the real or potential market and competition in the world. Fighting alone and self-reliance are no longer the competitive way for enterprises to face economic globalization. Compared with them, the organizational form of strategic alliance has been adopted by domestic and foreign enterprises, and has achieved gratifying strategic results. After analyzing the performance and impact of economic globalization, Alan Rugman and Richard Hodgetts believe that the establishment of strategic alliance is an effective measure for enterprises to adapt to economic globalization; Combined with the globalization strategy of famous enterprises such as Coca Cola and Nokia, they put forward suggestions and views that enterprises should reasonably design their organizational structure and establish an international strategic alliance network suitable for their own characteristics [5].

Second, international division of labor. The traditional economic theory regards the enterprise as the black box of production and takes a single enterprise as the production unit, so the division of labor is limited to the interior of the enterprise or industry. The trend of production internationalization has changed this narrow mode of division of labor. International division of labor has emerged, and production has developed from socialization to internationalization. Through the form of strategic alliance, enterprises have well adapted to the changes and challenges brought by the deepening of international division of labor, and realized the effective allocation and rational utilization of resources internationally. At the same time, the division of responsibilities within the strategic alliance and the different resources and comparative advantages among alliance partners have further deepened the international division of labor.

Third, scientific and technological progress. Science and technology are the primary productive forces. It is scientific and technological progress that promotes the development of social productive forces and economic progress. On the one hand, scientific and technological progress has greatly shortened the product life cycle, accelerated product renewal and increased the content of science and technology. This makes most enterprises unable to effectively meet consumer demand on their own. Only by uniting and cooperating in the form of strategic alliance can they adapt to the changes brought about by scientific and technological progress. On the other hand, the high scientific and technological content and production technology requirements have also brought challenges to various links such as product R & D and production management. The high R & D costs, high R & D risks and uncertain income have also prompted enterprises to widely adopt the organizational form of strategic alliance. Many enterprises carry out cost division and risk sharing through strategic alliances to improve enterprise value, which is beyond the reach of a single enterprise.

Fourth, the limitations of enterprises themselves. According to the viewpoint of transaction cost, as an alternative to the market price mechanism, enterprises have their own boundaries, which is the limitation of enterprise scale [6]. In addition, even powerful multinational corporations have their own resource constraints and capacity weaknesses, and enterprises cannot solve all the problems they may encounter. The limitations of enterprises in resources, capabilities and knowledge make strategic alliance possible. Strategic alliance provides alliance enterprises with a platform for complementary advantages, overcomes the limitations of enterprises' own limitations on their development, and realizes complementary advantages and common creation of value.

4. Institutional advantages of strategic alliance

4.1 Meaning of institution

From the perspective of institutional economics, institution refers to habits and rules. As a social contract, its significance is to help a person rationally grasp his expectations in transactions with others, so that these expectations can be realized in the procedures observed by all members. The fundamental purpose of institutional innovation and change is to develop social productive forces. On the one hand, it can improve the efficiency of resource allocation; On the other hand, it will inevitably affect the pattern of income distribution. Correspondingly, institutional economics divides human behavior in institutional innovation into two kinds: one is productive effort, which tries to reduce transaction costs based on the orientation of efficiency improvement. The other is distributive efforts, based on value orientation, to improve benefit distribution and welfare equity [7].

In the enterprise strategic alliance, system, as one of the independent factors affecting the competitive advantage of enterprises, includes not only the single market transaction and integration rules in the general sense, but also the contact rules between enterprises. The institutional meaning of strategic alliance shows that the competitive advantage of enterprises is not only limited by the level of technology, but also largely depends on whether the behavior of enterprises conforms to the general action rules of the social environment. In many cases, if the appropriate strategy is selected, it will be supported by the state and government, so as to enhance the competitive advantage of the market, which sometimes becomes the key factor to win.

4.2 Analysis on the institutional advantages of alliance

Strategic alliance can be summed up as an institutional arrangement based on the cooperative relationship between enterprises, which is different from the system of general enterprises. The general enterprise system is based on property right transaction, including single commodity transaction rules and integration rules. In essence, these two types are absolute property right control methods, either giving up one party's property right through transaction or owning the other party's property right through transaction. However, strategic alliance is an inter-enterprise relationship system based on property right cooperation on the premise that its members do not give up or continue to own the property rights of each party.

Enterprise strategic alliance is a new institutional arrangement between market-based trading system and enterprise-based trading system. The emergence of enterprise strategic alliance is an innovation and change of trading system. This institutional arrangement not only has the advantages of market and enterprise, but also can overcome the disadvantages of both. Any institutional arrangement can be regarded as the product of institutional change. Therefore, the institutional arrangement such as strategic alliance is the result of dynamic change. It reflects the institutional supply under a basic institutional demand. This change in the demand for institutional change mainly comes from the great changes in the value and relative price of enterprise productivity factors. On the one hand, this institutional arrangement is because enterprises are faced with external conditions such as global economic activities, which makes the enterprise strategy provide the institutional supply of enterprise value activities generated by cooperative property rights or negotiated alliances; On the other hand, it also shows that it is the product of institutional change, and it is also the product of change induced by productive efforts and distributive efforts [8].

4.2.1 Institutional barrier advantage of enterprise strategic alliance

The overall external effect of strategic alliance shows that strategic alliance provides exclusive alliance advantages. Here, the concept of cooperation barrier is used to express the institutional advantages created by strategic alliance for enterprises. Barriers generally refer to the difficulty of realizing certain economic activities or entering certain economic regions. Porter pointed out in his book that due to the existence of barriers, enterprises can use this competitive strategy to achieve low-cost and differentiated competitive advantage based on barriers. Cooperation barrier refers to the cost advantage of enterprises that have entered this behavior group (that is, enterprises outside the group will pay a high price if they want to join the group.). This cost is usually expressed as opportunity cost in the sense of economics. The reason why strategic alliance can create the institutional advantages of strategic alliance is that it is the product of institutional change under the open conditions.

Generally speaking, the institutional barrier advantages provided by strategic alliance for enterprises mainly include three aspects: the institutional advantages of cost barrier mechanism, value creation barrier mechanism and scarcity barrier mechanism. However, these barrier advantages do not refer to the competitive advantage in a small range, but more the competitive advantage shown by enterprises in transnational operation. Traditionally, when enterprises realize transnational operation, in order to facilitate control, they generally adopt internal integration strategy, and then realize economies of scale and scope in multiple regions. However, due to the difference of institutional environment in different regions, the integration system may not be successfully extended to other regions, which leads to the problem of cooperative alliance between enterprises and other enterprises in transnational operation.

4.2.2 Institutional synergy advantage of enterprise strategic alliance

Synergy is not only the behavior of cooperative relationship, but also deeply reflects the economic value of cooperative relationship. The strategic alliance based on the cooperative relationship between enterprises is essentially the product of the interaction of resources and capabilities among member enterprises, which does not violate the competition mechanism of market economy. Some forms of cooperation among enterprises are contrary to competitive institutional arrangements and reduce the degree of market competition. Therefore, they will be controlled by the legal system and produce higher control costs. Strategic alliances based on their own core competitiveness and mutual property rights cooperation can make alliance enterprises surpass the cooperation at the specific product level, produce the synergy of the alliance, and improve the level of enterprise competition from general product competition to alliance competition.

5. Conclusion

In short, enterprises set up strategic alliances with the goal of obtaining long-term competitive advantages, which will inevitably create competitive advantages over competitors for alliance member enterprises on the core competence platform, and these advantages are mainly reflected in various aspects of system, technology, organization and concept. In terms of system, through institutional barriers and institutional coordination, enterprise strategic alliance goes deep from the outside to the inside of the enterprise, and is transformed into the core concept and core competitiveness of the enterprise on the basis of organizational learning, which greatly enhances the competitive advantage of alliance cooperative enterprises, It will also indirectly enhance the overall competitive advantage of the alliance through the core competence of cooperative enterprises, so as to form a virtuous circle, promote each other and develop healthily.

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