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ESPECIALLY THE CREATION AND OPERATION OF INTERNATIONAL STRATEGIC ALLIANCES IN THE AVIATION

In this report theses is written about essence and features of global alliances, the main reasons for the creation of international strategic alliances in aviation. Argued for a competitive advantage in the work that the company receives from participation in strategic international alliances.

Globalization heightens the interdependency and inter-linkage of economies, foreign ownership of national enterprises and cross-border business collaboration is becoming the norm.

Alliances between airlines have become a dominant feature in air transport, and a new global phenomenon unfolding relatively quickly through multiple collaborative business arrangements. Alliance agreements took different forms and included various elements of code-sharing, marketing and pricing cooperation, schedules coordination, and offices and airport facilities sharing.

Introduction to business strategic alliance carries some risks and threats, as though through partnerships should be full of mutual trust, the companies important to identify and secure in the written contract is not only an alliance mission, goals and timetables for their achievement, but also to define the limits of partnership depth information that can be provided, the contribution of each party in terms of technology, know-how, property rights, mutual responsibility, guarantees and risk sharing in order to avoid problems in joint activities. In a dynamic business environment there is a need for modification of goals that causes a periodic review of the parameters of the agreement. At the same time it allows to determine the feasibility of further cooperation

More than other forms of internationalization, international strategic alliances provide firms with strategic flexibility, enabling them to respond to changing market conditions and the emergence of new competitors. They are prompted by a range of motives, including economizing on production and research costs, strengthening market presence, and accessing intangible assets such as managerial skills and knowledge of markets.

In service sectors such as airlines, alliances are aimed at sharing a partner's sales and distribution outlets.

One of the most famous partnerships in Ukraine began in 2007 created a strategic alliance "Ukrainian Aviation Group," which combined company "Aerosvit" and "Donbasaero." The goal of this alliance is to increase the competitiveness of Ukrainian air carriers for the growth of competition from international companies as well as to enhance their attractiveness.

Later, the company formed a strategic partnership "UIA" and "Dnepravia." Forming partnerships national companies enables them to withstand large foreign associations in tough competition that took place in the field of air transport.

In all cases, international strategic alliances are being driven by the economic demands of global markets, the costs of keeping up with fast-changing technologies, and the opportunities provided by government deregulation and liberalization initiatives.

Joining a winning network or alliance at the global level is becoming crucial to firm survival in more sectors. Government regulations can also affect alliance formation. For example, in international aviation where foreign ownership is highly restricted, cross-border mergers or acquisitions are rare but alliances are the favored mode of market entry.

An important aspect of the analysis of the formation and development of strategic alliances is to study the interaction of the state with them. According to the researchers, in developed countries, where the formation of diversified companies has little evolutionary nature, the state focused on market concentration (the formation of monopolies and oligopolies). In countries "compressed development model" (for example, South Korea), where the establishment of alliances provided direct support from the state, the vast development was common and complex concentration. Thus, the state should provide clear, permanent and stable relationship with the business on the basis of harmonization of interests of various business groups, as it is the main condition of normalization of the social organization of society. More strategic alliances changing role of nation states, which gradually lose major leverage in shaping the international investment policy.

Research of Ukrainian business practices show that in recent years, more and more domestic companies are members of strategic alliances. Enterprises of some sectors already have considerable experience in concluding alliances with other sectors alliances just there and companies are only beginning to explore the possibilities of joint activities.

As international experience shows that some areas of the company are more likely to form strategic alliances. This may be due to the specifics of their operation, a life-cycle industry, business conditions in local and global markets. The largest number of foreign companies formed alliances in automotive, aviation, pharmaceutical industry, telecommunications and information technology [30, p.150-154].

According to the results of research conducted by the Institute of Economics and Forecasting of NAS of Ukraine together with the Antimonopoly Committee, that these industries are characterized by above-average levels of competition and profitability of operations in the whole economy

As for the airline industry is one of the most alliances last time was the largest Ukrainian airline alliance - Airlines Company, and the third-largest Ukrainian airline Donbasaero. In February 2007, they announced the creation of a strategic alliance, called the Ukrainian Aviation Group. The purpose of this alliance was formed as improving the competitiveness of the two Ukrainian airlines in the face of rising competition from international companies as well as enhance their attractiveness. Collaboration involves combining technological, industrial, commercial and other

resources, but is intended merger [2, p.7]. Forming an alliance involves the development of the net Donbasaero as large airline based in the airport of Donetsk and one that generates a powerful transit flows through the base airport. Airlines Company considers its participation in the alliance as an opportunity to improve the competitiveness of their partner and strengthening their market positions. Association provides Ukrainian companies to enter the international airline alliances as separate, even the best domestic air carriers are not of interest to foreign partners. Ukrainian airlines are accepting alliance with financial support from the outside, the risk to start competing with more experienced and stronger companies. [1]

Effective functioning of alliances Ukrainian and foreign companies promotes rational combination of the strengths of the partners. In particular, the Ukrainian business interest of Western companies such advantages as availability of funds for production with international quality standards, can experience the formation of alliances, etc. [4]. Among the advantages of local businesses that may useful for the functioning of alliances can be distinguished Ukrainian market knowledge, contacts with Ukrainian companies - suppliers and customers, etc. (Fig. 1).

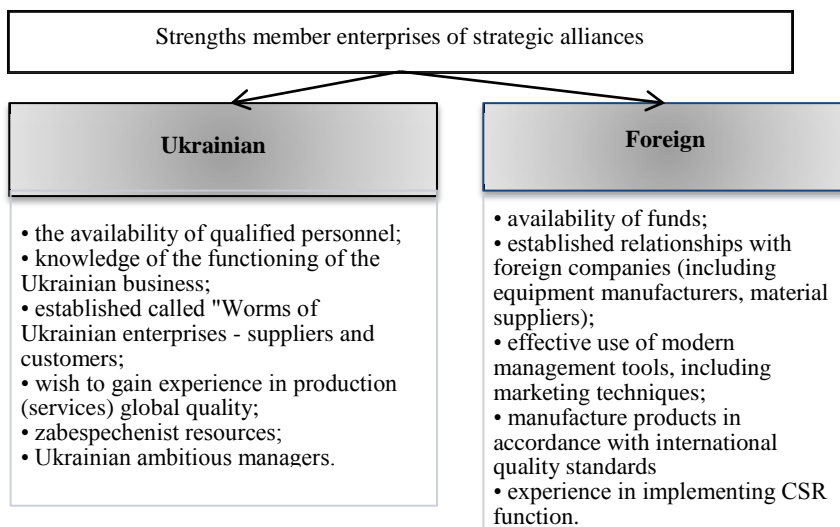


Figure .1. Strengths Ukrainian and foreign companies that can be used in strategic alliances.

The main benefits of strategic alliances for Ukrainian companies:

1. Bridging the state of trade and investment barriers in entering the promising overseas markets.
2. Access to distribution channels and sales partner and its market position
3. Available products, technologies and intellectual property (IP) partner.
4. Stability political and economic situation of the partner.
5. Available financial resources Partner
6. Markets for new products and new products for customers.

7. Gain brand in the market through channel partners.
8. Accelerated development of new products and output them to the market.
9. Reducing cost and risk scientific and technological development and the creation of radical innovations.
10. Quickly reach critical mass and scale required.
11. Setting technology standards in the industry and production of the first products that meet these standards.
12. The utilization of by-products.
13. Available managerial skills and experience.

Operation of strategic alliances is, above all, the interaction of people working in, so you need to take into account differences in national and corporate cultures. International experience confirms that their characteristics largely determine the success of alliances. Moreover, in practice, the operation of alliances in Ukraine there are examples of cooperation of enterprises which fail due to the fact that not taken into account the specifics of corporate cultures partners and success - an effective combination of elements of culture enterprises - members of the alliance.

Conclusions

Regarding the development of strategic partnerships in the Ukrainian economy expert opinion is divided: on the one hand, strategic partnerships open up broad prospects for domestic enterprises to enter new markets, acquiring new technologies, knowledge sharing, and others with a significantly lower cost compared to self-employment, which has led to the emergence of significant number of partnerships in the near future. On the other - participating in the partnership involves opening inside information, cooperation with a partner on a trust basis as domestic managers can be challenging.

In addition to a critical attitude to the management of such a method of interaction distribution partnerships in Ukraine is constrained by general economic, political and legal factors.

Played a role, and the financial and economic crisis has shifted the focus of managers with strategic problems the solution to the question of survival of enterprises.