Strategic Alliances in Action: Toward a Theory of Evolution

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The popularity and prevalence of strategic alliances for problem solving has been well documented in research on the corporate sector and public policy. However, there has been limited work to date on building a comprehensive theory about the evolutionary process of alliances. The purpose of this article is to synthesize current research on alliance development in order to develop a model of strategic alliance evolution. The theoretical model is built with ideas from prior research as well as findings from our own recent research on alliances in education. We conducted a national study of strategic alliances in charter schools focused on uncovering the process of evolution—including how alliances are initiated, operated, and evaluated—and the various internal and external factors that influence alliance development and progress. Our findings offer a model of strategic alliance evolution and provide direction for future research.

KEY WORDS: alliances, inter-organizational collaboration, partnerships, charter schools

Introduction

Strategic alliances have emerged during the past several decades as a popular problem solving tool. Based on the benefits of collective action, strategic alliances are groups of organizations—nonprofit, for-profit, and public—voluntarily working together to solve problems that are too large for any one organization to solve on its own. According to Gray (1989), alliances offer a mechanism through which “parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible” (5). Strategic alliances are typically voluntary, enduring relationships that involve resource sharing and joint decision making. They offer partner organizations a number of otherwise unavailable assets including additional human and financial resources, new knowledge, increased flexibility and productivity, and enhanced legitimacy (Austin, 2000; Child & Faulkner, 1998; Gray, 1989; Kanter, 1994).

The prevalence of strategic alliances for problem solving has been well documented in research on the corporate sector and public policy. Collaboration among organizations has occurred for decades in the fields of construction, publishing, film and recording, textiles, and the aircraft industry (Powell, 1990). Strategic alliances
also have been uncovered in a variety of policy areas, including education, watershed management, welfare reform, public health, transportation, and prison management (Dunn, 2000; Kamieniecki, Shafie, & Silvers, 2000; Leach, Pelkey, & Sabatier, 2002; Rom, 2000; Rosenau, 2000; Schneider, 2000; Sparer, 2000; Wohlstetter et al., 2004a,b). Public policy alliances appear to be as popular as they are wide ranging: In a nationwide survey of city halls and community-based organizations, Rich, Giles, and Stern (2001) found that collaborative efforts for enhancing community development have grown at unprecedented rates in recent years.

However, despite the rise of strategic alliances, we have limited knowledge about how individual alliances develop over time. Researchers have typically discussed distinct stages of alliance development, focusing, for example, on what motivates organizations to initiate alliances or the various impacts of alliances. To date, there has been limited work on building a comprehensive theory about the evolutionary process of alliances. The purpose of this article is to synthesize current research on alliance development as well as findings from our own recent research on alliances in education to develop a model of strategic alliance evolution. In a national study of strategic alliances, we used charter schools as a case study to uncover the process of alliance evolution—including how alliances are initiated, operated, and evaluated—and to identify the factors that influence alliance development and progress. We begin with a literature review synthesizing past research on strategic alliances in order to better understand their evolution. We then provide an overview of our study and methods, followed by the findings from our work and implications for future research.

Fitting the Pieces Together: What Is Known?

As noted earlier, strategic alliances have been studied extensively in both the corporate sector and a variety of public policy arenas.\(^1\) A review of this literature base suggests:

1. Alliances move through several phases as they develop and evolve;
2. Alliances are initiated to meet a variety of needs;
3. The operation of alliances requires certain organizational structures and processes; and
4. A variety of factors influence the progress of alliances.

Drawing on Waddock (1989),\(^2\) our synthesis of past research is organized into three phases: (1) Initiation; (2) Operations; and (3) Evaluation. As discussed below, progress in each phase is characterized by a number of internal factors, structures, and processes.

The Initiation Phase

During the initiation phase, the structures and communication channels of the alliance are informal as participants crystallize the issues and develop the purpose
for the alliance (Waddock, 1989). Research on alliance formation has uncovered that a number of specific internal conditions facilitate initiation, including a champion to lead the effort, complementary needs and assets, compatible goals, and trust. Although the presence of all characteristics is not required, several concomitant factors often drive the initiation in concert. In fact, Oliver (1990) suggests that the more factors present, the higher degree of likelihood the alliance will be initiated successfully.

First, a champion helps guide organizations through the initiation process, often by convening the initial meeting of partners. This leader needs the requisite energy and resources to set the alliance in motion and keep it on track during plateaus or setbacks (Waddock, 1989). Sometimes champions remain an integral part of the alliance during the operations phase. In other cases, as discussed later, additional alliance participants assume leadership roles needed to support the alliance’s operations.

Organizations often decide to partner not because they have the same needs, but because they have complementary needs and assets. Strategic alliances are often characterized by partners bringing their own unique strengths to bear on a problem (Weiss, 1987). Needs can stem from a range of financial, political, and organizational areas. For example, according to Oliver (1990) and Robertson (1998), partners with available financial resources can help an organization begin, grow, or significantly innovate programs. They can also serve as coping mechanisms through which to forestall, predict, or absorb uncertainty and achieve reliable resource flow and exchange. In some cases, the political need for greater credibility or legitimacy from funders, constituents, or clients leads an organization to turn to a well-established partner to enhance their own image and reputation (Oliver, 1990; Waide, 1999). Organizations also initiate alliances in order to meet necessary legal or regulatory requirements that could not have been met otherwise (Oliver, 1990; Robertson, 1998). In other instances, organizational goals such as increasing efficiency and productivity can be met by forming an alliance (Oliver, 1990; Robertson, 1998; Waide, 1999).

Additionally, organizations initiate strategic alliances to achieve compatible goals—again, not identical, but common or mutually beneficial—that might not be achieved otherwise (Austin, 2000; Das & Teng, 1998; Kanter, 1994; Oliver, 1990; Robertson, 1998; Spillett, 1999). Organizations form alliances with partners who have similar beliefs about or approaches to a shared problem (Waddock, 1989).

Finally, trust is needed to facilitate the initiation of alliances. Without a mutual willingness to work together, the venture is unlikely to be initiated. This trust is often established through existing networks (Austin, 2000; Waddock, 1989; Waide, 1999), whereby people with similar issues of interest decide to form alliances based on their knowledge of each other’s previous work. Robertson (1998) adds that open communication, shared values, and mutual respect can increase interorganizational trust.

The Operations Phase

In the operations phase, formal meetings occur and an internal structure under which the alliance functions develops (Waddock, 1989). An alliance between two or
more organizations, in essence, becomes an organization itself during the operations phase, with members of each partner organization striving to improve the overall organizational performance of the alliance and meet specific goals. Like any organization, an alliance requires effective internal structures and processes in place to ensure smooth governance, open communication, and accountability, as well as strong leadership to ensure that these structures and processes are implemented as intended.

A clear governance structure and explicit decision making processes provide forums for stakeholders to come together, make decisions, and carry out the work of the alliance (Kanter, 1994; Waddock, 1989). For effective decision making to take place, it is essential to provide timely and appropriate information to all participants. Alliances must have open communication in which partners share the information needed to collaborate including their objectives and goals, technical data, or challenges (Kanter, 1994). This information should flow throughout the alliance, from leaders to front-line workers and vice versa. Without regular access to information about the alliance and improvement efforts, participants will struggle to implement change successfully.

In addition to clear governance and open communication, Das and Teng (1998) suggest that to facilitate effective operations, the goals, structures, and processes for the alliance must be clearly defined in an accountability plan to guide the work of the venture and provide a framework by which to evaluate success as the alliance matures. An accountability plan establishes the outcomes for which each member of the alliance is responsible, outlines the constituents to whom the alliance is accountable, and delineates the consequences of failure to meet established goals. Such accountability helps build trust and commitment by eliminating the likelihood of opportunism among partners.

Finally, effective leadership is necessary to manage the operation of an alliance and to determine its direction. According to Smith and Wohlstetter (2001), effective leaders of collaborative endeavors assume three main roles: (1) architects; (2) information brokers; and (3) boundary spanners. Architects are responsible for designing structures that facilitate employee participation in the alliance and the day-to-day management of the alliance. Information brokers distribute information throughout the alliance, ensuring that stakeholders receive the required information while avoiding information “dumps” that burden them with the need to sift through information irrelevant to their jobs and responsibilities. Finally, boundary spanners serve as liaisons with the external environment, providing the media and other constituents with information about the alliance, as well as “buffering” the alliance from external “noise.”

The Evaluation Phase

Finally, during the evaluation phase, the full range of impacts—both positive and negative—of a strategic alliance is realized. Studies have found that alliances have both intended and unintended impacts (Kohm, La Piana, & Gowdy, 2000; Rosenau, 2000; Rossi, Lipsey, & Freeman, 2004), which often surface only after evaluating the
goals of the alliance against the outcomes (Waddock, 1989). Formative evaluation provides information about an alliance’s implementation that can be used to refine the alliance. Summative evaluation, in which an overall judgment is made about the alliance’s impact and outcomes, can be used to determine if the alliance should be continued, restructured, or terminated (Rossi, Lipsey, & Freeman, 2004).

The evaluation process provides partners with opportunities to identify areas for improvement and future directions. Modification of an alliance, through a feedback loop, is a common result of evaluation (Waddock, 1989). This refinement often involves revisiting the operations phase to improve the structures and processes therein or to redefine the goals of the alliance. In some cases, partners decide to “grow” the alliance by adding additional programs or services, increasing the depth of the alliance, or adding a new partner. At other times, evaluations result in the termination of an alliance, or, what Waddock (1989) refers to as “death.” Termination does not necessarily indicate failure of the alliance; rather, the alliance may have simply run its course and serve no future purpose. In her study of business alliances, Kanter (1994) suggests several reasons for alliance termination: (1) A current partner may no longer be suitable because of new goals or a shift in direction; (2) personnel responsible for managing the alliance may be reassigned to meet more pressing demands; and 3) new market conditions may render a partner unnecessary.

Data and Methods

All data reported here were collected as part of a two-year study funded by the U.S. Department of Education’s Public Charter Schools Program. The research sought to build a theory of alliance development by learning more about the various internal and external conditions that influence alliance evolution.

The Study Context: Charter Schools

To address these issues, we designed a national study of charter schools involved in strategic alliances with organizations in the nonprofit, for-profit, and public sectors. Under state legislation, charter schools are created by a petition, or written agreement, between a group of individuals who want to manage a school—usually teachers, parents, and community members—and the local school district or the state. Charter schools are allowed to govern themselves in exchange for achieving specific goals set forth in their petitions.

We chose to use charter schools as the sample for our study of alliance development because the context in which they exist is particularly amenable to alliance formation. For one thing, charter schools must often amass essential goods and services—curriculum and instruction, facilities, administrative support, and funding—for themselves (Bierlein, 1997; Hassel, 1999; Hill et al., 2001; Troy, 2002). Hence, it is not surprising that early evidence suggests strategic alliances between charter schools and organizations across the nonprofit, for-profit, and public sectors are quite common (Augenblick & Sharp, 2003; Bowman, 2001; Center for Education
Moreover, the policy environment in which charter schools are situated facilitates the development of alliances. Charter school legislation in many states, for example, encourages or even requires the involvement of outside organizations (Jones, 2002; Miron & Nelson, 2002; Wohlstetter et al., 2004a, 2004b). For example, about one-third of state laws permit charter schools to contract with *any* entity for *any* services (see Center on Educational Guidance, 2004 for a legislative analysis of charter school laws). Further, charter schools are typically exempt from many district regulations, enabling them to seek outside involvement more readily than traditional schools (Griffin & Wohlstetter, 2001; Hill et al., 2001; Hill, Lake, & Celio, 2002). For example, in many states, charter schools can hire noncredentialed teachers, which allows for the use of outside experts from the community to teach specific classes (Scott & Holme, 2002). The prevalence of alliances in charter schools offered us a diverse and rich sample of strategic alliances for study.

**Data Collection**

As an exploratory study, the research design utilized a qualitative case study approach to gather in-depth information about the development of alliances. Case studies of 22 charter schools, spanning 10 states and the District of Columbia, were conducted. A purposive sampling method was used that has been employed by other researchers conducting qualitative studies of charter schools (see, e.g., Ascher et al., 2000; Wells, 2002). States and schools were selected that adhered to specific selection criteria but were diverse from each other in order to obtain "information-rich cases" to best learn about those issues of central importance to the research (Patton, 1990). In other words, the sample for this study was selected based on the phenomenon we wanted to study (Wells, 2002), namely, the development of charter school alliances. Although purposefully selecting a diverse sample is instrumental for building a model of alliance evolution, generalizability is limited to theoretical propositions, or working hypotheses, rather than statistical generalizations to entire populations (Merriam, 2001; Merriam & Simpson, 1995). We selected schools based on the following criteria:

1. Schools with arrangements designed to deliver essential goods related to the core of schooling—teaching and learning—rather than peripheral goods such as custodial, food, and transportation services.

2. Schools that were diverse in terms of the types of partners involved. (See Table 1 for a summary list of partners.)

3. Schools whose alliances had been in operation for at least two years in order to examine alliances at different stages of development.

A preliminary telephone interview with the charter school principal/director (n = 31) was used to confirm a school’s suitability for the study and to identify subjects for on-site interviews. Twenty-two charter schools contacted for prelimi-
nary interviews were selected for the study. In the other nine cases, the schools’ alliances had been discontinued, their alliances did not meet the selection criterion of a minimum two-year duration, or in two cases, the schools declined to participate. In addition to assessing a school’s suitability, the preliminary interview was designed to uncover a brief overview of the strategic alliance, including its purpose, years in operation, the contributions of partners, and the roles of key stakeholders. Appendix A includes the interview questions for the preliminary interview.

Researchers conducted on-site interviews between December 2002 and July 2003 (n = 147) with charter school leaders (e.g., founders, principals, teachers) and leaders of their partner organizations (e.g., CEOs, presidents, program directors). Each interview lasted approximately one hour and was designed to uncover: (1) the motivations for forming the alliance; (2) the process of initiating the alliance; (3) the structures and processes created to support the alliance’s operation; (4) the factors that facilitated and hindered the progress of the alliance; and (5) the types of evaluation used to assess the alliance’s success. The same interview protocol was used for the charter school leaders and partner organization leaders, as shown in Appendix B.

Notes from each interview were identified by school and position of the respondent, and input into a computer file for analysis. ATLASi, a qualitative data analysis software program, was used to organize and manage all data collected during site visits. Coding and analysis were accomplished in a series of three iterations. A combination of a priori and open coding methods was used in the first iteration of coding, consistent with Strauss and Corbin (1998). Some of the codes were developed based on findings from the literature review described earlier, whereas other codes emerged during the coding process, producing a total of 355 codes. Research suggests that qualitative data analysis is an iterative process, with codes and themes evolving as data are synthesized (Polkinghorne, 1983; Strauss & Corbin, 1998). As part of this evolution, some codes were eventually deleted, others combined, and

<table>
<thead>
<tr>
<th>Sector</th>
<th>Types of Organizations (Examples)</th>
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| Nonprofit | • Community-based organizations (recreational centers, senior centers, youth support organizations, volunteer centers)  
             • Cultural institutions (museums, local performance groups, art centers, science centers)  
             • Educational institutions (private colleges, universities)  
             • Faith-based organizations (churches, outreach organizations)  
             • Nonprofit educational management organizations (EMOs)  
             • Race/Ethnic-based organizations (outreach organizations, advocacy groups)  
             • Social service providers (child and family welfare agencies)  
             • Private foundations |
| For-profit | • Education management organizations (EMOs)  
                             • Local businesses |
| Public    | • Cultural institutions (art museums, science museums)  
                             • Educational institutions (school districts, community colleges, universities)  
                             • Public health providers (hospitals)  
                             • Government/Municipalities (city offices, mayor’s office)  
                             • Police and sheriff departments |
still others reconceptualized and broken down into smaller codes during the second and third iterations. For example, only one respondent stated that the goal of the alliance was to “reduce future client base,” so the respondent’s statement was coded with a similar concept, “help fulfill mission,” and the original code deleted. Success factors, initially coded to capture the range of ideas discussed by interviewees, were combined into six categories during the second iteration. In contrast, the leadership code created a priori was separated into four distinct codes to portray the different manifestations of leadership uncovered (for a detailed discussion of coding methods, see Wohlstetter et al., 2004b).

For each charter school included in the study, we collected documents that provided additional information about the alliance, including charter school petitions, partner agreements, and organizational charts. These documents generally contained information about the school’s mission, its organizational capacities, and its partners. Partner agreements or contracts, when they existed, helped to explain the division of responsibilities between partners. These documents also served to validate the self-reported information provided by study participants. As prior research has noted, self-report is susceptible to bias (Merriam, 2001; Polkinghorne, 1983). As noted by Merriam (2001), self-report bias may not stem from respondents’ calculated attempt to mislead the interviewer but, rather, from an innate inability to perceive their situation objectively. Therefore, archival documents provided a reliable source of information to assess respondents’ claims.

Findings: Refining the Theory of Evolution

The findings from our current work are generally consistent with past research on strategic alliances. As described below, the strategic alliances that we studied progressed through three distinct phases of development, in line with Waddock (1989): (1) Initiation; (2) Operations; and (3) Evaluation. Adding to the literature synthesized earlier, this study found that factors in the external environment were critical to the evolution of strategic alliances. A model of alliance evolution, shown in Figure 1, emerges from blending ideas from prior research with findings from our own study. The following sections present our findings as they relate to each phase of development and describe the external factors that influenced alliance development.

How Alliances Are Initiated

Consistent with prior research, we found that the presence of four internal conditions—a champion, complementary needs and assets, compatible goals, and trust—seemed particularly critical to alliance initiation. The occurrence of these conditions in the study sample is shown in Table 2 and detailed in the following sections.3

A Champion. As suggested by past research (see, e.g., Waddock, 1989), we found that the existence of an individual or individuals who championed the alliance was
instrumental in identifying needs and selecting an appropriate partner. In 20 of the 22 alliances we studied, champions were described. These individuals tended to be top leaders in their organizations: school principals, presidents of nonprofits, CEOs of local businesses, and mayors. Champions were not necessarily policy experts or experienced educators; they were champions by virtue of their access to resources and their networking abilities. Champions were also often the cheerleaders and visionaries in their organizations—the leaders who thought outside the box and effectively communicated the big picture and innovative ideas to stakeholders and potential partners.

In one particular alliance we studied, the executive director had effectively established relationships with multiple partners—a church for facilities, a construction company to finance and complete renovations for the school, and a university to develop curriculum and provide additional teaching staff. In interviews with the partners, we learned that the executive director championed the alliance by being both persistent and persuasive. They described her as someone who “sells ideas” and “never leaves you alone.” The executive director also recognized her role as

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**Table 2.** Frequencies of Characteristics in the Initiation Phase (n = 22)

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<tr>
<th>Characteristic</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>A champion</td>
<td>20</td>
</tr>
<tr>
<td>Complementary needs and assets</td>
<td>17</td>
</tr>
<tr>
<td>Reciprocal benefits</td>
<td>13</td>
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<tr>
<td>Enhanced image and reputation</td>
<td>13</td>
</tr>
<tr>
<td>Increased visibility and publicity</td>
<td>12</td>
</tr>
<tr>
<td>Compatible goals and missions</td>
<td>16</td>
</tr>
<tr>
<td>Trusted people/Organization</td>
<td>12</td>
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</table>
champion and described her efforts to build a relationship with the local church: “I just kept asking; I wouldn’t leave until he talked to me . . . If I want something, people have to at least listen to me and when they do, they generally get excited and come on board.”

Complementary Needs and Assets. As with previous research (see, e.g., Oliver, 1990; Robertson, 1998; Waide, 1999), leaders from the alliances we studied emphasized the reciprocal nature of their relationships. Partners believed that the development of an alliance would help them address the needs of both organizations more effectively by providing the opportunity to exchange or pool resources. Leaders from 17 of the alliances reported that their partners had complementary needs and assets, and 13 spoke directly about the reciprocal nature of the alliances. As one school leader explained, “You have to be willing to give just as much as you get . . . Partnerships have got to go both ways.”

Leaders we interviewed consistently noted that it was an “easy sell” to form an alliance with their partners. As one school principal in an alliance with a local community college explained, “Everybody wins on this one. We get fine arts courses aligned with the college curriculum for our students at a very, very, low cost . . . The community college gets added enrollments.” In another example, a university program director explained her alliance with a local charter school as one that was built on “mutual need.” She continued, “The charter school needs educators trained or in training. With more teachers, the school can have more one-on-one teaching with the students. The charter school provides our student teachers at the university with the opportunity to develop lessons and teach in more hands-on experiences.” Likewise, a partnership between a school focused on expeditionary learning and a local science museum offered an opportunity for the museum to interact more with students in the community while also offering the school curricular enhancements. As one of the museum leaders explained, “They complement one another. The kids get to talk to the paleontologist and the people at the museum like working with kids, because they can do things they can’t do with once-a-year field trips.”

Our findings stress the importance of forces in the external environment in motivating the development of strategic alliances. For one thing, the external policy environment in which charter schools are situated encourages the establishment of alliances. For example, 10 state charter school laws specify that a charter application must include a description of expected outside involvement (Center on Educational Governance, 2004). Also, the per pupil funding allocation for charter schools is often significantly less than that for traditional public schools. For example, in New York City, traditional public schools were allocated $9,739 per pupil in 1999, whereas charter schools received only $6,207 (Troy, 2002). In our study, charter schools often sought alliances to access resources to supplement their state allocations. One school leader who partnered with the mayor’s office explained how the mayor used his influence with the governor and state treasurer to help the school acquire a $20 million bank loan. In other cases, charter schools formed alliances with recreational centers, churches, or community organizations because they offered the use of existing buildings, which helped offset the cost of acquiring a facility.
It was also common for leaders to seek out strategic alliances to accrue political clout. Charter schools can face considerable scrutiny and opposition as they get up and running; in 13 of the alliances, trusted partners sought to enhance their image and reputation by creating an alliance with a well-established and well-respected partner. Alliances were also perceived as one way to enhance visibility to potential funders, constituents, or clients in the external environment (n = 12) for newly formed charter schools that often lacked the channels to publicize the school on their own. As explained one partner leader, “Big players have an easier time with city government. They already have credibility and may be able to get a project on the fast track.” A school leader described his partnership with a local museum and said, “The museum lent a certain status to the school. It’s good for our image that we’re on the same campus.” Another leader explained, “A big part of our success in the beginning was having the [partner’s] name. Having an alliance with a major corporation is a great benefit in many ways.”

The context in which charter schools are situated both enabled alliance creation (through permissive legislation) and at the same time generated conditions (e.g., low levels of financial support, lack of credibility) that “forced” alliance creation for survival. In this way, both positive and negative factors in the external environment motivated alliance creation; alliance initiation constituted as much a response to negative conditions as a pursuit of opportunities.

Compatible Goals. As well as complementary needs and assets, charter schools and their partners had compatible goals and missions (n = 16), as suggested by prior research (Austin, 2000; Das & Teng, 1998; Kanter, 1994; Oliver, 1990; Robertson, 1998; Spillett, 1999). Leaders from seven alliances reported they were attracted to partners with similar beliefs about or approaches to a shared problem. One school leader explained that the school partnered with a social service agency focused on at-risk adolescents because “they had a common belief that education is critical for kids to be successful and contributing citizens.” Another school principal reported that the local art museum was a clear choice for a partner because “our missions blended beautifully.” An alliance between a charter elementary school and a summer language academy began because both organizations “shared similar missions and had a focus on world cultures, language, and social responsibility.”

Trust. Finally, consistent with prior research (Austin, 2000; Robertson, 1998; Waddock, 1989; Waide, 1999), leaders from 12 of the alliances emphasized that they felt comfortable initiating their strategic alliances because they trusted their potential partners. In a few cases, this trust was facilitated by the positive reputation of the partner organization or of individuals in the organization. For example, a leader in a partner organization explained that he had a lot of trust in the charter school director’s ability “based on the fact that the majority of his past projects have been successful.” Another leader in a university teacher education program chose to work with her partner charter school because “they had a good reputation in the community. . . . I knew about them because they were one of the first to apply for a charter school in California.” Trust was particularly important to this leader because
teacher interns from her program at the university would be working at the charter school. She explained, “Knowing the school meant I was confident the teacher interns would be placed in a great situation.”

It was also common for leaders in alliances to seek out partners with whom they had preexisting relationships (n = 10). In these instances, partners trusted each other because they knew each other or had worked together on a previous endeavor. In one example, a professor who forged a partnership between his university department and a local charter school explained that he had known the charter school director for several years: “His kids were at the school where I taught many years ago. I’ve been on school boards he has been connected to. I have sent student teachers to his previous schools.”

The Structures and Processes of Alliance Operation

After strategic alliances were initiated, partners worked to establish the internal structures and processes for the alliance, as discussed in the literature review. Consistent with prior research, we found that progress in the operations phase was characterized by the creation of governance structures to guide decision making, communication mechanisms to facilitate information flow, and effective leadership to keep the alliance focused. Table 3 shows the frequency of these characteristics among the study population. However, regardless of age, many of the alliances we studied were still trying to define their operations; creating effective structures and processes proved to be a complex and time-consuming task. In particular, alliances struggled to implement accountability plans that specified the goals of the alliance and delineated the responsibilities of partners.

Governance Structures. The strategic alliances we studied varied considerably in the types of internal structures and processes they were implementing. Some alliances had formal structures in place such as committees or boards that met regularly to make decisions. Other alliances had more informal and fluid processes; when a decision needed to be made, the main players met in person or spoke on the phone. We observed that more complex alliances—those with several players, tasks, and objectives—tended to rely on more formalized structures, whereas simpler alliances were

<table>
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<tr>
<th>Characteristic</th>
<th>Frequencies</th>
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<td>Formal communication mechanism</td>
<td>21</td>
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<tr>
<td>Informal communication</td>
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<tr>
<td>Architect</td>
<td>12</td>
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<tr>
<td>Information broker</td>
<td>19</td>
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<tr>
<td>Boundary spanner</td>
<td>20</td>
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<tr>
<td>No accountability system</td>
<td>17</td>
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<tr>
<td>Formal agreement</td>
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often more comfortable with informal processes. In the absence of formalized structures, complex alliances struggled to collaborate and make progress during the operations stage. As more stakeholders became involved and more tasks came into play, it was often difficult to clearly define decision making responsibilities and governance procedures. As explained by one leader, “In the beginning, we needed to work out who’s able to speak for the alliance. One person was making policy about things that the charter school could do, and that person was firm about what we could and couldn’t do, and where we can and can’t go, and she didn’t have that authority.”

In four of the alliances we studied, leaders reported that incompatible structures between partners made it difficult to establish common procedures and processes for the alliance. For example, a partnership between a charter school and local senior center struggled during the operations phase because each organization structured governance and communication differently. Explained a leader in the partner organization, “Our organization is very structured—it is different from the school which is more spontaneous.” The charter school had very informal structures and processes. For example, school personnel often decided on field trips in an impromptu manner when opportunities arose; individuals were empowered to make decisions as needed. In contrast, the senior center had very formal, hierarchical decision making processes: Every decision was funneled through the appropriate channels. Hence, leaders in both organizations often became frustrated when they attempted to plan programs and events together since their decision making differed so greatly. One leader at the senior center said of the school, “They need to learn to slow it down. Things need to be planned and coordinated here. The center is a different speed.”

Personnel transitions provided a common challenge for strategic alliances as they tried to progress during the operations phase, according to leaders from 13 of the alliances. In cases in which the alliance relied on informal structures and processes, such mechanisms typically were understood by only a few. Thus, when there was turnover of key stakeholders, partners often had to reestablish the procedures governing the work of the alliance. As one school leader explained, “Everything is based on personal relationships, so it’s mostly been informal but when something changes in middle management, suddenly the new people don’t understand the arrangement. Fluidity is the beauty of the charter school, but also the challenge.” This leader added that turnover was particularly challenging to the alliance because “so much of it isn’t on paper, you have to start all over again.”

Communication Mechanisms. As with governance structures, considerable variation existed among strategic alliances in terms of the communication mechanisms they relied on for information flow. Governance structures often provided formal mechanisms for information dissemination. Most of the alliances maintained regular meetings (n = 21) and e-mail updates (n = 19) to keep all stakeholders informed. Partners also drafted formal memos (n = 15), letters (n = 9), or faxes (n = 5) to stakeholders. Leaders from 16 of the alliances also identified informal communication as a key mechanism for information dissemination. As one partner leader explained,
"We don’t have a lot of meetings, but we have a lot of conversations. It’s not like everything has to be written in a memo format."

Establishing communication processes—similar to determining governance structures—was particularly challenging for complex alliances. One partner explained the difficulty of coordinating information when multiple partners were involved: “A challenge over the last year has been communication between the school administrator, the partner, the school’s governing council, the construction team, and the finance team. We were looking for the best structure.” Another partner echoed, “Often, the left hand doesn’t know what the right hand is doing.”

Leaders in our study population worked to improve information flow by promoting open dialogue among stakeholders throughout the alliance. Leaders from 13 of the alliances cited open communication as a key success factor. One leader of a partner organization explained, “The key is to have day-to-day people actively involved. . . . People working together everyday have to have honest conversations.” In another example, a school leader noted of her alliance, “We have a very open organization. . . . It’s not a very hierarchical set-up at all. . . . It’s an open door policy which is good because we can give feedback directly to the people who can actually do something to change the situation.”

In several instances (n = 6), partners decided to share members on their respective boards to enhance information flow and keep all stakeholders informed about the work of the alliance. One partner explained that overlapping board membership “keeps governance smooth.” Another leader in this alliance described one particular shared board member as “a wonderful communicator. . . . He’s on both boards so he is able to foresee if there will be any issues and talk through it.” In another alliance, one partner attributed the positive information flow to overlapping committee members. The alliance had a complex governance structure—several councils and committees with numerous meetings. In this alliance, the overlapping members were described as “reconciling forces” that eased the complexity of communication between partners.

Leadership. Consistent with Smith and Wohlstetter (2001), three leadership roles were typically present in successful alliances. First, 12 of the alliances in the study population had an architect who dealt largely with the day-to-day management of the alliance. One school leader explained her role: “I’m the school principal. My role is making sure the partnership is working and smoothing out the bumps.” Another architect explained her role as being responsible for planning the partnership and facilitating the work of all stakeholders involved. Other architects in alliances were described as the ones who “carried the ball” or as the “nuts and bolts” leaders.

The alliances we studied also tended to have an information broker (n = 19). The broker monitored information flow within the partnership, created ways to enhance information distribution, and ensured that relevant information found its way to appropriate individuals and work teams. For example, in one strategic alliance, the university partner appointed a part-time liaison to work specifically with the charter school. The liaison was responsible for ensuring that all stakeholders—school personnel, students, and faculty—were connected via the Internet.
and had the information necessary to participate. According to one stakeholder, “They designed it to make her a one-stop so they don’t have to go to multiple people. It’s important in such a large organization to have a one-stop person.”

Finally, a boundary spanner, evident in nearly every alliance (n = 20), linked the strategic alliance with the external environment. The boundary spanners buffered their alliances by dealing with outside constituents, shielding the alliance from external “noise” in the policy environment, and by monitoring change in the external environment (e.g., new policies, regulations). These leaders also scanned the environment for new opportunities, funding sources, technologies, and innovations that would help the alliance conduct its work more effectively. For example, in an alliance between a community-based arts organization and a charter elementary school, the research and development director, whose salary was jointly paid by both organizations, was responsible for interfacing with the external grant-making agencies that funded the alliance. As noted by the school principal, this boundary spanner enabled stakeholders to focus on the internal work of the alliance by handling potential distractions from outside the alliance.

**Accountability Plans.** Establishing an accountability plan proved to be the most challenging aspect of the operations phase for a majority of the charter school alliances. Seventeen of the alliances had not established accountability plans with at least one of their partners. One leader explained, “[The alliance] is still developing so there hasn’t been an opportunity yet.” Another leader in a charter school alliance noted, “I haven’t had a chance yet since [the alliance] is only a part of my job. I am busy.” In some cases, leaders did not believe there was a need for an accountability plan because they had not perceived any particular challenges or weaknesses. During our interviews, leaders frequently said that accountability “was not an issue,” or that “there was no need” for an accountability mechanism.

Yet, we learned that the absence of an accountability plan resulted in considerable challenges. Several leaders identified problems with follow-through (n = 9) and commitment (n = 13) from partners. According to one school leader, it was difficult to “get everyone on the same page” without a formal accountability plan. He explained, “Some people don’t bring to the table what they’ve agreed to.” Consistent with past research, we learned that without an accountability plan, alliances were unable to move on to the evaluation stage. Without clear goals and mechanisms to hold stakeholders accountable, it was difficult for leaders to ascertain the extent to which their alliance was successful or identify potential areas for improvement.

Formal agreements often eased the complexity of establishing accountability plans. Agreements—contracts, leases, memorandums of understanding (MOUs)—offered partners built-in accountability mechanisms for their strategic alliances, and all twenty-two alliances in the sample had at least one formal agreement in place. When alliances were based on the provision of a specific good or service, a contract (n = 10) often detailed the terms of the relationship, including the specific responsibilities for partners. MOUs (n = 4) and leases (n = 8) similarly defined the goals
and responsibilities of partners and also often established guidelines for decision making and communication. For example, one partner leader explained, “The agreement is formal. We signed an MOU, which outlines specifically what we will give and what we expect from the school.” Likewise, a leader in another alliance noted, “Formal documents are created to capture the agreements, authority, and responsibility of each of the partners.”

As in the initiation phase, the external environment often played an important role in the operation of alliances. In some cases, stakeholders outside of the alliance—funders, the charter authorizer, the community—exerted pressure to hold the alliance accountable for meeting certain goals. With well-defined goals in place, these alliances often found it easier to establish accountability plans to guide the work of the alliance. For example, one charter school received a grant to fund the initial planning process for its alliance with a local nonprofit. As part of the grant, the alliance had specified several goals for the planning process as well as a number of anticipated outcomes. The alliance was accountable to an external agent—the grant maker—which, in turn, served as a catalyst for the development of an internal accountability mechanism.

The Processes of Evaluating Alliances

In cases where clear accountability plans had not yet been developed, alliances often struggled to reach the evaluation stage. Without a common understanding of the goals for an alliance or a clear set of expectations for partners, it was difficult to effectively assess the true impacts of an alliance.

We learned that progress in the evaluation stage was often facilitated by agents in both the internal and external environments. Internal agents—charter school boards, governance committees, boards of trustees, boards of directors—often had a vested interest in the alliance and sought evidence that the alliance was meeting its goals. As noted earlier, external agents—grant makers, authorizers, state boards of education—also often held the alliances accountable for progress (n = 10). One leader explained, “We have to do a lot of reporting to funders. We had 10–12 different funding sources last year, so we have to evaluate our fiscal viability, which also means building in systems to improve our practice.”

When alliances did progress to the evaluation stage, we learned that they tended to engage in more informal, ad hoc evaluations rather than formal evaluations (e.g., third-party evaluations, longitudinal studies). Evaluations tended to focus on two primary areas: (1) the progress of the alliance and the extent to which it was achieving desired outcomes; and (2) areas for improvement and future directions.

Progress and Outcomes. According to the leaders from seven alliances, the content of evaluations often focused on assessing the charter school’s progress toward specific goals such as raising student achievement, decreasing the dropout rate, or increasing participation in extracurricular programs such as tutoring, field trips, or athletics. For example, one leader from a charter high school focused on the arts noted that their alliance had “succeeded instructionally [with] 90% of students going on
to higher education, [and] many taking highly regarded performing arts jobs upon graduation.” A leader of an organization that organized a mentor program for a charter elementary school gauged success by examining the students’ participation rates: “Attendance is always up on ‘reading buddies’ days. It’s good for kids to know that someone is coming in to see them each week.”

Other evaluations focused on the progress of the alliances themselves. For example, one leader explained they measured success informally: “We’re making the community aware of the school. . . . Also, students come back after graduating to volunteer. If clients come back to help you, I don’t think you can get a better recommendation.” Similarly, another leader whose organization partnered with a charter school for arts programs, theatrical productions, receptions and art shows noted that success was evident in the fact that “the community embraced the school. The community demonstrated interest in the school returning for additional performances and would like the students to participate in additional community programs.” In contrast to these informal evaluations, a leader from a Boys and Girls Club that partnered with a charter school explained that they utilized systematic state evaluation procedures that included financial audits and performance reports to evaluate the success of the alliance.

In four cases, evaluation was focused on the alliance’s impact on community revitalization. One partner leader, from a construction union that established a charter school in an impoverished urban area, measured the school-industry alliance’s success by the wider benefit to the community. He noted, “The old building where the school is now had been unoccupied for 10 years, but now that the school’s here, it’s been a catalyst for community revitalization: There are a lot of old, decrepit, unused buildings being torn down in the area and new, functional ones put in their place.”

Areas for Improvement and Future Directions. Leaders also reported using evaluations to improve their alliances. For example, in an alliance between an Americorp branch and a charter school, the Americorp leader reported that evaluation occurred on several levels with a range of stakeholders: Students gave feedback regarding the help received and their perception of the program; teachers provided feedback on what appeared to effect student achievement and identified potential improvements; parents were asked about their perceptions of the program; and a curriculum specialist conducted a program-wide evaluation to assess whether they were meeting their goals. These evaluations helped shape the professional development that Americorp offered to the school.

Evaluations were often used to refine alliances in an effort to better meet goals (n = 14). Building on the concept of a “feedback loop” discussed in the literature review, our findings highlighted the iterative and fluid nature of alliances. In six alliances, leaders discussed revisiting the operations stage to redefine governance structures and mechanisms. One leader spoke about plans to develop an effective organizational chart to guide the work of stakeholders. In this complex alliance that included partners from a social service provider and an education management organization, they “need[ed] mechanisms for structuring what need[ed] to be done
and ways for integrating programs.” Leaders from eight alliances reported the goal of improving communication processes or in developing clearer goals and expectations for the partnership. One leader noted that they were revisiting the operations stage to better define the role they should be playing in management of the charter school and how they could communicate more effectively.

Evaluations were also used to set new goals and determine the future direction of the alliance. Commonly, partners sought to expand services and programs they provided (n = 13). One charter school leader explained, “We’ve just started to scratch the surface. We needed to take care of the essentials first. Now we can look to new opportunities.” A leader of an organization that provided a sports program to a charter school explained, “I’ve got a saying that goes, ‘Will you make excuses or progress?’ I’d like to see the kids with more tools in their kit to deal with the challenge of moving forward.” He hoped to expand the program to weekends and after school and to employ some of the charter school students as work-study students to encourage them to enter the applied health profession.

While some alliances sought to expand services, other leaders (n = 7) aimed to deepen partners’ involvement or add additional partners (n = 8). For example, one leader reported that after evaluating the progress of their alliance, they hoped to develop more meaningful relationships, include more time for planning, build financial and material support, and increase the number of volunteers at the charter school. Other leaders hoped to strengthen their alliances in order to “institutionalize” their model. One leader was examining how to deepen his organization’s relationship with a charter school by working cooperatively and more often with the school, rather than remaining simply a provider of funds.

As suggested in the literature review, alliances are not static phenomenon; they change depending on partners’ needs. In 13 of the alliances, outside organizations played an important role when a charter school was first established, and then decreased their involvement. For example, a leader described the decreased involvement in their alliance with a charter elementary school: “We played a big role in the beginning in getting philanthropic and community support, so that infrastructure is now in place. Now, we’re in a different role—the school manages more themselves.” One alliance leader reported that the time spent counseling students at their partner charter school had decreased because “the need is less now.” Similarly, a charter school that had had an alliance with the local YMCA for access to a pool and a gym facility renovated their own building and no longer needed the YMCA facilities, so the alliance was terminated. In another case, a charter school leader said that at one time they had nearly 55 partnerships with various community-based organizations to offer service-learning opportunities for students. As an alliance with a particular organization deepened, they terminated many of their smaller alliances.

**Conclusion**

This article offers a model of strategic alliance evolution based on past research findings and our own current research on alliances in education. As suggested by prior studies, we found that strategic alliances progress through a series of phases
and are influenced by a variety of internal conditions as they evolve. Our model of alliance evolution, while synthesizing and supporting prior research, also adds to the knowledge base on alliance development by suggesting the importance of factors in the external environment that influence the development of alliances. During the initiation phase, catalysts in the external environment tended to motivate leaders to seek alliances to meet financial or political needs. In subsequent phases, agents in the external environment—funders, constituents, authorizers—often encouraged the development of accountability mechanisms and evaluation plans by holding alliances accountable for meeting certain goals. Additionally, turbulence in the external environment sometimes forced alliances to return to previous stages to solve new problems or change directions.

As mentioned earlier, the purposive sampling technique employed in this study limits generalizability to theoretical propositions rather than conclusions about cause and effect that can be applied to entire populations. Also, the unique policy context in which charter schools are situated, while providing a rich sample of alliances to study, may impede generalizability to alliances in traditional school settings or in other policy domains. As noted in the methods section, charter school legislation in many states allows alliances that may be restricted in traditional public schools. For example, for-profit and faith-based organizations are allowed to play a role in the establishment and operation of charter schools in some states. While permitting certain types of alliances, legislation in ten states also requires the formation of alliances in order for a charter petition to be accepted. Although mandatory alliances (e.g., between public health and social service providers) exist in some policy arenas, they are by no means the status quo. We suspect that strategic alliances also exist in other policy domains where—and to the extent that—“charter-like” issues of resource scarcity, political vulnerability, and lack of organizational capacity also exist, but the operational structures and processes found in voluntary alliances may differ to those found in mandatory alliances. Studies of these different types of alliances are warranted to strengthen generalizability of the model we offer.

It is also important to note that our work captures a picture of alliances at only one point in time. Longitudinal research tracking the progress of alliances throughout the three phases is necessary to test and confirm the utility of the model of alliance development that we propose to better understand the evolution of strategic alliances. For example, a longitudinal study might assess whether alliances that were currently operating under informal agreements became formalized over time as well as whether the challenges leaders attributed to the informal nature of their alliances were remedied with the introduction of accountability mechanisms and more formal evaluation systems.

Finally, although we discussed several factors that seem to facilitate alliance development (e.g., leadership, accountability, and communication mechanisms), we know less about how alliances survive internal turbulence such as leadership transitions and changes in funding. Additional research on mature alliances is necessary to ascertain the factors and conditions that facilitate and hinder their sustainability. The model of alliance evolution we present here offers a solid foundation from which to launch such research.
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Notes

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1. See, for example, Alexander, 1995; Austin, 2000; Bardach, 1998; Coe, 1988; Cohen, 2001; Das and Teng, 1998; Kanterm, 1994; Kohm, Piana, and Gowdy, 2000; Lawler, Mohrman, and Ledford, 1995; Mandell, 1999; Oliver, 1990; Robertson, 1998; Waddock, 1989; Waide, 1999.

2. The three phases are consistent with Waddock’s (1989) work which suggests that alliances progress through three stages of development: initiation, establishment, and maturity.

3. All numbers report instances in which a phenomenon was mentioned. However, as interviews were conducted using open-ended questions, the numbers reported should not be seen as authoritative. Rather, they represent general trends. For example, the two sites that did not mention the existence of a champion may have had one that they did not report. Findings are therefore useful when viewed as evidence of the existence of certain characteristics, not evidence of their absence.

4. For more on the importance of trust in schools, specifically, see Bryk and Schneider (2002) who suggest trust among stakeholders in an educational community is a prerequisite to school improvement.

5. An authorizer is an agency that authorizes and oversees charter schools. Examples of charter school authorizers include local school boards and districts, state boards and departments of education, universities and colleges, and municipal bodies.

References


Appendix A: Preliminary Interview with Charter School Leader

Interview Questions

1. Based on the information we have, you have partnered with [insert name(s) of partner organizations]. Is this accurate? And, the school has been open for [insert #] years? How long have the partnerships been in place?

2. Tell me more about your partnerships. What is the scope and type of contributions from other organizations? What services and/or resources are given, and what are received?

3. How did your partnerships get started? Who first initiated the partnerships? What responsibilities does this person have now?

4. Who are the other leaders in the partnerships that you suggest we speak with if we come for a site visit?

Appendix B: Site-Visit Interview

Interview Questions

Background

1A. How long have you worked for this school/organization?

B. What did you do before this? [Probes: experience with for-profit, nonprofit, public sector; educational background]

2A. Who helped get the partnership started?

B. What is your current role with the partnership?

Motivations and Preconditions

3. What motivated you and/or your school/organization to form a partnership? [Probes: economic, political, organizational motivations]

4. What made you decide to work with this specific organization/school? What facilitated working together? In what ways were your organizations a good match? [Probes: willingness, capacity, ability, shared understanding, champion]

Operations

5. Is the agreement between your organizations formal or informal? What resources are given and what services are received?

6. Who do you see as the leaders of the partnership? How would you describe their roles? How do they demonstrate their leadership? [Probes: architect—designing structures to ensure participation; boundary spanner—liaison with the external environment; information broker—managing information in the partnership]

7A. How are decisions made within the partnership? Tell me about a recent decision. Who was involved in the decision making process? How was the decision reached? Who had the final say?
B. How is power structured or distributed within the partnership? [Probes: governance structure, overlapping board membership, co-directors]

8A. What kinds of communication channels are used to internally distribute information? Whose responsibility is this? [Probes: informal vs. formal; modes of dissemination—meetings, memos, emails; frequency—daily, weekly, biweekly, bimonthly]

B. What kinds of information are shared among partners? [Probes: performance data, information about new ideas]

9A. What kinds of communication channels are used to share information with outside groups, such as the media, funders, and the community? Whose responsibility is this? [Probes: modes of dissemination—meetings, memos, emails AND frequency—daily, weekly, biweekly, bimonthly]

B. What kinds of information are shared with outside organizations? [Probes: performance data]

C. What kinds of information are brought into the partnership from external sources? Whose responsibility is this? [Probes: training opportunities, new regulations, sources of funding, potential partners]

10. Has there been any training that you and your partners have received together? Can you give some examples? [Probes: group-process skills (team-building), functional areas (budgeting, hiring), curriculum and instruction]

11. What do you get out of participating in the partnership? What kinds of rewards do you personally receive? [Probes: intrinsic and/or extrinsic (recognition, monetary)]

12. How is the performance of the partnership evaluated? Whose responsibility is this?

13. How are you and your school/organization held responsible for your performance in the partnership? What about members of the school/organization? Are there consequences for poor performance?

Impacts
14A. To what extent do you consider this partnership successful? Are you meeting your goals?

B. What factors do you think have contributed to the partnership’s success?

15. What kinds of challenges has the partnership faced?

16A. How has the partnership evolved over time? [Probe: new partners, increased collaboration, training, new contributions]

B. How do you see the partnership developing in the next few years? [Probe: areas for improvement, future directions, growth]

17A. Have there been any negative consequences to being involved in the partnership? [Probes: loss of autonomy, capacity drain, time costs]

B. What key benefits have resulted from this collaboration? Where do you think the charter school would be without the partnership?