Networks and alliances: French business schools' answer to mergers and acquisitions?

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Abstract

This article examines four French medium sized business schools in the Grandes Ecoles sector of education and which are faced with the problems of lack of resources in an ever increasing context of globalisation and competition and what they are trying to do order to survive in the 21st century.

Due to their legal status of being semi public organisations it is difficult for them to gain a competitive advantage by imitating the corporate world through a series of mergers and acquisitions and thus they must find other means to attain sustainability.

Through a series of case studies, the paper looks at the different types of alliances and networks at an international level in four different schools and examines their contribution to the institution as a whole. By examining these alliances the paper concludes that, a networks and alliances models has been developed and contributes significantly both to the international aspect of the institution its resources which, in turn.

Key words Alliances, Networks, Resources, Internationalisation, Business Schools

Introduction

This paper examines the hypothesis that by belonging to global alliances and networks, business schools contribute both to their international activities and gain significant resources that create value.

The theoretical underpinning is drawn from three areas. Firstly from work on internationalisation of institutions of higher education, secondly from work that has been done in the corporate world on alliances and networks and thirdly on how resources contribute to providing value to the end product.

The study, whilst having a limited data to analyse, does however provide evidence that networks play an important part in obtaining resources and internationalisation which and lays the groundwork for further research in this area in order to examine in more detail the role and behaviour of networking, and resources in the education sector. It also brings together research in three different areas (internationalisation, networking and resources) and applies them to the world of education to reveal some interesting conclusions concerning their efficiency and productivity.

Literature Review

Internationalisation has many facets and definitions and there is no real agreement today as to what internationalisation actually is (De Witt 2002). An institution can be said to be international for several reasons, if, for example its curriculum has an international content or it has students from many different countries (Elkin, 2005). Recently, we have seen the development of Offshore programs (Mazzarol, 2007), branch campuses overseas and collaborative programs (Hammond 2009), which again add to the internationalization of institutes of higher education. Indeed, Franchising programs in foreign countries has long been considered an international activity (Maringe, 2009) of which we have seen a growing interest amongst the European universities.

For the purposes of this paper, we shall take the general definition of internationalisation as the ways in which institutions convey the ideas of a global environment to students in order to prepare them for an international career. This broad definition encompasses the aforementioned activities.

Today there are an abundance of companies, which have left behind the emphasis on unified ownership in favour of alliances. With the growing globalisation of business such alliances are becoming more and more international in scope. Thus, the trend towards international alliances which was already well observed in the 1980's (Hergett and Morris, 1988) and continued to accelerate throughout the 1990's and beyond (Knecht, 1994, Anderson Consulting 1999) is still as popular in the 21st century.

The main reason for the corporate world to work with networks and alliances is fairly straight forward and there is general agreement on the rationale for this. Firstly, the very idea of globalisation and the 'global village' are putting pressure on the corporate world to create alliances and networks in order to be present in many parts of the world. An alliance enables "companies to keep pace with the international standardisation of the market and widen the range of products and services by adapting them to the particularities of the local market, local advertising for a global product is a clear example of this.

Secondly the pace of change demands that companies join forces so that they may develop their technologies they require to keep up or market their products internationally. Dussauge and Garrette (2003) have clearly stated that Alliances:

"..have become an essential component in the strategies implemented by most global companies."

Thirdly, the shortened life cycles of products and services increase the problem even further. One prime example is the motor industry where the scale of resources is so great for one single manufacturer to keep up with technological change. It was for this reason that Renault, Peugeot and Volvo combined to produce a new V6 engine.

Another reason for network development is the disenchantment with mergers and acquisitions. According to some studies, 80% of the time the corporate world has been seen to have ruined shareholder value by either paying too much in the first place or not being able to comprehend and integrate different cultures with success (Jokisalmi 2000). The very idea of an alliance avoids these problems since as it will be seen further by proceeding gradually and are focused on one main area of the company rather than the company as a whole. This, in turn, suggests that they are less affected by cultural differences.

So, an alliance can be seen as an agreement between two entities to carry out business together in a way that go beyond normal company to company dealings but falls short of a complete merger (Wheelen and Hunger 2000).

Therefore it is clear that the reasons for forming alliances are numerous and can reach into all areas of business. The question in this research is now what can business education gain anything in entering alliances and networks on an international scale?

Literature has begun to proliferate on alliances between universities and commercial institutions. Higher education has gained momentum as a result of globalisation (Saffu and Mamman, 1999) and the challenges that have been brought about by globalisation. Companies also need to explain and forecast development, so they call upon institutions of higher education in order to deal with complex business and management problems.

Joint research programmes have been developed between business corporations and universities with the intent of financing joint research programmes in exchange for opinions on the results of the research outcomes that may solve problems encountered by the commercial entity (Wheelen, Hunger, 2000). Massachusettes Institute of Technology has programme alliances with a number of companies such as the Ford motor company which helps develop stability and deep relationships. Through these types of alliances Companies such as Ford can gain knowledge and contextual understanding to develop a competitive advantage over other companies (Elmuti 2005).

Business schools themselves are or can be considered as commercial entities, in the sense they must please their stakeholders and have budgets to manage and thus in order to achieve their objectives in an ever increasingly competitive world they too should enter the field of alliances and networks. Added to this, they must internationalise themselves as a response to the corporate world's globalisation and produce global citizens (Altbach, 2006). Ryan (2005) rightly points out that there is little research done from the point of view of the university and the fact that educational institutions are entering an alliance mode in response to globalisation. Five patterns of internationalisation can be observed today where educational networks are a strong element - (Sharma 1996), these are, joint ventures, diversification of staff, diversification of students, faculty exchanges, and finally mutli-disciplinary projects – all of which require some sort of partnership or inter action on an international level. Sharma continues by stating that business organisations have used networks in the past and that this pattern has the greatest potential to succeed in the future for all types of organisations including educational institutions.

Ayoubi (2006) has suggested that international activities have been increasing through international partnerships and networks. Smart (1998) and Mazzarol (2003) talk of waves of internationalisation, where one wave of internationalisation is where institutions move forward into the export channel through alliances or twinning (Smart 1998). During the

nineties more attention was paid to networking in education (de Wit 2002) for research, curriculum development and delivery.
Barb (2005) states that:

"..the solutions of surviving in this space [borderless education] are increasingly in partnerships and alliances"

One question that remains to be answered in detail is then in what way are alliances and networks useful to the educational institution? What exactly are the advantages and resources do they bring stakeholders?

The theoretical underpinning of alliance research can be closely linked to that of the resource based view (RBV) which puts forward the idea that in order to develop sustainable competition and superior performance, the resources and capabilities available to the organisation are central to this issue. The best resources are those that allow superior value to be offered to customers (Barney 1991) and (Slater 1997). According to Fahy (2000) a resource must be valuable or enable the creation of value for it to be a potential source of a competitive advantage.

This view has emerged as a very popular theory for companies and competitive advantage and was put forward firstly by Wernerfelt (1984). Since then much literature has proliferated on the subject from both an economic point of view and a management point of view (Fahy 2000).

According to Grant (1991) there are six types of resources that any organisation needs in order to function correctly:

Financial
Physical
Human
Technological
Reputational
Organisational

These typologies are then taken up further by Fahy (2000) by stating that they are closely linked to the sustainable competitive advantage (SCA) of the firm, where a competitive advantage is a concept or a product that one company possesses over a competitor or group of competitors in a given market (Kay 1993). Such advantages may be a superior production line, lower salaries, or even customer service, but in each case it is seen to have a sense of superior value. It is therefore necessary for the firm to earn above average returns due to the possession of certain key resources which have the characteristics of value, appropriability and the impossibility to be imitated or duplicated by the competitor (Barney 1991).

Networking and the Resource Based View

There is therefore, an argument for strategic alliances to be used when they bring together complimentary skills or resources of partners which enable them to achieve a competitive advantage by product differentiation and the lowering of costs. Each partner will concentrate on parts of the value chain where he is the most competent thus highlighting strengths and reducing weaknesses. (Hamel and Doz 1998). Romano and Vinelli (2001) argue that organised and well managed networks sustain inter firm collaboration and may contribute to the competitive of the network members and can enhance the companies' capabilities by gaining access to other companies' resources to gain a competitive advantage (Kanter 1989).

Networking, to gain resources is not confined to large multinational companies, it also involves SMEs (Blankenburg 1995) and also involves all industries within the manufacturing, retailing and services (Christopher, 1992) and therefore includes the education service sector.

Resources and networking are therefore a key issue when examining organisations in the educational sector in this day and age for at least two reasons:

- Escalations in budgetary cuts
- Increasing costs

Education organisations are constantly under threat of diminishing budgets (Ulhoi 2005) and thus resources are diminishing and managers need to focus on the bottom line (Barb 2005).

Closely linked to this idea of cuts is the idea that there are increasing costs such as the increased focus on internationalisation (Van de Wende 2000) or in the particular case of the Grandes Ecoles in France the increasing costs that the obligation to carry out academic research by the national accreditation body in order to gain national recognition.

The Case of medium sized business and management schools in France and the rationale for alliances

When it come to dealing with business schools in France and internationalisation which, by definition implies a change, the French are perhaps not as open or tolerant to as many other cultures and there can be a number of issues raised. Indeed, When an institution works in a specific field they are compelled to adopt the behaviour that is generally accepted within that field.(Di Maggio et Powell, 1999), which may in turn reduce the ability to change and evolve especially when globalisation in concerned.

This conclusion therefore, when applied to French society can be a real drawback and especially when there is a desire to preserve a system that has in the past worked and been perfectly adapted to the French ideal of producing their élite and where this elite must be autocratic, demanding and hard on subordinates (Hall 1989) with a strong hierarchical structure that will avoid uncertainty. (Hofstede 1980).

In the light of these arguments it is therefore not easy for the 'Grandes Ecoles' to put forward a strategy of internationalisation, which, if we take into consideration that globalisation is increasing and that the French business schools are like other business schools throughout the world, are required to train students to respond to the need of the corporate world they have no option, but to internationalise their organisations.

The development of business activities beyond national borders has made it necessary for companies of all sizes to follow international standards and practices. In the same manner, young graduates find themselves compared with their counterparts all over the world and can expect to be transferred from one country to another.

It is therefore crucial that the business and management schools harmonise their recruitment, outcomes and career pathing with those of the rest of the world so that the corporate world for which students are being prepared can recognise the skills and knowledge that has been acquired in order to evaluate whether the potential applicant can fill the needs of the company.

For these reasons, there has been more and more interest in international accrediting bodies such as AACSB (The American Assembly of Collegiate Schools of Business), EQUIS (European Quality Improvement System), to assess the worth of a particular degree or institution and to create some sort of understanding on basic concepts.

However, the requirements for obtaining accreditation, particularly those involving size and volume, are at least for the time being out of the grasp of medium-sized Business Schools in France. It is a question of critical mass, which provides the necessary human and financial backing of an institution.

Also, in a world dominated by technology, schools must be able to constantly update and improve the contents of their programmes and the quality of their teaching, which again gives a burden on the financial resources (and others) of an institution. It is essential therefore that business schools' faculty members stay informed of and contribute to the most current practices in their field, on both a national and an international scale.

It would certainly seem, therefore that one strong possibility is that medium-sized Business Schools will not be able to meet this challenge since they will face serious challenges form the larger business schools which have the critical mass to increase their outputs in research and teaching.

Even if they manage to achieve the first two strategic goals of accreditation and research, they will also have to face tough competition from other schools. This means they must identify those features which distinguish them from the others in other words create a corporate image. Once again, the lack of critical mass of these business schools makes it difficult to develop an image that will be recognised by recruiters in the long run.

Beyond these considerations, one must consider that traditional forms of growth in student numbers are reaching their limits for three main reasons:

Firstly, it is due to the demographic slowdown in developed countries. Secondly, because of state budgetary policies which limit the amount of subsidies our institutions can expect to receive. Thirdly, because of the tight grip that leading Business Schools have on the education market, through their very size and reputation which seriously limit the market share that smaller schools can expect to gain.

The analysis of these threats is therefore fairly straightforward in that it order to survive it will be necessary to seek to join forces with Business Schools which share the same concerns and ethical values, and to explore ways to face the challenges that lie ahead.

With these problems in mind, alliances and networks can solve some of the problems that are facing business schools today in obtaining resources and thus contribute to the survival of the institutions in a global context.

Methodology

The material for empirical research for this paper was gathered by using a case study method of four small schools in France which have what is known as a consular status i.e. being semi public/private entities. A total of eight interviews were conducted with the heads of schools and heads of international relations to gather information concerning the strategic and operational aspects of international activities through networking and alliances. This was then further supplemented by site visits of all four schools to collect data and to verify the research by triangulation. During these site visits analysis of existing published and un-published written material from brochures, internal memos web sites completed the research in order to have as much information as possible from different sources.

Once the data was gathered, the information was then analysed to see if there were patterns emerging to produce typologies of networks and also to look at the type of resources obtained.

Results

All four institutions studied for this paper belong to several forms of networks or alliances whether it be on a national or international level. However, the research indicated that there was no strategy to enter into any merger or acquisition for three main reasons.

Firstly, three of the four institutions are run by the local Chamber of Commerce which are public institutions which report to the Ministry of Industry, so it would be quite difficult for a government organisation to be part of a merger or acquisition. Only one institution is a privately owned entity run by an association but it does receives public money for the local Chamber of Commerce and the Director Dean is an employee of the local Chamber of Commerce.

Secondly, all of institutions award national degrees conferred by the National Ministry of French Education. Hence, it would be easy to argue that the French Education Ministry would not easily give authorisation to a foreign entity to award a national degree if ever a merger should take place.

Thirdly, the governing institutions, that is to say the Chambers of Commerce are political institutions and run by counsellors who are elected by the business community and who are business people themselves of the constituency. It would seem unlikely then, that this elected body would want to give up the power to another body due to a merger from another institution especially as we are dealing with local institutions which are greatly active in the local economic and business environment.

The idea of alliances and networks therefore would seem quite attractive and a perfect substitute to a full merger or acquisition in order to develop and sustain growth in today's competitive education, as they do not require full takeovers of institutions and the power is still kept in the hands of local chambers of commerce.

Analysis of the different networks of the four institutions

Within the four institutions, definite patterned emerged concerning the typologies of networks and it was observed that these typologies followed the three typologies of mergers that were set down by Napier (1989) extension Mergers, collaborative Mergers and redesign Mergers.

In extension mergers there is no real or minimal change to the acquired party and the day to day running continues just as in pre merger times. In Collaborative mergers the organisations blend to form a new corporate culture. This can take place in a synergistic way, when both organisations make compromises or when exchanging or transferring technology or something else between the organisations. Redesign mergers mean that the other organisation widely adopts the other organisations' policies and practices.

Within the framework of the research for this paper thirteen alliances were observed and two types (extension and collaborative) of alliances were identified as having the characteristics of the merger and acquisition typologies identified by Napier. The third typology (i.e. redesign) was indeed detected, but came in an indirect way to alliances and networking as will be explained later. Three examples of extension networks were observed in the institutions and they were the oldest form of network that existed.

Firstly, Network 1(see table 1) in which two of the schools in this research participate. In total, eight schools participate within this alliance to promote courses in international business. The prime aim is to provide the students of each institution with two years study out of four in a foreign country and two degrees, one from the home institution and one from the final destination of the student.

Network 2 brings together a total of eight partners – four from Europe and four from the United States of America where an exchange student system has worked since 1995.

Network 3, is a network of both European and North American business schools, created in 1999 following a three year project based on importing and exporting between the two continents.

The second type of network is the collaborative network where individual institutions form a new type of culture. Several of these networks were discovered in the institutions and in many of the cases the new culture that was developed became an autonomous and marginal entity of each institution leaving a major part of the institution completely untouched at least at the outset. Such changes in corporate culture were observed on a structural and content level of programmes. Firstly, on a structural level a modular system of academic subjects of equal length (between 36 and 40 hours), and regular weekly timetables were introduced.

Network 4 was set up in 1997, in response to companies needs for international young graduates to work in an international context. Like other programmes the programme incorporated a double degree, one from the home institution and the other from a foreign institution.

Network 6 was created in 1999. The basic concept of this network is student exchanges in four different countries, France, Spain, Germany and the United Kingdom with a view of obtaining a foreign diploma after spending one complete academic year in the chosen foreign country.

Network 7 has been operating in school A since 2000 and is based on the same principles as the other bachelor networks cited above.

Network 8 is not a competed project and was initiated by the Chambers of Commerce on which five schools depended for their finances. The project was initiated in 2002 and remains within the national boundaries. However, by April of the same year the schools realised that it would be necessary to set up a group to explore the possibilities of cross border cooperation in resource sharing.

Network 9 was created under the European Master guidelines set out by the Erasmus Socrates agency in Brussels. The programme was of a two year duration to Master's level with the theme of entrepreneurship and regroups 5 partners from four countries.

Network 10 is based on a network of relationships between three academic institutions from three different continents, America Australia and Europe and to establish a common degree for all partners in business and management, sharing staff and also sharing the network of graduates.

Network 11 is composed of one French business school and partners from the United Kingdom, Finland and Spain from Europe and Four partners from the American continent. The alliance obtained funding for a three year period from both the European commission and FIPSE (the Foundation for the Improvement of Post secondary Education) in the United States in order to promote cross cultural skills in management studies.

The Redesign Model was indeed present but through a network (network 12 and 13) which was completely unlike the two other types of networks. As stated above a redesign typology occurs where one institution widely adopts the other organisation's policies and practices. During the research, influences were seen to be having an effect on the institution but not through formal alliances but through international bodies and the need to become more and more transparent to the outside world. By belonging to and respecting the Socrates Erasmus organisation the four institutions have taken on the ECTS system for the transfer of credits and evaluating the yearly workload. Other influences include the standardisation and introduction of a modular system, curriculum development which radically changes the teaching content to respect an international context.

It is however important to note that the third type is quite difficult to realise for structural reasons due to the type of public organisations that the institutions belong to. Evidence suggests that the participating organisations can move to this sort of alliance but only outside of the structures at first as suggested in the three continents alliance and the involvement in Asia. The collaborative alliance seems to be more and more current in practice where there is a blending of cultures for certain aspects and areas of each institution.

If we start from the hypothesis that alliance and networks provide a benefit for the organisation and that the benefit that alliance and networks can bring to an institution is on the level of resources it is necessary to analyse even further:

- To which of the six resources do they contribute?
- Does the type of the network have an impact on the type of resources according to Grant (1991)?

If we return to Grant's theory that there are six basic typologies of resources in the corporate world it is possible to identify at least four of the resources to which networks and alliances contribute.

Finance is an important resource for all types of organisations, and especially within the education sector setting up alliances and networks costs money rather than bringing it in, since staff spent time on projects and this time has to be paid for in the form of a salary. Network 2 provided over 200 000 euros for the members and Network 5 has brought in 250 000 euros for the eight schools over a period of three years. Although when divided among the members the sum may seem insignificant in the overall budget of the institution it does provide enough for travelling expenses and co-ordination meetings. However, being a part of a network in the long run may also bring in indirect financing through applications to national and international bodies (Socrates Erasmus for example). Students may also be attracted to a certain organisation and thus pay fees due to a particular thematic network.

The human resource element is perhaps easier to evaluate since it is possible to measure the movement of human beings within a given network. Five of the networks quoted in the table have contributed to the human resources of the French business schools. During the academic year 2008/2009 for example, 14 academic staff contributed to the teaching in the host organisations in France for a short duration (one week). Thus, networks and alliances can be seen to go some way to solving one problem set out by Kwok (1994) concerning the difficulty of internationalising academic staff.

Alliances and networks have contributed to organisational resources in the sense that structural measure have had to be taken in the curriculum to mention but one aspect of the school. The modularisation of subjects, for example, has encouraged and simplified exchanges and methods of evaluation.

Although reputation is not specified in the value chain model (Bretherton 2005) it is the result of sales and marketing and the networks can be used to bring about a good reputation or name such as membership of an international accreditation body whether it is national like the Sup de Co label or international such as AACSB or EFMD.

For the education sector we can consider that the technological resource is the knowledge brought by foreign staff (teaching) and the production on research. Such is the case of collaborative networks. Networks have brought together academic staff who is working together on research projects in the field of knowledge management and creativity in the corporate world, and it is hoped that design will soon become a major part of this network. Network 9 has brought together academic staff in the area of entrepreneurship and thus creating exchanges in knowledge in this field.

To date at time of writing this thesis all networks are still continuing and can be considered as successful. If we look at Grange (2002) and Nickels (2005) work concerning

the typologies of networks and alliances it can be noted that alliances must have certain characteristics such as:
a) Uniting in the same business
b) Transferring of services
c) Sharing investments in a particular area or project
d) Providing complementary services

The research has revealed that the alliances and networks of the extension and collaborative typology do all of the above.

Table 2 (see appendix 2) demonstrates that the networks and alliances which operate within the four organisations in this study belong to all four typologies making them very efficient networks indeed. Thus, the organisations of business education have gone further than the corporate world by integrating all four aspects of alliances described by Nickels (2005).

Since all of the institutions are business and management institutions they are by definition united through their specific field of management education. They all transfer services to each other some by transferring academic staff, teaching students and academic awards, such activities can be seen in Networks 2 3 and 4. All of the institutions within the networks are complementary in the sense that they are in different countries and provide intercultural activities which is a necessary element in today's corporate world. Different working, learning and teaching habits can be observed in alliances such as networks 1, 9 and. They are all working on specific projects either at graduate or undergraduate level Network 4 and 6 work on specific undergraduate programmes in international management. The redesign network may be viewed in a slightly different manner since this is an external network to which an institution belongs where it is possible to find suitable partners to build networks for the internal use of each institution. The four typologies of alliances can nevertheless be found here since they provide the opportunity for exchanges and networking with different institutions around the world.

Therefore, a key to the success of networks and alliances is that they must fulfil a role that will provide value to all partners. Obviously, the more the value , the longer the alliance will survive.

Conclusions

From the above study, the evidence suggests that networks and alliances are an important way of internationalising business education institutions especially in the smaller category of schools in France. They provide an important channel to obtain the necessary resources which they need in order to obtain sustainability.

The models of networking and alliances are copying, to a certain extent, the models of mergers and acquisitions in the sense they are based on the three models of extension, collaborative and redesign mergers proposed by Napier (1989) but they have developed differently to models of alliances and networks in the corporate world since each individual network has been developed to take on more than just one typology that has been described in recent literature. It is possible to see within the academic world, networks and alliances which have the characteristics of all four types of the corporate world networks.

On a chronological level, it would appear that collaboration alliances are becoming more and more present in the everyday life of the institution. This is, however, not to say that extension networks are becoming less popular. As an institution becomes more involved in international activities, it is able to follow more complex activities which will affect the day to day running of activities. Such is the case of the creation of new programmes like the

undergraduate programmes where a foreign partner gives its degree to students who only spent one academic year at the institution. There is a necessity therefore for the sending institution to harmonise the programme and curriculum and thus take on a part of the partners' culture if it wants to be efficient in providing successful graduates to the international job market.

Thus, it can be suggested that networks and alliances are part of a phase model where the first step in alliances is usually the extension typology followed, but not totally replaced by collaborative models. The redesign alliance however cannot be considered as phase three of the chain since it happens and has been happening for many years through the influence of external forces and global demands where there is a need for some degree of harmonisation and transparency. This is especially apparent in the adoption of structural changes to curriculum and programmes where exchanges take place. Standards of measurement must be set up, for example, in order to evaluate work load of exchange students.

The very definition of a network or alliance suggests a partnership where sharing and osmosis are important factors. The fact that one institution takes on the other institution's corporate culture would indeed suggest a complete take over and so the very notion of an alliance would no longer exist. The fact that there is so much evidence of alliance and networking in the educational institutions give rise to the assumption that that there is a need for these activities to develop the institution for all stakeholders concerned. This is particularly important for quality assurance and reaching international academic standards.

Today quality assurance of education is receiving more and more attention both on a national and international level. As De Wit (2002 p 167) rightly point out:
"The international dimension of higher education can make the best contribution to enhancing quality in higher education if it is itself of high quality."

It is also important for educational institutions to reach international academic standards set by such bodies as the AACSB and the EFMD for the EQUIS accreditation process to name but two of such bodies. Meeting international academic standards is a way for institutions of higher education to match other institutions and to receive recognition in a global sense and thus not be excluded from the group. This, of course, is an important factor in recruiting both staff (academic and administrative) and students. Alliances and networks are therefore, key ways of achieving these goals of sustainability and survival.

The networks and alliances are constantly maturing and evolving in their identity, moving from the simple extension phase where exchanges were the main activity, moving towards more complex entities to include more activities such as joint degrees and research which, can, in turn, bring in more fee paying students and thus contribute to the resources of the institution.

Two other factors are important when looking at the contribution of networks to the organisations is that, firstly, it would appear that the network seeking institution needs a minimum amount of one resource or capabilities to attract more of the same resource. The case of research is one example in the sense that in order to produce more research between staff the institution needs a certain amount of research with which to begin.

Secondly, the size of the individual organisations within a network does not appear important for the network to function properly. In all cases in this study the French organisations were always the smallest organisations and worked with foreign institutions much larger than themselves in terms of aspects such as student and staff population, research and funding.

From the research carried out there would appear to be a clear three tier model on internationalisation and the use of networks.

Phase one is where the institution identifies an need to internationalize itself and this can be done by the setting up of networks

Phase two is the setting up of networks to achieve this goal. Here it is interesting to note that the typology of networks corresponds greatly to the typology of mergers in the corporate world (extended, collaborative or redesign models). However, it is on the level of Nichols (2005) definition of networks where their behaviour differs to that of the corporate world since the four typologies (merger, integrated, projet and complimentary) behave in such a way that they become one type network fulfilling all four roles at once. In order to see if this is a general rule of the behaviour of networking on an international scale within institutions of higher education further research is necessary, if however, this is not the case, it would be highly recommended that future networks to be put into place should be encouraged to follow the same behaviour in order to obtain maximum benefits.

The third phase describes the outcomes of international networks where in all cases, when setting up international networks to obtain international activities there are added benefits and important contributions to the resources of the institution.
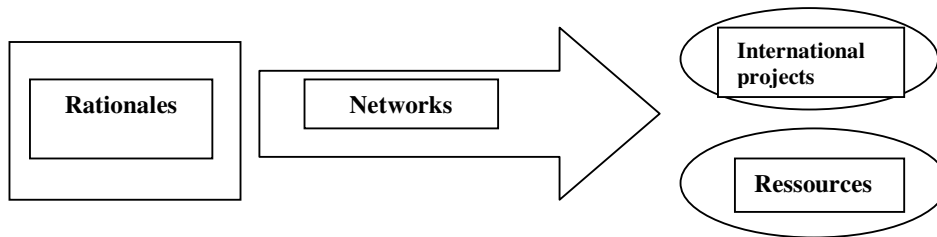
It is therefore essential to remember that when setting up international activities through networking they bring in other resources that are not necessarily directly linked to internationalization that the institution can use to its benefit to create value to all its stakeholders.

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Appendix 1
TABLE 1: Contribution of Alliances to the Institution

	Int. subject	Internat. careers Preparing	Foreign Languages	Joint Degrees	Student Exchanges	Foreign students	Foreign staff	Research	Foreign Student Use	Network Type
N1 (A,D)	X	X	X		X					Ex
N2 (C)	X	X	X		X				X	Ex
N3 (C)	X	X	X		X		X		X	Ex
N4 (C)	X	X	X	X	X					Col
N5 (B)	X	X	X	X	X	X	X		X	Col
N6 (D)	X	X	X	X	X					Col
N7 (A)	X	X	X	X	X					Col
N8 (all)	X	X	X	X	X		X	X	X	Col
N9 (D)	X	X	X	X	X		X	X		Col
N10 (C) .	X	X	X	X	X		X	X	X	Col
N11 (D)	X	X	X		X		X	X	X	Col
N12 (B,C,D)								X		Red
N13 (B,C)								X		Red

Source: author's own data
For reasons of confidentiality the networks have been given a number
The schools concerned are mentioned in brackets

Appendix 2
Table 2 Typologies of Alliances

	MERGER ALLIANCES	INTEGRATION ALLIANCE	PROJECT ALLIANCE	COMPLEMENTARY ALLIANCE
N1 (A,D)	X	X	X	X
N2 (C)	X	X	X	X
N3 (C)	X	X	X	X
N4 (C)	X	X	X	X
N5 (D)	X	X	X	X
N6 (B)	X	X	X	X
N7 (A)	X	X	X	X
N8 (A,B,)	X	X	X	X
N 9 (D)	X	X	X	X
N 10.(C)	X	X	X	X
N 11 (D)	X	X	X	X
N12(A) (B,C,D)	X	X	X	X
N 13 (B,C)	X	X	X	X

Source: authors own data