

Advantages

Strategic	<ul style="list-style-type: none">• Strengthens current strategic position by<ul style="list-style-type: none">– pioneering developments into new segments– rationalizing existing segments– reducing competitive volatility
	<ul style="list-style-type: none">• Pre-empt competitors<ul style="list-style-type: none">– facilitates access to new markets and customers– supports growth in market share– strengthens negotiating position– gains access to global markets
	<ul style="list-style-type: none">• Augments strategic position<ul style="list-style-type: none">– creates and develops synergies– technology and skill transfers
Operational	<ul style="list-style-type: none">• Reduces uncertainty
	<ul style="list-style-type: none">• Shares investment and risk
	<ul style="list-style-type: none">• Process capacity sharing<ul style="list-style-type: none">– increases utilization– avoids process duplication
	<ul style="list-style-type: none">• Shares facilities in other parts of the supply chain, for example distribution channels
	<ul style="list-style-type: none">• Increases technological know-how by<ul style="list-style-type: none">– facilitating information exchange– potentially creating critical mass in areas such as research and development– broadening expertise in, for instance, engineering and IT systems
	<ul style="list-style-type: none">• Strengthens market intelligence
	<ul style="list-style-type: none">• Helps retain key staff<ul style="list-style-type: none">– increased job scope– better career opportunities