

MEDIA INFORMATION

RAPID GROWTH IN STRATEGIC ALLIANCES

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Companies prefer strategic alliances over venture capital and other funding

Rapid growth in the inter-business collaboration market has prompted the Association of Strategic Alliance Professionals (A.S.A.P.) to link with Development Capital Exchange (DCX) to assist in developing the DCX Joint Ventures and Strategic Alliance (JV/SA) market place at www.dcxworld.com. While JV's and SA's have long been recognised as a viable route to growth and expansion by major corporates, A.S.A.P. has recognised that the SME and Middle-Market companies DCX serves can also benefit from the professional accreditations and qualifications that have been developed over the past ten years by its approximately 1,000 membership worldwide. Whilst this membership is comprised mainly of major corporates such as Abbey National, Cisco Systems, Hewlett-Packard Company, [The Dow Chemicals Company](#) and others, they are interested in exploring JV and SA opportunities with SME's and Middle-Market enterprises. DCX provides the essential information medium between entrepreneurs, business executives and their advisors through which investment and collaboration opportunities can be promoted and identified.

A report by Booz Allen Hamilton, a world authority on Strategic Alliances, showed that there were more than 20,000 alliances formed worldwide at the middle-market level between 1998 and 2000 with approximately 70% containing equity. Also, a recent survey revealed that strategic alliances are very much preferred over VC, IPOs and mezzanine financing. In findings as recent as 2002 by Booz Allen Hamilton it emerged that more than 20% of revenue generated from the top 2,000 US and European companies now comes from alliances, with more predicted in the near future and that companies that are best in managing alliances are creating a string of interconnected relationships that allows them to overpower the competition.

DCX CEO David Rose said: "In the rest of the world, strategic alliances are now commonplace at the SME and Middle-Market levels, both nationally and cross-border. At DCX we have always maintained that to support and promote informal investment, or so-called 'business angel' funding in isolation in the UK has been a mistake. The fact that 70% of alliances contain equity clearly proves that investment and collaboration go hand-in-hand. By focusing exclusively on the 'business angel' aspect we

have allowed the rest of the world to leave us behind as they become ever more sophisticated in exploiting strategic alliances. The reality is that collaboration has always been as important as investment to the growing enterprise because the entrepreneur gets to keep far more of his equity through JV/SA than if he were to take in 'business angel' funding to the exclusion of all else. Strategic Alliances and other forms of collaboration are a powerful weapon in the SME's armoury in the ceaseless battle to penetrate markets dominated by the major corporates, and DCX provides the vital information medium through which alliance and investment opportunities can be identified and promoted."

Mike Nevin, Chairman of A.S.A.P. (Europe) Ltd said: "JV and SA activity worldwide is growing at a phenomenal rate. It means that more and more companies are pooling their resources to capitalise on market opportunities and then share the resulting profit. Many major corporates now have a Strategic Alliances Director whose sole job it is to search out these opportunities. Over time, they have developed processes that improve the chances of success and profit from a strategic alliance agreement. These have now been produced as qualifications and accreditations that professional business advisors such as consultants and accountants can now benefit from. Many A.S.A.P. members are as interested in working with SME's and Middle-Market companies, which DCX serves, as they are with other major corporates, and we are now working with DCX to ensure that SME's gain the best possible benefits from these developments. SME's posting their JV/SA opportunities on DCX will be picked up by the A.S.A.P. Membership and other DCX Members. We will also be introducing one-day seminars for business owners on the basic steps to take to ensure that a joint venture or strategic alliance agreement actually works."

DCX already has a thriving inter-business investment ('business angel') exchange at www.dcxworld.com. Now, with the advice and support available to the DCX membership through A.S.A.P., it is building an active and structured JV and SA market through which SME's and Middle-Market companies can take the fullest advantage of growing strategic alliance activity in the UK and worldwide. DCX says that many of the hundreds of investment (or 'business angel') opportunities currently posted in their inter-business investment zone can be treated equally as alliance or investment opportunities.

A.S.A.P. is a global professional association for alliance managers and executives, headquartered in the US in Wellesley (near Boston), Massachusetts, with a predominantly major corporate membership throughout the world and, more recently, with a rapidly growing membership from amongst SME's and Middle Market companies. Further information about A.S.A.P. may be found by visiting its website at www.strategic-alliances.org.

DCX is the inter-business investment and collaboration exchanged launched in the UK in 2001 but with a growing worldwide membership offering investment and collaboration opportunities in the UK and worldwide. Members can set their search preferences in the DCX Intelligence Zone and receive instant e-mail notification as listings matching their criteria are posted to DCX. Further information at www.dcxworld.com.

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Notes to Editors

1. DCX has summary research data demonstrating the close relationship between investment and collaboration available on request from ceo@dcxworld.com or by calling 01568 611196
2. To receive further press information from DCX please register in the Press Zone at www.dcxworld.com