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Strategic Alliance in India under Globalized Economic Scenario

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Abstract: In a developing country like India, strategic alliances execute superior than other organizational forms. Strategic alliances have altered the fundamental competitive paradigm in many domestic and international markets from traditional firm-to-firm competition to more alliance-based, network-vs.-network competition. This article tries to investigate why individual company should resort to strategic alliances, what are the factors affecting effectiveness of strategic alliances and identified a few cases of strategic alliance in India. Strategic alliances are an increasingly significant core element in many firms' strategies to generate and sustain their competitive advantages in dynamic market environments. By developing strategic alliances, firms contribute to their excess capabilities and resources with others and create a new entity to attain competitive advantages. When alliances are efficiently managed, the participating firms can attain numerous benefits that eventually bring profitability.

Key words: Strategic, alliance, India, competitive advantage**.**

1. Introduction

In a developing country like India, strategic alliances execute superior than other organizational forms. Strategic alliances have altered the fundamental competitive paradigm in many domestic and international markets from traditional firm-to-firm competition to more alliance-based, network-vs.-network competition. In the world of business, there has been the influx of competition, integration of markets via globalization. Firms that partake in today's business environments shape alliances not only to access necessary resources (Lemke, et al., 2003), technologies (Humphreys et el., 2001) and new markets (Kannan and Tan, 2004), but also as a means for acquiring the know-how, procedures and intelligence that let them to build synergies and realize long-term competitive advantage (Nielsen, 2005; Van Gils and Zwart, 2004). The mechanics of business have developed from monopoly to competition, strategic competition to collaborations and collaborative competition. Alliances have been strength of character on which these changes have been built in the recent years. Crossan and Inkpen (1995) opined that it is becoming intricate for organizations to remain self-sufficient in international business environments that stipulate both focus and flexibility, and that this has been a driver behind the increase of strategic alliances. The most thriving firms are those which have the best control over strategic resources that are difficult to obtain on the market (Hamel and Prahalad, 1994; Doz and Hamel, 1998). The strategy perspective therefore evolves from an idea based on the tandem products/markets to one based on the control of resources and competencies. In this point of view, strategic alliances are perceived as a privileged access mode to resources and competencies (Kogut, 1988; Beamish, 1984, 1988; Viola, 2000) that are crucial to the acquisition or maintenance of sustainable competitive advantages (Hamel and Prahalad, 1990). A strategic alliance has to contribute to the thriving implementation of the strategic plan; therefore, the alliance must be strategic in nature. The relationship has to be sustained by executive leadership and formed by lower management at the highest, macro level. Therefore, a strategic alliance has to be defined as a relationship between organizations for the purposes of accomplishing successful implementation of a strategic plan. In order to attain efficiency, speed and quality in differentiated products in more complex environment, firms have had to slender their concentration on core competencies and to turn to outside sources to obtain complementary resources, technical capabilities and learning (Plake and Somers, 1998).

In this article, it has been investigated why individual company should resort to strategic alliances, what are the factors affecting effectiveness of strategic alliances and identified a few cases of strategic alliance in India.

2. Strategic alliance defined:

Several definitions are there to explain the term 'strategic alliance'. The term "strategic alliance" has been used interchangeably with concepts such as business networks, clusters, strategic partnering, collaborative arrangement, cooperative strategy, flexible specialization and linkages.

Webster's Dictionary defines strategic as "important" and alliance as " association of interests". Strategic Alliance, therefore, are associations importantto alliance partners and formed to further their common interests .They can involve franchising and licensing agreements ,partnership contracts, equity investments in new or existing joint ventures and consortia(Mockler,1999).

An alliance is usually defined to mean any voluntarily initiated cooperative contract between firms that involves exchange, sharing, or co-development, and it can incorporate contributions by partners of capital, technology, or firm-specific assets (Gulati & Singh,1998). All alliances have a strategic perception to it. This standpoint can be from either of the partners or from both. The strategy used to promote such relationships is treated as cooperative strategy. Cooperative strategy is an endeavour by organizations to attain their objectives through cooperation with other organizations (Child & Faulkner, 1998,pp1). Strategic alliances are voluntary arrangements between firms which involve in exchange, sharing, or co development of products, technologies, or services. They can occur as a result of a wide range of motives and goals, take a variety of forms, and occur across vertical and horizontal boundaries (Gulati, 1998).

Buttery et.al.(1994) define strategic alliances as "two or more organizations involved in mutually beneficial relationships that maintain all participants as separate corporate entities".It is apparent from the definition that although partners in a network may carry on business operations independently from the network , they may pool skills and resources leading to a new venture in order to create jointly an advantage(Buttery et.al.,1998).

Spekman et.al.(1998) are of the view that although there existdifferences in organizational form such as joint ventures and co-marketing agreements, each of these alliance definitions converges on several salient themes: goals that are both compatible and directly related to partners' strategic intent, the commitments of and access to partners resources and opportunities for organizational learning. Therefore, in view of them, strategic alliance is a close, long term, mutually beneficial agreements between two or more partners in which resources, knowledge and capabilities are shared with the aim of enshrining the competitive position of each partner.

Cauley De La Sierra (1995)discusses an international perspective of alliances and the differences between alliances and traditional joint ventures and uses the term "competitive alliance" to offer the view that alliances are ventures between strong international companies that generally remain competitors outside the relationship. The definition highlights that most definitions have well defined and often limited strategic objectives and are designed to serve regional and global markets.

Wheelan and Hunger (2000) defines strategic alliance as "an agreement between firms to do business together in a way that go beyond normal company to company dealings but fall shorts of a merger or a full partnership". Consequently, alliance may vary from informal handshake agreement to formal agreements with lengthy contracts where parties may exchange equity or contribute capital to form a joint venture.

The Alliance is a strategic partnership which is founded on the rationale that, due to substantial cross-shareholding investments, each company acts in the financial interest of the other while maintaining individual brand identities and independent corporate cultures. In order to achieve competitive advantages, firms merge their assets and capabilities in a cooperative policy that is termed as strategic alliance. Strategic alliance is considered as an essential source of resource-sharing, learning, and thereby competitive advantage in the competitive business world.

Strategic alliance can be defined as a voluntary agreement between inter-dependent partners, based on trust and commitment, to share resources in a way that dejects opportunistic behaviour of any partner and assures value additions to all partners. Within the scope of this definition, the agreement may vary in its level of formalization and may be either vertical or horizontal. Shared resources can be physical and/or knowledge-based. Although the frequency of alliance formation has increased, the establishment of such inter-firm linkages has been not infrequently accompanied by problems of instability, poor performance and unexpectedly premature termination (Parkhe, 1993; Kauser and Shaw, 2004; Zineldin and Dodourova, 2005).

Strategic alliance is an agreement under which two or more firms cooperate in order to achieve certain commercial objectives. Firms combine their resources and capabilities to create competitive advantage. Different capabilities are necessary for developing a new technology or penetrating a new market. For this purpose, forms of alliances are the best tool to pool their resources so that collectively they can develop the product or market faster or less expensively. Alliances help to enter new markets, access new technologies and achieve economies of scale faster and cheaper than any other acquisition method. Even firms that have similar capabilities may collaborate in their development activities in order to share the risk of venture or to speed up market development and penetration. Large firms might form alliances with small firms in order to take a limited stake in the smaller firm's development efforts, while small firms might form alliances with large firms to tap the larger firm's greater capital resources, distribution and marketing capabilities, or credibility.

Alliance may generally be categorized into the following three groups:

●Joint Venture:-It happens when two or more companies create an independent company. When two or more firms form a legally independent firm to share their collaborative capabilities and resources to achieve competitive advantages in the market is termed as joint venture in the form of strategic alliance.

●Equity strategic alliances:-In this type of alliance, two or more partners have different relative ownership shares (equity percentage) in new venture. Two or more firms own the shares of newly formed company differently according to their contribution in resources and capability sharing with ultimate goal of developing competitive advantages.

●Non equity strategic alliances:- It occurs when agreements are carried out through contract rather than ownership sharing. Such contracts are often with a firm's suppliers, manufacturers, or distributors, or they may be for purpose of marketing and information sharing such as with many airlines partners. In order to attain competitive advantages, two or more companies form an alliance on a contract basis rather a separate company without taking equity shares. They share their unique capabilities and resources by means of developing informal relationship among the partners to exploit competitive advantages.

3. Motives behind strategic alliances

There may be practically a lot of reasons as have been identified in the strategic management literature that underlie behind strategic alliances.

Oum, Park and Zhang(2000, p. 4-5) have detected that when two or more firms attempt to boost competitive advantages collectively vis-à-vis their competitors by sharing scant resources including brand assets and market access capability, enhancing service quality, and thereby, improving profitability, they go in for strategic alliance.

The majority of the research studies in the field of strategic management on alliances have concentrated on why and how alliances are shaped. The motives for formation of alliance, as identified by Faulkner (1995), are of two types: internal and external.

The basic internal motives consist of the following:
(i). The requirement of specific assets or capabilities not presently possessed. (resource dependency perspective).
(ii). The motive arising out of the need to minimize costs (transaction costs theory)
(iii). The need for accessing unexplored market which can not be achievable by other means.
(iv). The motive arising out with the spreading of financial risk (transaction costs).
The key external motives are
(i). The motive surrounding the question of globalization or rationalization.
(ii). Another external motive is concerned with the turmoil and uncertainty of international markets.
(iii). Those focused on the need for immense financial resources to manage with fast technological changes and shortened product life cycles (resource dependency).

In 1980's Michael porter's theory of competitive strategy subjugated the literature in strategic management. The Porter's five force model identified that the competitive intensity of industries was determined by five fundamental forces namely: degree of rivalry between competing firms, power of suppliers and buyers, the threat from new entrants, and threats posed by potential substitutes. Consequently, as a part of strategy, firm should acquire the advantage of these forces as greatest as it can (Porter, 1980). Thus, a strategy of cooperation achieved through strategic alliances enables a firm to do an activity in a finer manner than had it done individually, and thus achieve higher performance indicators.

The decision to enter a cooperative arrangement or whether to expand via a wholly owned operation is frequently a critical issue in international strategy (Contractor & Lorange, 1988). A cooperative venture (CV) is preferred over fully owned subsidiary when incremental benefit of CV (cooperative venture) minus incremental cost of CV is greater than share of other partners' profit in venture and/ or significant reduction in risk through cooperation.

The transaction cost theory provides the standpoint on creation of alliances which considers such arrangements as potentially cost reducing methods of organizing business transactions. With the rapid pace of internationalization and globalization, one of the emerging dominant issues within the ambit of strategic alliances is how to deal with the appropriate mode of entry for foreign markets amid several alternatives.

A firm seeking to perform business function outside its domestic market must prefer the best mode of entry. The array of choices (Anderson& Gatignon, 1986) includes a wholly owned subsidiary, a joint venture including a strategic alliance, licensing, contractual venture. The impact of entry modes on the success of foreign operations is crucial.

International joint ventures represent a strategy of moderation. Equity participation in a joint venture is a midway between a licensing arrangement and full scale merger, an international joint venture emerges as an intermediate in strategic terms. Joint ventures are the leading form of business organization for multinational enterprises in the developing countries. Thus, a firm that does not have the resources is bound to enter the market through a joint venture. In the case of a joint venture, one of the vital issues is to discover partners who will share resources. Such a partnership is built on inter firm trust, a perception that sharing of resources will not adversely impact the firm strategically. A variety of research studies have shown that core resource contingencies influence entry mode selection. Differentiating between core and non-core and inimitability and transferability of resources is critical to the selection of an entry mode.

It is pertinent that most firms enter into alliances out of need that is not possessed in-house or more fully exploit their own capabilities leveraging them in another firm's development efforts. Alliances between companies have become a vital bludgeon in the battle for competitive advantage. In today's business world, every company is required to work in cooperation with others if it wants to compete in the global market. The global market place has generated new strategic approaches in many industries. Alliances facilitate to enter new markets, access new technologies and achieve economies of scale quicker and cheaper than any other acquisition method.

In a nut shell, the reasons behind entering into strategic alliance are to encourage growth more rapidly than internal development and mergers and acquisitions, enable companies to concentrate on developing core competencies, generate cooperation and collaboration in economy, bring speed in reacting to changing environment, ease risks, allow entry into new markets, allow sharing and access to resources which individually were not accessible, and ultimately to minimize costs. Companies that are leaders in their fields can maintain that position by using alliances to capture new developments, and keep their technological resource base ahead of the competition. A large number of companies have used the restructuring effect of manufacturing alliances to marinate excess capacity.

Research on strategic alliance has conceived theories that concentrate on the reasons why firms enter into closer business relationships. For example, transaction costs analysis(Williamson,1975,1985),competitive strategy(Porter,1980),resource dependence(Pfeffer and Salancik,1978;Thompson,1967),political economy(Benson,1975;Stern and Reve,1980),social exchange theory(Anderson and Narus,1984) each makes predictions about when partnership will be formed. Finally, the choice of an alliance is the strategic choice by the actors and thus all forms of alliance have a strategic angle to it.

Table 1: Summary on Theories used in explaining Strategic Alliances

	Strategic Alliance Motives	Governing & Managing Strategic Alliance
Resource Dependence Theory	● Acquisition of Resources Theory (Pfeffer & Salancik, 1978)	
Resource-Based Theory	●Acquisition of Resources ● Building Competitive Advantage (Barney, 1996; Tsang 1998; Das & Teng, 2000; Yasuda, 2005)	
Knowledge-Based View	● Acquisition of knowledge ● Organisational learning ●Building Competitive Advantage (Kaplan et al., 2001; Van Gils & Zwart, 2004)	
Contingency Theory	●Risk & Uncertainty Reduction (Ranganathan and Lertpittayapoom, 2002)	
Game Theory	● Building Competitive Advantage (Parkhe, 1993; Reardon & Hasty, 1996; Kippenberger, 1998; Song and Panayides, 2002)	
Transaction Cost Theory	●Cost Advantages ● Risk & Uncertainty Reduction (Williamson, 1985; Hobbs, 1996)	●Asset Specificity ●Perception of Opportunistic Behaviour (Williamson, 1979; 1985; Young-Ybarra & Wiersema, 1999; Yasuda, 2005)
Social Exchange Theory		●Communication ● Trust ● Commitment (Morgan & Hunt, 1994; Dyer & Singh, 1998; Young-Ybarra & Wiersema, 1999)

Source: Siew-Phaik Loke et.al(2009)

There are three major types of international strategic alliances (Lorange and Roos,1992) .These are informal international cooperative alliances, formal international cooperative alliances and international joint ventures.Figure-1 outlines the major differences among three:

Table 2:Types and characteristics of International strategic alliances

Alliance Type	Degree of Involvement	Ease of Dissolution	Visibility to Competitors	Contract required	Legal entity
Informal International Cooperative Alliances	Usually limited in scope and time, a marriage of convenience	Easy at the convenience of either side	Often unknown to competitors	No	None
Formal International Cooperative Alliances	Deeper involvement requiring exchange of proprietary company's knowledge and resources	More difficult to resolve prior to end of contract due to legal obligations and commitment of resources by companies	Often visible to competitors through announcement in business press but details can be secure.	Yes	None
International Joint Ventures	Deep involvement requiring exchange of financial, proprietary company's knowledge and managerial resources	Most difficult to resolve since company's invest significant resources and have ownership in separate legal entity	High visibility since joint venture company is a separate legal entity	Yes	Yes, separate company

Source: Lorange and Roos, 1992

4. Types of strategic alliances in India:

In India, there exist several types of alliances. These are in the form of :

- Management contract
- Franchising.
- Supply or purchase agreement.
- Marketing or distribution agreement.
- Joint Venture.
- Agreement to provide technical services.
- Licensing of Know-how, technology, design or patent.

The contemporary trend of collaborations consist of alliances which diverge from joint ventures, licensing deals, research consortia and technological exchanges to supply agreements and marketing alliances. Thus, alliances can swiftly fulfill a company's requirement for basic resources such as more customers, additional capital, new products, new distribution channels, additional facilities, increased production capacity, or competent personnel etc.Thus, strategic alliances take many forms, including contractual arrangements (such as license agreements, marketing agreements, and development agreements), minority equity investments and joint ventures that are operated as separate legal entities (such as corporations, limited liability companies, or partnerships). Regardless of the form, strategic alliances share common features such as: (i) defined scope and strategic objectives; (ii) interdependent contractual arrangements within the defined scope and to achieve the strategic goals; (iii) specifically defined responsibilities and commitments for each party; (iv) independence of the parties outside of the defined scope of the alliance; and (v) a fixed time period in which to achieve the strategic goals.

5. Factors persuading efficacy of an alliance:

The two basic factors persuading efficacy of an alliance that have been recognized in the strategic alliance literature are partner matching and strategic orientation of the partnering firm (Mason, 1993, as quoted in Zaman & Movando, 2001).

Partner Matching:

Selecting an appropriate partner and itemizing the rules of alliance are the most intensive process in the formation of an alliance. Finding the right partner requires careful screening and can be a time consuming process. A successful alliance requires the joining of two competent firms, seeking a similar goal and both intent on its success. The impulsiveness of the behavior of partners and the likely costs to a firm associated with the opportunistic behavior by a partner generates moral hazard concerns which firms entering into alliance may have to confront with. Such partnerships are treated as risky (Doz, Hamel, Prahlad, 1989) although the rapid growths of both domestic and international alliances in many industrial sectors are taken place.

Opportunism includes theft of technologies or market. In fact, there are four safeguards against opportunism by alliance partners. The safeguards are walling off critical technology, establishing contractual safeguards, agreeing to swap valuable skills and technologies and seeking credible commitments.

Table 3: Partner Selection Criteria and Alliance Categories

	Great aspiration	Low aspiration
Strong resources	(1) Attractive alliances	(2) Resource-based alliances
Weak resources	(3)Aspiration-based alliances	(4) Unattractive alliances

Source: Mikkel Lucas Overby (2005): Partner Selection Criteria in Strategic Alliances: When to Ally with Weak Partners .

Organizations also require information about the trustworthiness of those partners, especially when success depends heavily upon the partners' behavior (Bleeke& Ernst, 1991 as quoted in Gulati, 2001). Therefore, Partner matching invite for the creation of alliances in which the chosen partners are analogous in management style and company culture. Concerns such as domain similarity and goal compatibility have been found to enhance the effectiveness of alliances (Sengupta, 1991, as quoted in Zaman & Movando, 2001).Ongoing partnerships may be affected due to rapid change in the environment that may lean organization to alter their need and orientation .

Strategic Orientation:

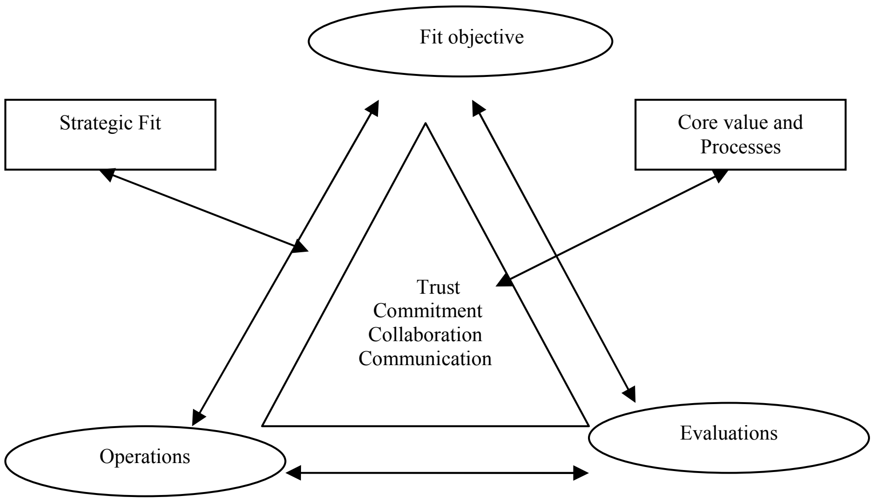
Motivation of the firm to penetrate into strategic alliances and to adopt innovative strategies is manifested through the strategic orientation of a firm. Firms choose strategies to pick up their competitive postures and to gain an advantage over one or more competitors (Harrigan, 1988, as quoted in Zaman & Movando, 2001). Strategic alliances are formed based on strategies of how to manage environmental uncertainties, how to overcome lack of resources and, in particular, how to manage the firm's range of inter-organizational relations.

Existing literature has laid emphasis on commitment, collaboration, communication, trust, and conflict resolution as the significant attributes of alliance relationships (Cobianchi, 1994, as quoted in Zaman & Movando, 2001).

Trust is very crucial in alliances formation that it is treated as the "cornerstone of the strategic partnership success" (Spekman, & Mohr, 1994, as quoted in Zaman & Movando, 2001).The implication of trust in emergent long-term organizational relationships has been recognized in the alliance literature (Jennings, Artz, Gillin, Murray, &Christodouloy, 2000, as quoted in Zaman & Movando, 2001). Trust between firms refers to the confidence that a partner will not exploit the vulnerabilities of the other (Barney and Hansen, 1995, as quoted in Zaman & Movando, 2001).There are well-built cognitive and emotional bases for such trust, which are most observable among individual organization members . Communication between partners is significant for making a successful strategic relationship. Communication enables the partners to comprehend the alliance goals, roles and responsibilities of all the actors.It also helps with the sharing and dissemination of individual experiences (Inkpen,1996, as quoted in Zaman & Movando, 2001). Commitment indicates a future orientation in which partners attempt to build a relationship that can last out unanticipated problems. A high level of commitment provides the context in which both parties can achieve individual and joint goals without raising the spirit of opportunistic behavior (Cummings, 1984, as quoted in Zaman & Movando, 2001). On the other hand, a highly collaborative relationship provides the flexibility and adaptability necessary to overcome uncertainties, resolve conflicts and achieve mutually beneficial outcomes. Conflict often subsists in inter-organizational relationships owing to the intrinsic interdependencies between partners (Cummings, 1984, as quoted in Zaman & Movando, 2001) . Firms in strategic alliances are forced to engage in joint problem solving because they are linked together to manage an environment that was more tentative and unstable than each one could control. Functional conflict would improve an alliance's performance while dysfunctional conflict within the alliance would have an effect on the effectiveness of alliance performance (Morgan, Hunt, & Shelby, 1994, as quoted in Zaman & Movando, 2001). Dysfunctional conflicts are counterproductive and are likely to damage the fabric of the partnership (Mohr,& Spekman,1994, as quoted in Zaman & Movando, 2001).Alliances usually become unsuccessful owing to the fact that they are mismanaged, their objectives are unsuccessfully associated and they are not understood. The lack of infrastructural support to the underlying goals sometimes hinders the success of alliance.

The technique to measure success in a partnership is to concentrate on a few core metrics that powerfully align with the basic strategy of the alliance. Successful alliance relationships are expected to be characterized by higher levels of commitment, collaboration, communication, and trust than are less successful alliances. This can be achieved by ensuring that the alliance partners have a fit with respect to alliance objectives, its mechanics of operation and the performance evaluation criteria. The model can be represented as follows:

Chart: 1: Factors influencing a successful strategic alliance



6. Benefits of alliances:

In today's business surroundings, creating sustainable value for customers and shareholders requires creating effective alliances. Alliances are indispensable building blocks for companies to achieve stronger and more effective market presence. Alliances are now a fact of life for business, an important piece of current operations as well as future strategy. Alliances can build up a firm's overall level of flexibility. Firms can use alliances to have access in advance on emerging opportunities that they may want to commit to more fully in the future. Alliances can also be used to facilitate partners to discover each other and develop new competencies.

▪ A strategic alliance is an stupendous medium for two companies to work together gainfully.
▪ It assists companies to develop and exploit their unique strengths.
▪ An alliance can also be an authoritative instrument for accessing new technology and developing domestic or international business opportunities.
▪ Through strategic alliances, organizations have a prospect to broaden their customer base, offload or utilize their surplus capacity, integrate vertically, and use each other's strengths .
▪ It facilitates technology sharing, joint venture business with other companies.

Furthermore, founding a business network, accessing cost and quality competitiveness, updating technology, starting new project, sharing of risks, increasing efficiency through economies of scale, specialization etc. are also additional benefits that can be achieved by both sides of organizations.

Advantages of the Global Strategic Alliance:

There are many specific advantages of a global strategic alliance that can be summarized:

- Getting instant market access, or at least speeding the entry into a new market.
- Exploiting new opportunities to strengthen the company's position in a market where it already has a foothold.
- Increasing sales.
- Gaining new skills and technology.
- Developing new products at a profit.
- Sharing fixed costs and resources.
- Enlarging the company's distribution channels.
- Broadening business and political contact base.
- Gaining greater knowledge of international customs and culture.
- Enhancing the corporate image in the world marketplace.

Disadvantages of the Global Strategic Alliance

There are also some inevitable trade-offs to consider:

- Weaker management involvement or less equity stake.
- Fear of market insulation due to local partner's presence.
- Less efficient communication.
- Poor resource allocation.
- Difficult to keep objectives on target over time.
- Loss of control over such important issues as product quality, operating costs, employees, etc.

It is also critical to explore all the legal and financial implications before entering into a partnership with an overseas company.

7. Process of establishment of alliances:

It is observed that few companies do not have any problem in discovering alliance partners. But, for many companies, however, the partner searching and selection is a tedious and puzzling exercise. Selecting the correct partner and creating realistic expectations on both sides of companies is the decisive process. For this purpose, at the inception of the alliance, the intent of both parties must be clearly established. Every organization who would like make an alliance must keep in mind following steps of steps of establishment of alliance for successful strategic alliances.

a) Developing qualitative and quantitative partner criteria.
b) Developing a list of prospective partners.
c) Partner selection: While selecting a partner, companies must list the prospective standards against which they can measure the merits of prospective partner, the most important successful alliances namely Compatibility, Capability, and Commitment.
d) Working at strategic and operational levels and organizational alignment.
e) Dealing with conflicts and Cultural issues
f) Maintaining strong executive sponsorship.

8. Recent case studies of strategic alliance in Indian context:

Strategic alliance of Dell with Ramco Systems (2012) :
Dell has announced its strategic alliance with Ramco Systems to deliver Ramco's ERP-as-a-service on Cloud to help midmarket businesses execute cost and operational efficiencies and accelerate revenue growth. The new offering strengthens Dell's growing portfolio of Software-as-a-Service (Saas) solutions that help organizations manage and grow their business.

Ramco's ERP on Cloud supports businesses with wide functionalities across various industry segments, including production planning, asset management, and analytics along with regular corporate functionalities of HR, Supply Chain Management (SCM), Customer Relationship Management (CRM), and financial management. The solution is designed to ensure quick adoption and time-to-value.

The Ramco ERP-as-a-service on Cloud solution allows midmarket enterprises ease of adopting evergreen, feature rich business applications with significant cost and management advantages. Additionally, the solution offers customers unique features like tools for personalizing applications to suit their requirements, architecture enabling co-existence and integration with other business applications, and compatibility on various mobility platforms.

Strategic Alliance between Tata Coffee & Starbucks in India (2012):

In a momentous step toward market entry in India, Starbucks Coffee Company (Nasdaq: SBUX) signed a non-binding Memorandum of Understanding (MoU) with Tata Coffee Limited, one of the region's leading providers of premium *arabica* coffee beans. The MoU will create avenues of collaboration between the two companies for sourcing and roasting high-quality green coffee beans in Tata Coffee's Coorg, India facility. In addition, Tata and Starbucks will jointly explore the development of Starbucks retail stores in associated retail outlets and hotels.

The agreement recognizes Starbucks and Tata Coffee's shared commitment to responsible business values. In accordance with the MoU, the two companies will collaborate on the promotion of responsible agronomy practices, including training for local farmers, technicians and agronomists to improve their coffee-growing and milling skills. Building on Tata's demonstrated commitment to community development, the two companies also will explore social projects to positively impact communities in coffee growing regions where Tata operates.

India is one of the most dynamic markets in the world with a diverse culture and tremendous potential. This MoU is the first step in entry to India. The Star Buck is focused on exploring local sourcing and roasting the many regions globally where Starbucks has operations. Tata Coffee, with its large *arabica* coffee production base spread over different opportunities with the thousands of coffee farmers within the Tata ecosystem. It is believed that India can be an important source for coffee in the domestic market, as well as across growing districts of South India, has supplied premium coffee beans for Starbucks in the past and is now building a structure for a long-term relationship.

In the areas of sourcing and roasting, Tata Coffee and Starbucks will explore procuring green coffee from Tata Coffee estates and roasting in Tata Coffee's existing roasting facilities. At a later phase, both Tata Coffee and Starbucks will consider jointly investing in additional facilities and roasting green coffee for export to other markets.

Tata Coffee has rich expertise in the bean-to-cup value chain, with an unyielding focus on quality. It has won global accolades for its premium coffees. Over the years, Tata Coffee has further strengthened its *arabica* coffee production base by producing premium specialty coffee. The company has an internationally certified (ISO:22000) Roast & Ground unit at Kushalnagar in the Coorg district of India, and is a dedicated supplier to cafes across the country and specialty roasters across the globe. Tata Coffee has rapidly transformed itself by adding to its portfolio through acquisitions, becoming a more vertically integrated business.

Starbucks Coffee Company is the premier roaster and retailer of specialty coffee in the world, headquartered in the United States, in Seattle, Washington. The company manages over 16,000 stores and operates in more than 50 countries. Starbucks sells a wide variety of coffee and tea products with a range of complementary food items, primarily through retail stores. Starbucks has a long association with India. For the last seven years, the company has been ethically sourcing coffee beans from

India and contributing to several social programs in the country. Starbucks believes in doing business responsibly to earn the trust and respect of its customers, partners and neighbors.

Strategic alliance of Kotak Mahindra Bank with Scotia Bank (2012):

Kotak Mahindra Bank Ltd. announced that it has entered into a strategic alliance with Scotia bank, Canada's most international bank. The alliance will provide financial services to people immigrating to Canada and to non-resident Indians (NRIs) and People of Indian Origin (PIOs) seeking bank accounts and other banking services in India This alliance brings together the respective strengths of each bank to enable referrals for customers in Canada and India, subject to local banking regulations.

Through the alliance, select Scotia bank branches in Canada will assist NRIs seeking bank accounts in India by referring them to Kotak Mahindra Bank's My India Program – a product designed to serve the financial needs of NRIs. Kotak Mahindra Bank will offer Indians immigrating to Canada access to the Scotia bank Start Right Program for Newcomers – a program that helps new immigrants apply for a Canadian bank account and credit card prior to their departure.

The Scotia bank's 'Start Right Program for Newcomers' was specifically created for Canadian Landed Immigrants during their first three years in Canada. The Program addresses the immediate banking needs of newcomers like helping set up a day-to-day bank account, apply for a Canadian credit card and access to a safety deposit box.

Canadians of Indian origin - whether new to the country or already established - and non-resident Indians will be able to start banking relationships back in India through the referral agreement between the Kotak Mahindra Bank and Scotia bank.

Strategic alliance between ICICI Bank and Vodafone India to launch 'm-pesa(2012):

ICICI Bank and Vodafone India through its 100% subsidiary, Mobile Commerce Solutions Ltd. ("MCSL") have finalized plans to launch mobile payment services under the brand name 'm-pesa'.ICICI Bank, India's largest private sector bank and Vodafone India, one of India's largest telecom service providers, announced a strategic alliance to launch a unique mobile money transfer and payment service called 'm-pesa'. 'm-pesa' is the trademark of Vodafone.

The partnership between ICICI Bank and Vodafone effectively leverages the strengths of Vodafone's significant distribution reach and the security of financial ICICI Bank and Vodafone India through its 100% subsidiary, Mobile Commerce Solutions Ltd. ("MCSL") have finalized plans to launch mobile payment services this year, under the brand name 'm-pesa'**.** This offering will comprise: *a mobile money account with ICICI Bank and a Mobile Wallet - issued by MCSL.*

This innovative offering will give the customer a comprehensive service comprising Cash deposit and withdrawal from designated outlets, money transfer to any mobile phone in India, range of mobile payment services including purchase of mobile recharge, recharge of DTH services and utility bill payments, money transfer to any bank account in India, payments at selected shops, transactions provided to customers by ICICI Bank. These services are made convenient using a vast network of authorized agents who will enable the customer to deposit and withdraw cash in and from their account. By facilitating banking transactions at such agent locations, this alliance effectively delivers the last mile access in remote areas.

Strategic alliance between Microsoft India and TCS(2009):

Microsoft India and Tata Consultancy Services (TCS),a leading IT services, consulting, business solutions and outsourcing firm announced a strategic alliance between the two companies to launch Microsoft-TCS virtualization Center of Excellence (CoE) in Chennai. Designed to help customers experience the right approach to applying and managing virtualization across IT architectural layers (namely server, machine, application and desktop) in their business environments – the CoE will leverage best of breed Microsoft technologies (such as Windows Server 2008 Hyper-V and System Center Virtual Machine Manager 2008) to showcase virtualization scenarios to customers. The Microsoft-TCS virtualization CoE is a joint initiative by the companies to accelerate the adoption of virtualization technology in India.

The Microsoft-TCS virtualization CoE will deliver a heightened user experience that will help customers demystify Virtualization: migration from physical to virtual environments, user experience and performance, management of physical and virtual infrastructure from a single console - and experience how virtualization technology deployment in the data center can enable improved performance, higher availability and lower cost of ownership of IT infrastructure. With a holistic approach to virtualization, Microsoft addresses its customers' end-to-end virtualization requirements – with technologies and solutions spanning across the datacenter to the desktop, and from implementation to management (both virtual and physical resources).

Strategic Alliance between ETS and NIIT in India (2008):

Educational Testing Service (ETS), the world's leading educational measurement and research organization, and NIIT, a leading Global Talent Development Corporation and Asia's largest trainer have entered into a strategic alliance to offer ETS suite of products in India. The new initiative will enhance employability and provide competitive advantage to Indian organizations in the global market place.

As part of the strategic agreement, NIIT will have exclusive rights to offer ETS's TOEIC test (Test of English for International Communication), TOEFL Practice Online (TPO), and Criterion SM Online Writing Evaluation Service–-in India. The multi-year agreement with NIIT will also enable both the companies to raise awareness of ETS products and services in India.

This agreement will provide companies, institutions and individuals in India with greater access to key ETS products such as the TOEIC test, TOEFL Practice Online and Criterion to help them succeed in the world of education and business. The agreement comes at a time when millions of people throughout the world are learning English; workplaces are increasingly becoming more globally focused; and workforces are more culturally diverse than ever. In addition, non-native English speakers outnumber native English speakers by more than three-to-one, an accelerating trend worldwide. Through this alliance, NIIT will leverage its Testing and Assessment capabilities to offer ETS' tests to students, professionals and job aspirants who seek to evaluate their English Communication skills for employment prospects in emerging sectors such as IT, ITES, Retail, Banking and Insurance, among others in India.

Strategic alliance between Mahindra and Renault Limited (2007):

Mahindra Renault Limited was a joint venture(JV) between India's largest Utility vehicle manufacturer Mahindra & Mahindra Limited & Renault S.A. of France (51% & 49% respectively). The joint venture was formed in 2007. The JV has set up a state-of-the-art manufacturing plant in Nashik, Maharashtra. On April 15. 2010 Mahindra & Mahindra and Renault together announced restructuring plans by which Mahindra would buy Renault's share in the joint venture and Renault would continue to provide the support for M&M through license agreement and continue to be supplier of key components. The Renault Logan was launched 2007 and became the Mahindra Verito after the ending of the join venture in 2010. Mahindra Renault Limited uses Mahindra & Mahindra Limited's network for the sales and service of Renault branded vehicles in India. It currently has more than 140 dealerships across 125 cities in 24 states and 3 Union Territories of India.

9. Conclusion:

Strategic alliances are an increasingly significant core element in many firms' strategies to generate and sustain their competitive advantages in dynamic market environments. Alliance is like a nuptial where there may be no formal contract and no buying and selling of equity. But, there are few strictly binding provisions. It is an unfastened evolving kind of relationship. Both partners bring to an alliance a trust that they will be stronger together than they would be separately .Both judge that each has distinctive skills and functional abilities and both have to work assiduously over time to make the union flourishing. By developing strategic alliances, firms share their excess and/or complementary capabilities and resources with others and create a new entity to acquire competitive advantages. When alliances are efficiently managed, the participating firms can attain numerous benefits that eventually bring profitability. If companies utilizes proper strategic alliance, they can expand their product and service offerings substantially, without the usual corresponding investment in staff, equipment, and facilities. Strategic alliance benefits in the way of cost reduction, technology sharing, product development, market access etc.Socio-cultural and ethical parameters that have an effect on company's performance enhance the complexity of the environment in developing countries. The performance of strategic alliances would depend on the acknowledgement of these parameters. By taking advantage of the actual globalization context, strategic alliances may take part in a crucial responsibility in dipping the gap between economies in developed countries and those in developing countries which might be a subject of new research possibilities to prospective researchers in this particular field.

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