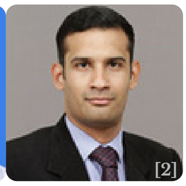
Startup Alliances

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Introduction

Strategic alliances are a form of collaborations between firms, and firms enter into strategic alliances agreements to achieve or attain goals and objectives of common interest by staying independent. Strategic alliances are not a new phenomenon, historically firms entered into various forms of agreements.

Examples include strategic alliances by top firms like Microsoft, Apple, Intel, IBM and how these firms entered into multiple collaborative agreements and leading to the evolution of new ecosystems.

In the Indian context, the top business houses like Reliance Industries, Tata Group, and other business houses, which command the top market share, entered into multiple collaborative agreements over a period. Some of the recent examples of strategic alliances entered by Reliance (in the context of Reliance Industries and Reliance Jio) with Microsoft (2019), Saudi Aramco (2019), Facebook (2020), Google (2020), Qualcomm (2020), Intel (2020) and other collaborations. Similarly, the other top business house in India, the TATA group, entered strategic alliances, Tata Motors with Fiat (2007), Tata Consultancy Services with Microsoft (2000), Oracle (2004), IBM (2005), Cisco (2014), SAP (2018), Google Cloud (2019).

Apart from big established organisations, Indian startups are also entering strategic alliances. Examples of startups entering strategic alliances include: Razorpay with Master card (2020) to expand the product offerings with the digital payment solutions, Tiger Global (2019) for support on expansion and operational growth; Lenskart with Softbank for scaling operations and enhancing technical capabilities with the investment. Other examples include: Yulu and Zepto (2023), Blusmart and SKIL (2023), etc.

Considering established organisations, startup activity is challenging because of the environmental conditions under which it operates and the technological changes/disruptions happening. When we compare these facets of startups with those of the established organisations, it becomes evident that the problems of startups and those of established organisations may not be the same.

The research gap is to study strategic alliances in the startup context, with the intent to gain insights into specific aspects of alliance in the startup context. Studies on alliance formation by startups shall enable to understand similarities and differences in strategic alliances formation and governance between startups and established organizations.

Motivation of the Study

From the literature, we understood that firms enter alliances to overcome challenges, difficulties, gain capabilities, etc.

It was observed that Startups are also forming alliances with other firms to overcome challenges (technical, environmental, etc.) and gain capabilities. In the backdrop, the research study focuses on startups and alliances by these firms.

Research Objectives

The following are the research objectives proposed in the study:

1. To understand the extant literature on strategic alliances in the startup context.
2. To identify and empirically validate the factors that influence alliance formation by startups in the Indian context.
3. To validate the findings of the empirical analysis through case analysis.

Key References

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