

Building Strategic Alliances during the Coronavirus Threat: Nine Steps for Today's Businesses



Knoxville, Mar 25, 2020 (Issuewire.com) - Co-owner of Knoxville, Tennessee based company AGSM Consulting LLC, senior engineer, speaker and author Dr. Daryl D. Green recently released a note of sustainable changes in business strategic alliances in the backdrop of the global coronavirus outbreak along with the step-wise deconstruction of a business system that is suitable during this ongoing global affliction.

With the advent of such global corporate competition, many companies have realized that merely maintaining the status quo is not adequate for their competitive endeavors in the future. A recent survey led by Accenture Strategy listed 1,252 leaders belonging from various industrial verticals globally to understand the importance of new business models and ecosystem opportunities that will significantly contribute to their overall goals and objectives in the extant market. Many companies have adopted new business models to manage, navigate, and respond to disruption. This style of procedural change, as per 60% of all surveyed executives, aims at building 'ecosystems'. The trend has become so invasive that nearly half the companies have already built or are planning to build a sustainable business ecosystem in response to disruption.

The survey led by Accenture also lists 76% of business leaders who believe in the gradual, practical extinction of existing business models in the next 5 years. Companies and business set-ups that chose to move forward with their functional course even during times of market and economic unpredictability and uncertainty without any partnership will have difficulties in staying afloat in the long run. Dr. Daryl D. Green's objective with his article is to highlight the importance and procedure of building strategic alliances in times of crisis with the global coronavirus invasion as the most appropriate and practical example of economic downfall.

The impact of the virus that has affected 152 countries and claimed over 7,00 lives as per reports

released by the World Health Organization (WHO) wages extreme jeopardy in the economic stability of the world. The United States alone has reported over 5,600 cases and 94 deaths. New York City stands at 1,700 cases and Washington at 1,000 cases. Social distancing and shutting down of businesses and retail stores are on the rise in an attempt to curb the spreading of the virus. Such a pandemic situation calls for changes across business set-ups and companies, the congress, individual lifestyle, and more.

Organizations adopting strategic alliances can help them survive this disruptive change. As per dictionary definitions, a strategic alliance is one where “agreement for cooperation among two or more independent firms to work together toward common objectives. Unlike in a joint venture, firms in a strategic alliance do not form a new entity to further their aims, but collaborate while remaining apart and distinct”. Its advantages include innovation, resource and expertise sharing, expanded production, and new-market penetration.

Through such a change, organizations will utilize limited resources and maximize their competence levels and incorporate innovation to pave the way for tangible actions. However, increased liabilities and loss of control can be the most prominent disadvantages. The foundation of strategic alliances is built on mutual trust and transparency. It is time to let go of individual and autonomous brainstorming. On the other hand, strategic alliances can also put the fate of a company in danger owing to uncertain and undesirable outcomes. But taking the risk during such a crisis will pay off all efforts in the end.

One of the biggest case studies of effective strategic alliances is Starbucks. They opened for business back in 1971 and today, they stand proud with 19,000 outlets across over 60 countries. They went into a business partnership with bookstore brand Barnes and Noble to establish in-house coffee corners. They also teamed up with United Airlines, Kraft Foods, and Apple expanding their integrated business vision into the most effective and profitable ideas.

These practical examples of the strategic alliance also received a contrary opinion from the former Chief Editor of Harvard Business Review, Rosabeth Kanter in her book, '[Think Outside the Building: How Advanced Leaders Can Change the World One Smart Innovation at a Time](#)'. According to her book, in rapidly changing environments, compatibility and unanimity in philosophy and ethics become more important than functional specifications. Strategic alliance calls for a collaboration that is based on trust and dependence that can collectively address issues and problems.

The nine steps of achieving effective strategic alliance should include shared organizational vision, identification of strengths and weaknesses, development of both long-term and short-term objectives, compatibility in business values, maintenance and tracking of measurable outcomes and results, have a physical write-up of the merge or collaboration, maintenance of mutual respect, transparent communication, identifying one representative liaison in every organization.

From the medical data that has been provided, it can be concluded that the world is moving towards a bigger crisis. Large firms with financial strength will not consider strategic alliances even during such an economic downfall across the globe. The survival rate is 50-50.

Dr. Daryl D. Green, through his article, has hypothetically built the importance of the strategic alliance with examples through history during times of an uncertain, unpredictable, and disruptive market. Coronavirus may stand as the immediate enemy but all collateral damages should also be addressed. Organizations that have the pass to collaborate and materialize shared vision through innovation and ideas can actually lead to successful sustainable changes. Dr. Green, through his article, urges every company to look for compatible partnerships with other companies and incorporate strategic alliances before it is too late to find the path to global survival.

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