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New opportunities for Indo-US Business Collaborations

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The concept of business collaborations between two countries usually conjures up images of either exports or imports from one country to the other. Trade Commissioners who are part of most Consulates usually view their work as promoting exports from their country to the host country. In fact, their role definitions might specifically require them to reject all proposals that do not deal with exports from their country. ***But can Inter-Country Business be viewed that simply?***

There are numerous ways in which two countries, or more precisely, their businessmen can collaborate. There are possibilities of collaborating for the purpose of increasing the businesses of both the countries. If the net business of both the countries has been increased then both the economies are larger than before.

Based on my experience and interactions with businessmen in the US and my understanding of the strengths of Indian businessmen, I will provide a few specific examples of business promotion opportunities between India and US that are slightly different from the conventional "imports" or "exports".

The Markets

The three largest markets that dominate the global economy, today, are:

- North America
- European Union
- Asia-Pac

Besides these there are other smaller though significant markets to be targeted:

- Middle East & Africa
- Latin America
- Eastern Europe

Synergy of Indian and American Businesses

The ways in which the net businesses of both Indian and American businessmen can be enhanced can be obtained from a study of the competitive strengths of each. The Americans are strong in:

- Financial Capital
- Technology Infrastructure
- Economies-of-scale
- Quality of products

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The Indians are strong in:

- Human Capital
- Knowledge Infrastructure
- Economies-of-labor
- Quality of services

Most importantly, due to its unique history Indians have cultural affinity and empathy with both, the Asian cultures, as well as, the Western cultures. On the other hand, the Americans are probably the most recognized, respected and powerful brand-names throughout the World. These largely synergistic strengths of the two Capitalist-Democracies and their business enterprises can be combined to create one of the sharpest and most balanced business forces in the World.

Opportunity Identification Model

Specific opportunities for business can be developed by a particular enterprise (say from India) by forming a broad-based relationship with another enterprise from the other country (say US) based on initially identifying a particular triad of market, product & services.

There is a three-step methodology to be followed:

Step 1: Identification of Markets

The initial effort should be put into identifying a particular market out of the larger or the smaller geographical market entities listed above (or any other markets which can be defined precisely, including niche markets and internet markets).

Step 2: Identification of Enterprise Strengths & Weaknesses

It is imperative to chart out the strengths of your enterprise in terms of addressing this market. Does your enterprise have strengths in a product that might have customers in this market? Or does your enterprise have strengths in terms of marketing & distribution channels in this market? Or does your enterprise have service strengths that could prove useful in this market? Do you have weaknesses in any areas?

Step3: Identification of Potential Partner in the other Country

The potential partner enterprises in the other country should be identified based on complementary strengths. Suppose your organization has a strong marketing channel in the Asia-Pac market. You need to identify organizations in the US who have strong product offerings which are suitable to this market but who do not have the time, resources, competence or inclination to set-up their own

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marketing channels in this market. (*You will be surprised to find out the number of successful American businesses who are so inclined.*)

Value Proposition Development

Developing the value proposition for the potential alliance to address the identified market opportunity is by far the most crucial step in the alliance formation process. However, if you have followed the Opportunity Identification Model carefully without jumping steps, this would probably be already developed. Now the process of actual detailed negotiations and alliance roadmap can be developed in mutual consultation.

Specific opportunities exist in the several areas, including:

Low-Cost Manufacturing: Cisco outsources most of their routine manufacturing work to East Asia. Till now India has not been even appraised for its manufacturing capabilities. Ford and Hyundai have selected India as the global manufacturing hub for certain models or automobile components. *Is there an opportunity for becoming the manufacturing hub for other similar companies?*

Research and Development: IBM, Microsoft, Veritas, GE and several top-class (and Large) multinational companies have setup their own R&D centers in India. *Is there an opportunity for generic R&D centers that provide services to the SMEs from the US?*

Technical & Professional Services: SAP, Microsoft, Motorola, SUN and various other American companies have identified Indian companies for forming partnerships for providing Technology Implementation Services to their customers world-wide. *Is there an opportunity to form partnerships with other American companies (especially SMEs or start-ups) to provide other engineering and professional services in addition to IT services to global customers of American companies?*

Marketing:

Several Indian companies have a strong marketing network in Asian countries, such as, Singapore, Malaysia, Thailand, Hong Kong, Australia etc. Many Indian companies have already obtained a franchise or exclusive/non-exclusive distributorships of American products in these regions. In fact, I know of an Indian company that has obtained a franchise of one of the largest Direct Marketing companies in the US, for the UK market in competition with UK companies! *Is there an opportunity to market products from American companies that have not penetrated these markets?*

Indian Culture and Products:

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There is a huge global market for Indian Culture and related products, such as, classical Indian music and dance, Ayurveda and other traditional Indian Medical systems, Yoga & Meditation, and Indian food, among several others. *Is there an opportunity for forming alliance with multinational American companies with well-recognized brand names and strong marketing capabilities to market these uniquely Indian products?*

Here I have attempted to just scratch the tip of the "Iceberg of Opportunities" which Indian and American Businesses can together venture into profitably. The intent here is not to provide specific areas for collaboration but a generic framework that can be utilized to identify & crystallize specific opportunities. As they say, "Teach a man to fish...".

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