NTT DoCoMo - Joint Venture with Tata in Indian Mobile Telecom
Article Overview

Provides a overview of the collective knowledge gained over the past 25 years through numerous studies.

The authors provide key recommendations and insights for negotiating, managing, and operating Joint Ventures.

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Presentation Outline

Five Managerial Issues of Joint Ventures:

- Assessment of Performance
- Knowledge Management
- Governance and Control
- Role in Internationalization Process
- Cultural Differences
What is a Joint Venture?

What are their advantages?

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Assessment of Performance

Objective:

- Profitability
- Longevity
- Survival
- Stability

Subjective: Based on whether Strategic Objectives are achieved

Is there enough congruence among the partners' objectives?
Knowledge Management

Knowledge refers to:
- Intellectual Capital eg. Patents
- Sources of Value eg. Customer or market knowledge.

MNEs partner with local firms to:
- Access market / business practice expertise
- Develop local Management talent

Firms must be willing to:
Trust, learn, and choose partners with complementary resources and capabilities
Governance and Control

Determining the level of equity

• Depends on the resources each partner contributes.

Determining the level of Management Control

• Split based on functional expertise.
• Partners take responsibility for managing functions in which they excel.
Role in Internationalization Process

Firms should to form a JV to:

- Overcome entry barriers
- Overcome inexperience

Mode of Internationalization depends on host country's:

- Knowledge & experience
- Managerial & financial resources
- Distribution chains

Managers should consider:

- Do they have knowledge to conduct business / willing to provide access?
- What are their goals?
- Does the firm require access to additional resources?