Joint venture

Engineering

Joint Venture A joint venture is also known as strategic alliance. Joint venture is a kind of partnership in which two or more businesses gather at one platform to share their expertise, markets, competencies, and accordingly their profits (Gould and Joyce). There can be different forms of joint ventures. Small firms commonly get together to undertake the industrial goliaths. Similarly, large firms may develop coalition with nimbler and quicker smaller businesses. In such cases, small companies find the benefit of having association with the big names in the industry that helps expand their geographic reach.

One of the biggest advantages of joint venture is that it saves time. It takes a company a lot of time and effort to develop the knowledge base required to expand into the industry, be able to develop and introduce new products in the market, and improve efficiency and productivity in business. Joint ventures provide companies with the opportunity to share expertise, obtain lead time, and minimize the cost that is otherwise incurred because of lack of experience and expertise.

Another very important and rewarding feature of joint venture is that it promises good quality. Understandably, when one firm has to make a product, some features of the product that the firm is capable of producing would be of good quality while the quality of other features might be compromised. Since the different companies joining hands to form a joint venture are experts in their respective fields, products made in a joint venture are of very good quality.

Works Cited:

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