ODD COUPLE COLLABORATIONS AND MAKING THEM TICK!

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ODD COUPLE COLLABORATIONS AND MAKING THEM TICK!

ABSTRACT

Purpose

- Whether it be about blending intangibles to deliver to market needs, or be directed at fulfilling aspirations pushing at technological frontiers, inter-firm collaborations across industry boundaries are much in vogue. This paper classifies some collaborations as ‘odd couple collaborations. These are fuelled more by aspirations of the partner firms, and not as much by market pull. The study provides key distinguishing characteristics for these and an understanding of what makes them tick.

Design

- The paper draws on secondary sources in the public domain to understand the motives and performance of several inter-firm collaborations. Odd couple collaborations are examined and some essential performance enablers are highlighted.

Findings

- A typology that distinguishes odd couple collaborations from other inter-firm collaborations is drawn out. Analysing the performance of such collaborations, and a need for partners to work on the visibility and appeal of such collaborations, is discussed. Stringent market evaluation of the offering, and careful creative blending of intangibles are also highlighted as key enablers.

Originality/Value

- The paper contributes to a vast body of research on inter-sector or distant collaborations by isolating and examining a niche that is fast becoming pronounced. The analysis of odd couple collaborations provides cues towards effective strategies for superior value from such collaborations. As organisations constantly seek to extend their innovative potential, these insights may prove useful for both practice and research.

Keywords: inter-firm collaborations; markets; technology spaces; open innovation; aspirations; market needs
Introducing Odd Couple collaborations

Whether it be about configuring new value for consumers, redesigning systems and processes, and in the process outmanoeuvring competition, inter-firm collaborations are notable for how they bring together capabilities outside the confines of any one organisation (e.g. Allee and Toug, 2006; Sammarra and Biggiero, 2008; Klijn et al., 2014; Murphy et al., 2015).

With the need to deliver ever more novelty in offerings, firms are seeking to innovate and diversify their collaboration remits to include ever more unrelated domains, i.e. relative to conventional collaborations, bringing together partners far apart in market offering and/or core technology. These collaborations are becoming a significant and distinctive sub-population of inter-firm collaborations.

When these are based on partners’ aspirations and not as much by market pull, we label them as ‘odd couple collaborations’.* The nomenclature used is a simplification to pairs though more than two parties may mark contemporary collaborations. They Such collaborations are much less obvious in terms of what (and how) resource and capability complementarities shape them. Typically cutting across conventional industry boundaries and apparent value networks, they have often resulted in shaping new technology spaces and market offerings.

There is a considerable body of research on ‘distant collaborations’ examining network effects, technology and cognitive distances in ‘distant collaborations’ with implications for absorptive capacity and cross industry innovation (e.g. vom Stein, et al., 2015; Enkel and Heil, 2014; Moodysson and Jonsson, 2007). We posit that odd couple collaborations, have a similarity with distant collaborations, as in very different technology and industry contexts of partners. However, in our articulation, they have a distinguishing characteristic of highercow
unpredictability of the collaboration is in terms of not being aligned with existing market needs and being more about aspirations of the partners, and, therefore, more of a surprise.

In this paper we attempt to generate a typology of odd couple collaborations and bring forth characteristics that relate to risks and performance in such collaborations. We present some conjectures that are likely to be useful for organisational strategists, and for researchers interested in value networks and innovation strategies.

Collaborations: Some perspectives from literature

The defining variables

There are several variables that have been used to characterise collaborations. These include refer to how repetitive the collaborations are, the size and time frame of collaborations and also, the relative power of collaborating partners (Zheng and Yang, 2015; Cumbers et al., 2003). Grey (1989) describes collaborations in context of commonalities or similarities between partners, highlighting their problem-solving potential. Efficacy of relationship management for business creation and innovation has also been emphasised in research (Castells, 2011). This stream of work ties closely with discussion on social networks beyond organisational boundaries for superior outcomes (Kim and Hastak, 2018).

Innovation literature puts markers down for further variables to be brought in, for instance, to do with the nature of the collaboration i.e. whether it is looking at a well-defined problem, or alternatively, is rather exploratory to seek new frontiers in a domain (Satell, 2017). In all these expressions, the distant-ness of a collaboration, as noted before, is a relatively recent concern and interest in it has grown very quickly. This is where we further thinking by classifying a distinctive niche of labelled ‘odd couple collaborations’.

Risk and return in distant and odd couple collaborations
A risk and return perspective could be useful to open up the contrast between a broad understanding of distant collaborations and what we have defined as odd couple collaborations. If an odd couple collaboration was to be more disjointed from market needs, one risk would be that of an outcome with poor market uptake. Of course taking such a risk and coming out at the right end could yield a result that startles industry pundits and erstwhile competitors by through strong disruptive outcomes (Satell, 2017).

Distant collaborations that are tuned to market needs are not risk free. For starters, they are more predictable and by the time they yield results, competing collaborations could already have got there. The benefits surely include the fact that resourcing them carries greater legitimacy by virtue of the need for a solution (Jiang et al., 2015; Gulati, 1999). Another important contrast is that odd couple collaborations have this ‘aspirational momentum’ from the top management. Arguably, it makes the rigor and commitment to make them work more stronger than in solution seeking distant collaborations (Hoskisson et al., 2017). The management literally sticks it neck out in committing resources with relatively weak legitimacy. An outcome from this work in trying to understand what makes odd couple collaborations tick, could help this part. An analysis of odd couple collaborations from the past could be a strong basis for informing strategic choices for designing such partnerships.

The traditional take on collaboration performance

The traditional take on collaboration performance argues role of leadership, and a clear idea of appropriation of returns, as crucial. Extent of complementarity in partner capabilities that can help shape value is an area that has also been emphasised in such research (e.g. Soda and Furlotti, 2017; Emden et al., 2006). Design issues in how inter-organisational teams are set up, cultural alignment and communication of partnership’s significance are also considered important, and are much discussed under the role of leadership in
driving, delivering and maintaining in collaborations (Crosby and Bryson, 2010; Seitanidi and Lindgreen, 2011; Murphy et al., 2015). The role of leadership is not explicit in our case examples, but are to some extent implied from a vantage point of aspirations dominating risk aversion. In odd couple collaborations, contribution of these factors is not typically explicit in research till date. This and this paper is an effort in understanding impacting factors for design and performance of odd couple collaborations this direction. The role of leadership and the intent of surprise is of course pronounced but from a vantage point where aspirations dominate risk aversion.

Method and Observations

Rationale and experience of collaborations we discuss are drawn from published sources. We started with a search on inter-firm collaborations and as a first step extracted the ones which could be clearly argued as distant collaborations. The criterion for extraction at this step was: collaborations that were far apart in terms of technology and industry context of partners, typically lying across industries. This was done jointly by the authors using Google search on ‘news’ and ‘all’. Google scholar and academic papers were not included at this stage to prevent bias. The time frame of search was last five years i.e. from 2013-2018, but also included prior collaborations mentioned as central to collaborative trends during the five-year period.

In the second step, of the 34 distant collaborations we extracted as unambiguously ‘distant’-based on the criterion in the first step, each of the authors now independently rated them with brief comments in terms of them being odd couple collaborations or not (Y/N), in instances where this was found to be unclear at first sight an ‘O’ label was given, for further examination. The central criterion for this was: led by partner aspirations alone and not linked with market pull/ requirement. Evidence for this was to be provided by the raters in
brief using secondary sources. We agreed to a simple tabulation template with a brief
description of the collaboration in first column (rationale, experience and performance), the
second column comprising evidence to support or negate the primary criterion for the second
step, third column having the evaluation code Y/N/O and the fourth column referring to
sources for the evidence presented.

In the third step we assessed the inter-rater reliability (percent agreement) for the third
column. This was just over 88% (30 of 34). We carried forward with 31 observations to
shape our narrative here, after evidence for one of the not agreed observation (an O) was
resolved in favour of it being a YN. Of these 31 observations 7 were clearly odd couple
collaborations that were taken forward to critically assess their rationale and experience.
Contrast from the distant but ‘not’ odd couple collaborations also helped shape the narrative.

To control for any bias, each interpretative assertion used to develop the narratives was
carefully checked to be supported by at least two published sources, each with a different
affiliation. Working on a primary data basis for this sample was also attempted. However,
because the examples are spread over time and personnel involved were not accessible even
if identifiable, this yielded very little data. Furthermore, respondent bias in terms of what they
were involved with themselves could be strong. A published source supported by another in
terms of rationale and performance expressions thus offered relatively more reliability. It may
be useful to note that we use some observations as benchmarks (which therefore draw
relatively more discussion to elaborate and to contrast) to then contrast others as we work
towards our classificatory framework and distil key issues in performance of such
collaborations. A series of observations are presented in the sections to follow. Some of these
come with a discussion of performance and implications, and others, where the verdict is still
out, a reflection on rationales behind the collaborations.
Rationales for and experiences of odd couple collaborations

Pushing technology frontiers to form new market spaces

Driverless cars are a recent outcome from an odd couple collaboration of yesteryears. They already on the roads and being fast tracked by policy and industry, with competitive performance and technology development already being informed from use feedback (Levin and Harris, 2017; Kerr, 2018). Initial and conventional research collaborations for driverless cars between universities and corporations over 1980s could not generate enough critical mass to capture public imagination. The efforts did provide adaptive cruise control prototypes but not close enough to the true proposition of a driverless vehicle (Cassetta et al, 2017). Visibility of these pursuits gained considerable amplification from 2004 onwards. This was over a series of collaborative ventures between Google and Defense Advanced Research Projects Agency of the United States Government (DARPA), challenging innovators to pit driverless vehicles in races designed to test their functioning, a much discussed ‘innovation tournament’ or ‘design competition’ (Hutton, 2015; Lampel et al., 2012; Chesborough 2010).

At least at the time, Google and DARPA were quite distant in terms of industry affiliations (Etzkowitz, 2008). The collaborative venture was driven by aspirations of the army to deploy such vehicles for reducing human casualties, using the reach platform that Google had, to support open innovation in competitive settings (Battelle, 2006). It was also alongside a drive for visibility by Google, as it sought to go beyond being a search engine to an information technology and knowledge repository giant (Arthur, 2014). The spin off from this collaborative venture into the automobile market went from strength to strength. In recent times car manufacturers like Ford, Jaguar Land Rover, BMW, Volvo and Audi have all continued to step up their act towards a commercial driver less cars market (Levin and Harris, 2017).
Waymo, a firm in Alphabet Inc Group -parent company of Google and subsidiaries after corporate restructuring, launched a driverless car in 2016. The outcome from this collaboration with Fiat Chrysler has been quite close to functionality requirements for commercial use. Alphabet Inc. and its lead firm Google continue to collaborate making an odd couple collaboration of yesteryears spin off into more aligned ones - also a testimony to persistence and aspirations of technological leadership (Hobday et al., 2004; Levin and Harris, 2017). For DARPA the driverless car pursuit has fuelled a generation of initiatives seeking breakthrough innovation in the area of minimising human risk in expeditionary US military contexts (Friedell, 2016). Capturing public imagination This venture thus did not only generate innovation inputs but also shaped the market for, and the uptake of driverless cars. The momentum was owed to a rather intriguing and visibility amplifying open innovation platform (a design competition), and surprise of an unpredictable collaboration between lead partners capturing public imagination.

In another interface, NASA is collaborating with Sony to use their Playstation’s virtual reality acumen for space training seeking to control robots remotely from earth The partnership seeks work on novel inputs for functionality of robotics - aspirational by way of pushing technology frontiers where enhancing such aspects is not really holding back any functionality from an existing needs point of view. Aspirations of both partners fuel this collaboration- enhancing the appeal of virtual reality technology and acquiring visibility in terms of being the leader in it, for Sony and, pushing space exploration frontiers for NASA (Connelly, 2015).

However, efforts at visibility for this by Sony have not gone much beyond corporate announcements, and some business and technology news. This is a relatively closed technology development initiative, multiple ways to publicise it more exist, including to resource this pursuit - through open innovation tournaments, promotions, and enhanced
visibility through popular media. Such inputs could allow NASA to generate public interest in its initiatives, and in the long run, support the often-debated spending of public money.

Overall, while the verdict on this collaboration is still out, contrasting the narrative of the Google-DARPA collaboration and developments, thereafter, allows some useful conjectures to be flagged: Odd couple collaborations tend to acquire visibility by the sheer nature of the surprise of such partnerships. The visibility can be amplified further through deployment of open and inclusive innovation schemas that extend the aspirations to a wider set of potential innovators and the public. In turn, this could create useful innovation resources and support forming of a ‘market space’, if not market creation itself (Kim and Mauborgne, 1999).

Creating value synergies from leveraging intangibles

Odd couple collaborations have also seen intangibles beyond just technological capabilities being leveraged to create novel blended offerings. While this agenda may arguably be less punchy than stretching technology frontiers, aspiring for value synergies from blending of intangibles beyond technological capabilities has been noted quite extensively- and with a marked attention to the individual acclaim of the brands under purview (Bianchi, 2017). An example is that of Georgio Armani, a fashion house venturing into luxury hotels business in collaboration with Emmar properties. Emmar operates a range of luxury hotels and holiday resorts across the world. Since 2008 the Georgio Armani brand has provided signature design inputs into Emmar buildings to enhance value for the luxury and prestige connoisseur. This odd couple collaboration between a Dubai developer and a fashion house informed the design and decor of hotels in Burj Khalifa and Milan at the turn of the decade (Penner et al, 2013). With the blending of a fashion designer inputs into architecture being somewhat sceptically received, plans for further expansion have been slow as the collaborators seek to peddle with caution. However, new Emmar buildings including Malls have Armani fashion shows as a major attraction- continuing the collaboration with a reduced level of blending. Long-term
aspirations through novelty from blending across industry boundaries continues to fuel thinking at the two organisations. While initially the collaboration was quite prominent due to the its surprise element and consequent attention in popular media, not being able to capitalise on it is a sore point with the top leadership at the organisations (Blige, 2006; Penner et al, 2013).

To contrast, the need to work this visibility further as in the case of DARPA and Google collaboration was missing. There is another clear contrast between the two collaborations- the Armani and Emmar collaboration brought forth a relatively definitive and quicker to market offering (McNeill, 2013). The severity of market evaluation seems amplified when it is about bringing forward a blended offering rather quickly, and without whetting the appetite of the market for it.

Another case in point is the Apple and Hermes collaboration. This collaboration between the lead technology brand and the luxury brand Hermes has not been doing too well. The technology savvy affluent customer sees a lot of evolution to come in the Apple watch, while the luxury connoisseur arguably does not see the Apple watch as much of a luxury artefact (Debrod, 2016). Irrespective of the promise articulated by both parties the intangible blending has arguably diluted value for both. Similarly, Google’s technology and Luxottica’s fashion acumen have come together in Google glasses allowing Google to expand its technology reach and Luxottica to break out of price wars with other branded glasses (Lawler, 2014). Though the partnership is facing problems to do with technology not being embedded well enough, and a come-back is on the cards (Curtis, 2015). However, as with other odd couple collaborations, it seems the push forward into the market too quickly was a cause for initial lack of uptake. Given Google’s own experience with driverless cars discussed before, was this collaboration not allowed enough gestation before calling on the market? The BMW and Montblanc partnership is also useful to flag for an important contrast
with examples discussed so far. Matching Mont Blanc line with the new seven series seems more of bundling than blending for an offering because ‘Mont blanc for BMW’ is more about BMW non-tech accessories likes bags and wallets that are branded Mont blanc (Worldwide, 2017).

Overall, the Taiwanese airline EVA Air’s Hello Kitty-themed Boeing 777 flying between Taipei and Houston is an odd couple partnership that arguably leads the pack by way of surprise (Lotman, 2016). Not only do iconic Japanese cat and her fellow cartoons make jets stand out at terminals, the flight experience is also themed around them. The visibility in popular media of this themed flight experience on regular flights has been quite high relative to other odd couple collaborations we have followed. While the verdict on this collaboration is still out, its performance, and potential uptake thereafter in the airline industry, may provide useful cues to dig deeper into creative and ingenious blending of intangibles in collaborations.

A view from the third sector context

There are odd couple collaborations to ponder over in the third sector context as well. UNICEF’s Kid Power Partnership with Target, the second largest retail store chain in the United States is one such collaboration. This serves Target’s CSR profile and direct market expansion alongside UNICEF’s wellness goal for kids: “As kids in the U.S. complete fitness-based missions, they earn points that can be used to ‘unlock’ therapeutic food packets that UNICEF delivers to malnourished children around the world” (Lotman, 2016, p.34). We refer to the UNICEF and Target collaboration as an odd couple partnership because it is beyond conventional CSR initiatives of hand holding or resource support. It dwells further into each partner’s offering to affect a blended approach of earning points for releasing food packets. However, a good large proportion of collaborations that address requirements of the ‘non-
market environment’ through Corporate Social Responsibility (CSR) partnerships could not be argued as odd couple collaborations. This is because several global Multinational Enterprises (MNEs) and Non-Governmental Organizations (NGOs) hold hands for support provided to the latter with less embeddedness in how their offerings come together (Perez-Aleman and Sadilands, 2008). While the Target and UNICEF example is a case of effective and creative blending, often when corporations become involved with NGOs beyond the remits of a straightforward resourcing support, they face difficulties in delivering due to capabilities or reduced alignment with shareholder interests. The Case of Heinken in looking after interests of serving girls in Cambodia (Cravenbourgh, 2016), and that of Bodyshop in participating with NGOs for conservation of Amazon Rain forests championed by its late CEO Anita Roddick (Slavin 2017), are examples of such difficulties.

A contrast of aspirations

Overall, observations of brands coming forth in distant collaborations, whether in market or non-market offerings, suggest that ‘better’ blending for value synergies seems to be pivotal for success, and this is often difficult to achieve. There are of course collaborations that have yielded path breaking innovations but are quite conventional. Conglomerates and pairings where resource and capability complementarities are relatively more apparent abound. For example, that between Hollywood studios and Consumer Electronics firms to develop Blu-ray formats, and Panasonic’s collaboration with Mozilla to bring in the Firefox operating system (Brown, 2015). These are collaborations where technology spaces are not too distinct. They are less surprising in terms of what the complementarities are, and how they would come together to work towards a market need / driven by a market pull, more than providers’ aspiration. Healthy gaming simulations and virtual trainers for physical therapy activity in rehabilitation programmes is are another example (Lee, 2017). These are collaborations...
that are therefore not ‘odd’ as they work to a needed solution. The market uptake is thus faster and evaluation relatively less stringent as they evolve.

Odd couple collaborations however have the potential to deliver innovation outcomes that go much beyond the industry and market boundaries of either collaborators. These extend the partners’ offering and often shape new market spaces through such cross breeding.

In addition to the criterion of coming together of distant technology and industry domains, we have emphasized another central criterion for being classified as an odd couple collaboration - they do not respond to market needs but are more aspirational, by the same token being a surprise. For instance, Blu-ray format development was clearly a felt need driven innovation where high density storage was becoming quite a pull from the market and also the content providers. In contrast, there was no pull for driverless cars or for a Hello Kitty Boeing experience. By extension, and despite the promise, odd couple collaborations may usually be staring down a relatively risky path. Here where the propensity of market uptake is often amplified beyond what it may be, because of biases that stem from aspirations of the partners.

There are also collaborations across industries that are ‘distant’ but at the same time are clearly about working towards a felt need as a solution. Healthy gaming simulations and virtual trainers for physical therapy activity in rehabilitation programmes are one example (Lee, 2017). These are collaborations that are therefore not ‘odd’ as they work to a needed solution. The market uptake is thus faster and evaluation relatively less stringent as they evolve.

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Discussion and Conclusions

Typically, design and execution of collaborations is relatively easy when technology, capability and offering alignments are apparent (Hallen et al, 2014). Numerous examples of near collaborations exist, in addition to the few referred to in the paper so far. For instance, code sharing agreements among air-carriers in the airline industry such as American Airlines and Delta have been around for decades and; the recent technology exchange collaborations like between Sony and Olympus, among others. Inter-industry collaborations between content providers like Netflix, M-GO with carrier providers like Samsung and Sony, can either be clustered within a broader description of the ‘industry’ or seen as spatially aligned in the technology space (Sytch and Tatarynowicz, 2014; Wang et al, 2014). They come with related prior experiences, and are arguably easier to learn for and from, and therefore not quite as unique or risky as odd couple of collaborations. Recent and past collaborations between competitors like the recently announced collaboration for developing Artificial Intelligence (AI) and machine learning between Apple, Amazon, google and Microsoft may come as a surprise (Tilley, 2017). However, they are working towards a felt need of the market, and of the competitors to cope with a strong momentum in the AI technological trajectory. This does not therefore meet the aspirational criteria of odd couple collaborations (relative to what is owed to market pull here) and of course also the criteria of being distant in technology space is not met.

While we seem to be able to deliver heuristics on deciding what is an odd couple collaboration and what is not, it may be pertinent to ask - So what about odd couple collaborations? Are they something that we should be concerned about or are they sporadic events that transpire more often now? Odd couple collaborations provide the opportunity of exploring beyond convention i.e. taking a leap of faith into the ‘Blue Ocean’ (Fawcett et al., 2012, 163). This is not only in terms of the outcomes they pursue, but also by way of the
strong aspirational conception and the process they entail, or ‘should be’ rigorous about, for performing. The conjectures that we articulate from observations in this paper may be useful for blue ocean aspirants to contemplate odd couple collaborations as a strategic choice.

The key tenets to take forward maybe listed as: an emphasis on enhancing visibility through popular media, promotions, and/or innovation tournaments; keeping a look out for spill overs as Google has done to ride the wave to a new technology space and; making sure that the offering is prepared for a critical market evaluation that is more stringent than experienced before. This is - even more crucial if the partnership is seeking to present an offering for the market rather quickly. The need for better blending in odd couple collaborations may be crucial, and will require much creative thought, when premised on for bringing intangibles into play for a partnership.

Future Research

Our case vignettes relate mostly to resource rich organisations demonstrating their aspirations in odd couple collaborations. Audia and Greve’s (2006) work with behavioural and prospect theories suggest that there is a strong likelihood that firms with superior resource endowments and less perceived risks - of and from failure, will have their aspirations rise above risk mitigating behaviour. A chronological study of odd couple collaborations, that can only happen in time as the experience accumulates over time, could shed further light on how performance helps shape firm behaviour for subsequent odd couple collaborations. One issue to resolve would be that of data on direct experience, as it is not very likely that odd couple collaborations are going to characterise a firm very frequently- such research is likely to be reliant on indirect experiences that firms can draw on in configuring such collaborations.

Examining these experiences, and deploying the key tenets presented in this paper for supporting understanding the design and performance practice of odd couple collaborations,
is likely to be of interest to researchers seeking a better understanding of inter-firm
relationships and innovation, with organisational behaviour as an underpinning theoretical
domain.

Inter firm collaboration seeking to create collaborative synergies and collaborative advantage
in disruptive innovation environments need integrative and ethical leadership. Such research
may This will help enhance strategic cooperation and at the same time overcomes issues to
do with aspects of conflict, risk and opportunistic behaviours to advance aspirations from
and performance of future odd couple collaborations. Studies Research examining top
management’s decision making and their propensity to choose between types of
collaboration, will also find it useful to engage with the a novel research trajectory given the
typological context presented in this paper.
References


Figure 1: Odd couple Collaborations Vs. (relatively more) Predictable Collaborations

Odd couple Collaborations

Pushing technology frontiers to form new market spaces

Google-DARPA (Driverless Cars)
Emmar - Armani
Apple - Hermes
Hello Kitty - Taiwanese Air

Creating value synergies from leveraging market and brand reputation

1. Risk of rather stringent market evaluation.
2. Need to carefully blend intangibles to deliver superior value.
3. Need to enhance and take advantage of public visibility

Conventional resourcing support to NGOs by Corporations (predictable under CSR mandate)

Predictable Collaborations

Working more to felt need in relation to existing technology and market trajectories

Sony - Nasa (Space Robotics)
Google - Luxottica
UNICEF - Target

Panasonic - Mozilla (Firefox)

Hollywood - Consumer Electronics (BluRay)

Code-Sharing in Airlines