Joint ventures (JVs) and other alternative structures (such as alliances and consortiums) may be superior to mergers and acquisitions (M&A) and greenfield operations in many market entry situations. While full company or carve-out acquisition and divestitures are a critical tool in the strategic toolset of nearly every business, JVs typically offer the following advantages:

- Access to resources and markets that are otherwise unavailable
- Limited upfront investment
- Risk mitigation through partnership
- Expedited time to market
- New path to an exit, through IPO or sale of share

Why Do Companies Joint Venture? Joint ventures create an opportunity for operational synergies as well as sharing of risk, technology and capital. On average, both parties gain, but the more so with ‘marriages of equals’ (unlike M&A). JVs often have more ‘option value’ than M&A deals, by providing a firm with the flexibility to increase or decrease investment depending upon how conditions develop. Joint ventures & controls. New path to an exit, through IPO or sale of share. Other problems stem from an M&A-oriented negotiation approach instead of a JV design process.