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STRENGTHENING INNOVATION THROUGH STRATEGIC ALLIANCES: A Case Study in a Dairy Industry

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ABSTRACT

This study has the objective of evaluating how the strategic alliances influence and strengthen business innovations, identifying the innovation processes, strategic alliances and the relation of the innovations with the strategic alliances in a dairy industry. The research was performed from in-depth interviews, investigating the characterization of the business, innovations, strategic alliances and the relation of the alliances with the innovations, the results showed high relation between the alliances and the innovation processes, presenting that this was only made possible through the creation of strategic alliances, indicating that the development of innovations and the magnification of the business partnerships were developed from market analysis and consumer needs, moreover showed that the alliances improve the company's knowledge and strengthen the partner, facilitating the research conduct and development of new products and processes, promoting competitive advantage and market differentials generating innovations internal and external.

Keywords: *Strategic Alliances. Innovation. Dairy industry*.

INTRODUCTION

The changes in the organizational environment imply in many adaptations for companies, therefore new strategies and innovations are necessary. In highly competitive environments, the products life cycles are reducing more and more, making the companies recognize that the effective management of innovation and knowledge will increase their competitive power.

It is noticed that many organizations have been searching for internal and external alternatives, in innovation management, through integration processes that generate cooperation and competitive advantage, because innovation is a way to beat the competition, differentiating from companies of the sector and presenting innovation to the market, this way increasing its profitability and competitiveness (LOPES; CARVALHO, 2012; LIN; CHANG; LIN, 2011).

To establish and maintain a competitive advantage it is important that the companies have a process of sharing and integration of knowledge within and outside the company (KODAMA, 2007). The growing pressure for innovation and the search for lower costs and new product development times driving companies in search of new forms of organization, which are the key elements for creating and sustaining competitive advantages or even as a key element for understanding many of the basic problems of society (LOPES; CARVALHO, 2012; HAGE, 1999).

In this sense, many companies seek, as alternative, to form alliances to promote the sharing of technologies and compare the extent and nature of knowledge flows among partner alliances, comparing them with the pares of companies that are not allies (GOMES-CASSERES, et al., 2006).

The number, the type of alliances, the nature of the partners and alliance structures as well as the relationship dynamics determine the benefits of information of a company and differ according to the structure of the alliance and its relationship management. The rapid proliferation of strategic alliances has been one of the most enduring features of the business over the past two decades (KOKA; PRESCOTT, 2002).

Based on the above, this article aims to assess how the strategic alliances influence and strengthen business innovation, identifying the main innovations, strategic alliances and the relationship of innovation with strategic alliances in an industry. To do that, concepts will be presented relating to strategic alliances and innovation in a more general way, Finally, the method will be described and the procedures used at work, as well as, results, discussion and finally the main conclusions.

1 STRATEGIC ALLIANCES

A strategic alliance is established based on specific objectives that cause cooperative processes searching to reduce the lack of flexibility (DAS; TENG, 2000). These are focused on the scope of adaptation decisions of a company, being incorporated into the strategic portfolio, co-evolving according to the company's strategy; in the institutional environment, organizational and competitive; and management's intention of alliances (KOZA; LEWIN, 1998). It is also noteworthy that alliances can take many forms, ranging from simple agreements without capital ties, for more formal arrangements involving equity participation and shared management control over the joint activities (CHAN, et al. 1997).

Several concepts covered on strategic alliances. Some authors do not consider alliances as mergers and acquisitions, others classifie strategic alliances more broadly. Table 1 lists the key concepts found in the literature.

Table 1 - Strategic Alliances Concepts

Ohmae (1989); Teece (1986)	Partnership between companies working together on the basis of an objective, sharing the control between organizations and uniting all its capabilities and resources through coordination of their activities.
Gulati (1998)	Voluntarily initiated interfirm cooperative agreement, involving exchange, sharing or co-development, capital contributions, technology and specific assets between partners.
Das e Teng (1998)	Interfirm cooperative agreements guided to achieve the partners strategic objectives, in which the participating firms can contribute with four basic types of resources: financial, technological, physical and organizational.
Garai (1999)	Joint effort agreements in the marketing area, joint activities of Research and Development (R & D) collaboration in the development of new products, technology transfer and outsourcing activities. Mergers and acquisitions are not considered strategic alliances.
Gomes-Casseres (1996)	Forms of designing new units of competition that enable the redefinition of the existing competition model, where each partner has limited control.
Dutra (1998)	International collaboration between companies that fall within the context of globalization and internationalization as a real possibility of competitive advantage gain
Eiriz (2001)	Combination of two or more organizations willing to converge efforts to pursue common strategic objectives and develop competitive advantage that will have positive effects on their individual and collective performance.
Chan, et al. (1997)	Meeting of independent companies seeking to share product design resources, production, marketing and distribution.
Braga (2010)	Group of organizations with common interests that unite to improve the competitiveness of a particular department or segment and cooperate with each other.
Kodama (2007)	Strategic alliances seek to integrate many pragmatic networks inside and outside the enterprise promoting the integration or transformation of the knowledge, producing competitive advantage for the company, as new positions in the market.

Source: Research data, adapted by the author

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For Lorange and Roos (1996), each alliance offers a unique characteristic, being impossible to give a prescription for the performance assasment that is valid for more than a limited number of cases.

Several authors classify in different ways the types of strategic alliances. Lorange and Roos (1996) work with market size typology, where strategic alliances can take different degrees of integration, being located on a separate line by two extremes: 1) the market, highlighting the types of alliances characterized by informality, simple business relationships with rules dictated by price and, 2) the hierarchy, characterized by the integration activities in which the coordinating mechanism passes to be an administrative process between internal units of the hierarchy.

Yoshino and Rangan (1996) work with the dimensions of competition and build their strategic alliances classification methodology based on the assumption that alliances involve the balance between cooperation or level of interaction and conflict. Thus, they propose an array of delimitation of alliances according to the degree of competition between the parties involved.

Koka and Prescott (2002) present the theory of social capital that is conceived as a multidimensional construct related to strategic alliances, which is evaluated by three different information benefits, as information volume, the diversity of information and the richness of information. In this perspective, companies vary in their levels of social capital, not only in their structural position _network of alliances), but also the dynamics that underlie the formation of alliance and maintenance.

Chan, et al. (1997) consider alliances as horizontals and non-horizontals, these being responsible for the increase of property values of the partner companies. Horizontal alliances involve the transfer or sharing of technical knowledge and tend to produce greater wealth effects than non-horizontal alliances as the ones in marketing, showing that alliances that add greater value, enable companies to keep the focus of their business, making use of complementary technical skills of partner companies.

From the studies of Klotzle (2002), the type of strategic alliances can be considered as: 1) unilateral contracts, consisting of licenses, distribution agreements, and R & D contracts; 2) minority interest; 3) joint ventures and 4) bilateral contracts made up of R & D set, marketing and promotion sets, joint production and advanced partnerships with suppliers.

Eiriz (2001) proposes 16 types of strategic alliances, six types of commercial areas, six technical fields / production and four financial fields. On the trade field, this includes strategic alliances that are developed predominantly for one or more of the following activities: purchasing, marketing and sales, distribution of finished products and after-sales services. In the technical field, or production, strategic alliances are oriented primarily to production activities, management of human resources and research and technological development. Finally, in the financial field, alliances are categorized in function of the capital involved and degree of the partners integration. Table 2 shows the 16 types of strategic alliances, subdivided in their domains (EIRIZ, 2001, p. 71).

Table 2-Types of strategic alliances

Types of Strategic Alliances Commercial area:	**Types of Strategic Alliances Technical / Production area:**	**Types of Strategic Alliances of the Financial Area:**
Group of exporters: cooperate with one another for development of foreign markets. Distribution agreement: between producer of final goods and another company that has domain or presence on the products distribution networks to the final consumer. Representation agreement: a company becomes the representative of the products and brands of another company to a specific market. Shopping Center: easy access from the participating companies to their fundamental inputs.	Consortium: is established between two or more companies that have capacities and competences which they can be complemented in the development of a large-scale technical project and duration in time (for example, construction of a highway or bridge). Training and / or technical assistance: sets up an agreement between two or more companies through which could be overcome by certain technological gaps. Subcontracting: a company (contractor) subcontracts to another (subcontracted) part of its production process. Joint production agreement: two or more companies jointly produce the same product	Business acquisition: a company acquires a majority position in the capital of another company. Minority interest in the company: is when a company acquires one position lower than 50% of the capital of another company. Joint venture: Two or more companies form a new entity.

Franchise: a business (franchisor) grants another (franchisee) the right to exploit a brand, product or technique of your property in a market subject to certain contractual conditions. Commercial assistance: a company establishes an agreement to outsource the definition and, above all, to implement their marketing policies.	to meet market needs which could not respond individually by lack of capacity. Investigation and development agreement: occurs in sectors where the investigation activity and development of new products and processes play a very important role. Licensing of patents: Strategic alliance through which a company _dealership) grants the other _licensed) the exploration rights of a patent, product or manufacturing process in return for compensation usually financial.	Fusion: represents the maximum degree of integration of two or more companies that decide to merge their capital structures into a single entity.

Source: Eiriz (2001, p. 71)

Já Hitt, Ireland e Hoskisson (2008) states that strategic alliances can be classified into three types, as in Table 3.

Table 3-Types of strategic alliances

Joint Venture	Creation of a legally independent company, from two or more companies.
Different Shareholder Ownership:	Two or more undertakings have different shareholdings of the constituted company.
No Shareholding:	Two or more companies develop a contractual relationship, the main form is outsourcing.

According to Das and Teng (2000), the strategic alliances reached success through the resource Based View, through the potential value creation of pooled resources directly affected by strengths and conflicts between partner companies. Assessing the resource-based view, in the institutional perspective, its explored from the performance analysis of complementary interactions of resources and institutional associations between the company and its partner. (LIN; YANG; ARYA, 2009).

2 INNOVATION

The concept of innovation involves commercialization and/or implementation of a novelty. Considering the idea that it wasn't developed or transformed into a product, process or service, or hasn't been commercialized, it wouldn't be classified as an innovation (POPADIUK; CHOO, 2006).

According to Afuah (1998), innovation is related to new knowledge incorporated in products, processes and services, this being classified according to the characteristics: marketing, technological, administrative and organizational. In the concepts of West (2000), innovation requires diverse knowledge bases, professional guidelines and disciplinary backgrounds. According to Wolfe (1994), scientific studies about innovation have four main lines: those dealing with the stages of the innovation process, organizational contexts, the underlying theoretical perspectives and the attributes of innovation.

Innovation is directly related to success in the exploitation of new ideas, focused on product / service, process, management and technology, and insufficient to treat innovation as a linear process (ADAMS; BESSANT; PHELPS, 2006). According to Teece (2010), new business models or enhancements to existing ones, as new products, result in lower costs or greater value to the consumer, if they are not easily replicated by competitors, it provides an opportunity to generate higher returns for the pioneer, until its innovative features are copied.

Innovations require a well-planned system of knowledge management that allows the company to excel in technology, market and creation of administrative knowledge (POPADIUK; CHOO, 2006). For Lundvall (2002), innovation comes as a result of a social process, involving an interaction between many individuals and organizations over a long period of time that accumulates learning processes.

The innovation system is composed of organizations that, through their resources and activities, affect the speed and the direction of the innovation process; it also includes the relationship and interactions between these organizations (LUNDVALL, 2002).

Courvisanos (2009) presents the usual distinction between incremental and radical innovation to evasive and transformative innovation where evasive innovation is any innovation (either incremental or innovation) that follows the same technological path taken before its conception, now the transformative innovation is radical innovation that redirects the technological trajectory of the economy, showing several changes that go beyond incremental or gradual.

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The technological innovations according to Lin, Chang, and Lin (2011) promote the knowledge economies development, making this an important factor in the manufacturing processes of a company. High-tech industries are knowledge-intensive having increased competitiveness from the accumulation, creation and application of knowledge. Du Preez (2012) quotes an approach to technological innovation and its relationship with the TICs (Information and Communication Technologies), considering the contributions and concepts of actor-network theory, reaching advances in the development of socio-technical research and social theory.

According to Teece (2010), technological innovation does not guarantee success of the business, the development efforts for new products must be coupled with a business model, defining strategies to go to the market and capture value.

Gomes and Kruglianskas (2009) demonstrate the criteria to delineate the technological capacity and innovation performance of Brazilian companies in the industrial sector, as shown in Table 4.

Table 4- Criteria to delineate the technological capacity and innovation performance of Brazilian companies

Types of access to technological information	**Information sources to technological information**	**Major innovative performance indicators**
The acquisition by purchasing technology.	R & D Department, other Departments.	Products and/or processes.
Partnership with suppliers.	Suppliers, fairs and exhibitions.	
Approach to universities and hiring consultants.	Universities, customers, network and Research Institutes.	

Source: (GOMES; KRUGLIANSKAS, 2009)

Organizations have moved their innovation focus through the use of internal sources to external sources of information such as: consumers, company researches, business partners and universities. The industries seek to reduce innovation activities from internal sources in accordance to joint venture involvement, alliances or acquisitions of technology (GOMES; KRUGLIANSKAS; SCHERER, 2011).

3 EMPIRICAL EVIDENCE ABOUT THE RELATIONSHIP BETWEEN ALLIANCES AND INNOVATION

Several studies have shown a tremendous growth in the number of strategic alliances and a growing importance of inter-firm collaboration on the innovation and high technology sectors. Gilsing, Lemmens and Duysters (2007) state that each strategic alliance has a specific objective of the company, this being related to the market, knowledge or innovation. Inkpen (2000) states that in some strategic partnerships those involved aggressively seek to acquire alliances of knowledge, while in others, the partners take a more passive approach to knowledge acquisitions.

In alliances, one party has power over another and the adoption of a new technology by a company depends on the impact generated on consumers and the relationship with their competitors, suppliers, leading firms, such as the adoption of the internet (AFUAH , 2004).

Hagedoorn e Schakenraad (1994) evalute strategic technological partnerships betwen companies measuring the technological partnerships efect and what are the joint efforts, through and analysis of interfirm cooperation using linear structural modeling. Kumar (2002) evaluates aspects of diffusion of innovation in the management of technology, considering a linear model of innovation diffusion based on strategic alliances of cooperation or consortium of advantages.

Hess and Rothaermel (2011) conducted a study of 108 global pharmaceutical companies, over three decades, observing their innovative performance for this, an investigation was made on the combination of specific resources along the value chain, evaluating the recruitment and retention of scientists in strategic alliances.

Crump (1997) in his study states that an inevitable consequence of the fundamental and rapid change is an evolution in trade relations, keeping the strategic alliance at the forefront of this trend. According to the author, new relationships capitalize and generate huge advances in technology and finances of companies, which are vitally important to a broad pattern of innovation and redefining of the prosperity of the industry.

According to Grunwald and Kieser (2007), the strategic alliances are destined to product innovations by recombination of partners existing technology, allowing them to collaborate on strategic alliances and can exploit the knowledge of other experts without requiring excessive sharing of knowledge of these.

In this context, product innovation can be considered a common purpose of strategic alliances, for as Simonin (1999) argues, strategic alliances are the most appropriate item of competence for the exchange of knowledge between companies.

Mowery, Oxley and Silverman (1996) researched the transfer of knowledge between firms within strategic alliances evaluating the technological capabilities based on the standards of service of their patent portfolios, assessing whether the technological capabilities increase, finding out that alliances promote greater transfer knowledge and technological capacity, promoting increased specialization.

For Vega-Jurado et al. (2008) the technological and innovative capabilities of firms are derived from spending on internal research and development and the degree of opportunities of an industrial sector, which in turn, promotes product innovation. The increasing expenditure on research and development and the adoption of collaborative technology strategies in partner companies can increase innovation (SHER; YANG, 2005).

Joshi and Nerkar (2011) evaluated that there is little research on the performance consequences of participating in consortiums R & D. They studied the effects of patent association on the performance in the company's innovation and concluded that although previous research on alliances generally show that these consortiums increase the innovation of the company, the formation of alliances decreases substantially and significantly the quantity and quality of patents.

According to Mittra (2007) mergers, acquisitions and strategic alliances represent a set of related activities that offer various strategic options for innovation management and productivity. But the balance sought between the internal R & D Department and external knowledge depends on several specific factors, such as the challenges posed by the external operating environment and the increasing variation of how the activities are explored and how the strategies are managed between large companies.

Lin, Chang, and Lin (2011) investigated the strategic alliances and organizational performance, comparing the influences of mergers and acquisitions from 1993 to 2008 in the electronics industry in Taiwan and assessing the impacts on business performance based on the innovative knowledge. The results show that these alliances can help save costs and achieve economies of scale. Strategic alliances are characterized by elasticity, lower risk and lower capital requirements, particularly in the case of electronic companies that often use strategic alliances to enter new markets, invest in new talents and improve their production capacity.

Nielsen and Nielsen (2009) tested an integrated structure of knowledge and trust act as mechanisms for measuring the relationship between the characteristics of the partner and the results of the alliance, distinguishing that the apprenticeship and the results of innovation occurred simultaneously, resulting in apprenticeship in the alliance and can be created by combining distinct knowledge bases in which one learns from others, moreover, trust is enhanced through the sharing of knowledge in international strategic alliances, reinforcing the potential benefits of tacitness of knowledge for innovative purposes. For Hoecht and Trott (2006), the nature of the risk of the relationships is linked to an information leak in collaborative environments, especially in intensive environments in technology.

4 METHODS AND PROCEDURES

The research begins with a qualitative approach, featured as descriptive. The research method was based on a study of case, which aims to provide a reference framework which may facilitate the process of deduction of the relevant issues when investigating a phenomenon (YIN, 2001; VERGARA, 2006.)

According to Yin (2001), the case study is a method of empirical research which is based on the investigation of real contemporary phenomena, in situations where the boundaries between the phenomenon and the context are not clearly defined, using multiple sources of evidence.

The case study are the alliances set out between a dairy industry of Minas Gerais and its partners including its major suppliers and buyers. The choice of the case was made for convenience, considering the access to company, in order to ensure the obtaining the data required to meet the research goals. Meanwhile, the identification of the alliance studied won´t be made, taking for granted the request of the company representatives.

The analytical elements were established from the literature review on the topic, which goal is to identify the perception of the dairy industry regarding the influence of the alliance about the innovations of the company.

An Interview with the main responsible for alliance was held in depth, this being sales director, marketing and logistics. The interviewed was asked about the characterization of the company innovation, strategic alliances and the relationship between the alliances with the innovations, according to the responses, not contemplated items for the analysis were asked specifically.

The advantage of the interview is the approach that the researcher has with the interviewee (BIANCHI, 2006). Thus he can best lead the questions and prevent the respondent omits the answers or don´t respond them satisfactorily, besides being possible to evaluate distortions of the speech of the research subject.

Cervo e Bervian (1998, p. 136) characterized the interview as a "conversation guided by a set goal: collect, through the informant's questioning, data for research."

The interview lasted approximately one hour and was carried out directly. After the transcription of the interview, we proceeded to the content analysis, in order to identify and characterize the interviewees' perception about the relation of the alliances on the company's innovations. The interview data were treated through content analysis (BARDIN, 1977; TRIVIÑOS, 1987; RICHARDSON, 1999) commonly used in qualitative research.

5 RESULTS AND DISCUSSION

Hereafter, the results found in the interview are presented and discussed, starting with the characterization of the company, followed by the innovations that occurred from 2001 to 2011, listing the main strategic alliances of the company, how they are formatted, the advantages for the company and partners. Ultimately, the relation of the innovation with these partnerships was evaluated and finally a summary of the innovation concepts categorization was presented, strategic alliances and its relation with the innovation based on the interview and theoretical concepts.

Case Study

The researched dairy industry was founded from four other industries in 1999, producing whole milk, skim milk and chocolate milk packaged in long-life packages of 1 liter. Currently, milk production and also chocolate, soy-based juices, cream and condensed milk filled in 200 ml containers, 500 ml and 1 liter is carried out. The company's main objectives are focused on the production of quality products targeting the growth and the conquest of new markets. The company has 600 employees, operating in various sectors.

The company's main suppliers are the ones who bring primary and secondary packaging, as well as of raw materials, inputs, ingredients, energy and water inputs and transportation at the level of 47% of the demand, carried out by some outsourcing agreements. The leading purchasers of the company are concentrated in medium-sized wholesale and retail network, related to supermarkets which are scattered around Brazil with the highest concentration in Minas Gerais. The innovation process of the company doesn´t occur separately and it isn´t either concentrated in a single sector, It is based on a parallel cycle in which is not expected that a breakthrough finishes for another one to start. During the period of 2001-2011, every 2 years there have been great changes in the company, leading the company to double its revenue every 4 years. The company's innovations related to the production, started from the completion of the new machinery and equipment implementation, so as to get market share, followed by improvements in the training postures, workmanship and knowledge evolution. In addition, new long-life packaging designs, format, presentation and structures were developed.

The process of new technologies innovation was another important item. Previously, the products long-life packaging was all manual, currently it is all robotized with automated equipment, having product traceability, from the producer to the wagon, being all the machine electronically managed by computers, ensuring this way high production speeds with high performance machines.

In 2006 the long-life packages were modified to a kind of carton called Square with a cover lever named click. In 2008 an incremental innovation was made which led the screw crap carton that was a great strategy and still remains to the present. These innovations were only possible from partnerships which were held, according to the interviewee´s remark:

> "Previously there was only one aseptic long-life packaging supplier in Brazil and we identified that there was an opportunity with a new supplier of developing a partnership job through long negotiations during a year, in which a market survey was conducted, identifying whether consumers would accept this change or not, so a Research Institute was hired evaluating and identifying that the consumer was smoldering to the need of packages with cover and also inclinable to pay a little bit more [...] actually the consumer paid a little more for that, with a 0.10 cents difference gap in one liter " (Report of the Interview, 2012).

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The long-life packages supplier had great participation in this proposal being a great partnership for both of them. When it comes to the supplier, it was important for his entry in Brazil. Talking about the company, it provided a better support than the competitor that was back then, generating greater commercial advantages. The partnerships have specific purposes linked to the market, knowledge and innovation (GILSING; LEMMENS; DUYSTERS, 2007; INKPEN, 2000). The organizations join together to improve competitiveness, cooperating with each other (BRAGA, 2010).

Another important innovation was the development of differentiated long-life carton packages, items that consumers identified through some focal groups, conducted by a Research Institute, being listed several different needs, such as half-liter packages, halved the recipe, which are implemented and reach really good results. Innovations require a well-planned system of knowledge management which allows the company to the excellence in technology, market and the creation of an administrative knowledge (POPADIUK; CHOO, 2006). The integration and transformation of the knowledge inside and outside the company generates a competitive advantage (KODAMA, 2007).

Most of these innovations was achieved through strategic partnerships. Companies seek cooperative agreements targeted at strategic goals contributing to the financial, technological, physical and organizational resources, seeking to share these means about the product design, production, marketing or distribution (DAS; TENG, 1998; CHAN, et al., 1997).

The main partnerships of the company are focused on the packaging suppliers, both primary and secondary, in which they develop together some market analysis and new packaging designs to deploy. Chocolate and vitamins ingredient suppliers work in a partnership system, developing new products and technologies, taking the employees to fairs and events. These can be regarded as joint production, research and development agreements, according to Eiriz (2001) e Klotzle (2002). The cooperatives, raw materials suppliers, are partners and owners of the company. The combination of these cooperatives founded the creation of the assessed industry being this alliance considered a Joint venture (EIRIZ, 2001; KLOTZLE, 2002; HITT; IRELAND; HOSKISSON, 2008).

> "I believe an industry that works with several partnerships, when it is open, which is our style, for example, our president is a person who values this exchanging side too much, he is always willing to listen to the companies that are enter and offer a lot of new technology and the president´s philosophy is to strengthen the region by hiring local companies, searching outside only what we really don´t have here, so as to establish exactly as if it were a growth cluster; if we have to buy a metal structure – let´s buy it here, in our region; is we need to hire workmanship – let´s try to find it in the region; if we´re making a partnership with some university to offer internships, we will offer at the local university, then all this process is supposed to keep on growing in this business, and it has worked very well because when you develop suppliers like that, they end up being partners for real" (Interview Report, 2012).

These partnerships are formatted based on the creation of contracts that seek to turn the tacit commercial conditions into explicit ones, focused on the confidentiality, being these ones more devoted to the necessary formalities win-win. One of these genres is the own brands kind, held with two partner companies, currently in the following products: fresh milk and condensed milk. Eiriz (2001) relates this partnership model as production joint arrangements, seeking to meet the market needs, which alone wouldn't be possible.

> "Today, with a great partner of ours of own brands, I'm predisposed to be one step ahead of the needs because I want him to continue as my partner. I want him to give a company reference, if they need a new product, I want him to develop with me not looking for another supplier" (Interview Report, 2012).

The partnerships that lead the development of new products are made from a research process, in which the consumer market needs are identified and from that, the company joins the suppliers conducting the tests and product analysis up to its conception. The strategic alliances are responsible for the product innovations through the partners' technology unification (GRUNWALD; KIESER, 2007).

The aims of the partnerships for the industry turn to the search of financial results, to the increase of the market share and products improvements according to the needs of the consumer. New business relationships within the alliance promote advances in the company´s technology and finance increasing the innovation standard for the industry (CRUMP, 1997).

The main advantages achieved by the industry with these partnerships are: lower costs, lower P & D investment, supplier's participation in events and marketing campaigns. New business models or improvements of the existing ones result in lower costs or greater value to the consumer (Teece, 2010; Lin et al, 2011.). The adoption of collaborative technology strategies through research and development centers may boost the capacity of innovation (SHER; YANG, 2005; MITTRA, 2007; VEGA-JURADO, et al., 2008).

The partners, according to the view of the industry have as key advantages: the consumption guarantee, a positive image in the market, the possibility of having new markets and customers. Besides increasing the confidence from the alliance on (NIELSEN, NIELSEN, 2009).

The main contributions of strategic alliances was the innovations growth not having an increase in patents, once this is not the focus of the company. Joshi and Nerkar (2011) consider that there isn´t always patents increase starting from innovations developed by strategic alliances, on the other hand Mowery, Oxley and Silverman (1996) considers that alliances can promote greater knowledge and technological capacity transfer, fostering the specialization increasing.

> "Alone the company wouldn´t have gotten to this point, because if you take an ingredients company, for example, it has knowledge of years and years of research, and how can we develop a single ingredient? It is almost impossible; how can we take a product and work this same product in micro particles inside the milk or fruit pieces that go into a milky drink if you need to have a machine technology to do this? We need to have a partner otherwise there's no way you have a great innovation, even in research centers it is necessary to have a partner "(Report of Interview, 2012).

The company has differentials if compared to the competitors that come from the strategic alliances, such as the initial introduction of the click cover and the screw cap, the milk carton with the Square packing format, the half recipe kind of condensed milk packing, being these the innovations in the market, furthermore, the half liter milk containers were developed and also the milk packages with 6 units. The search for internal and external alternatives in managing their innovation, through interaction processes, knowledge sharing and integration, generate cooperation and competitive advantage (LOPES; CARVALHO, 2012; KODAMA, 2007).

According to the presented results, the concept of innovation when it comes to this industry, is based on the accumulation, knowledge exchanging or conversion directed to new products and processes related to technological needs, market and organizational ones, being possible from alliances that can facilitate the knowledge dissemination and the innovations development (AFUAH, 1998; WEST, 2000; POPADIUK; CHOO, 2006; ADAMS; BESSANT; PHELPS, 2006). Strategic alliances are targeted at cooperative agreements that look for strategic objectives, contributing through the resource sharing about the product design, production, marketing or distribution besides achieving financial, technological and organizational results (DAS; TENG 1998; CHAN, et al., 1997; EIRIZ, 2001; KLOTZLE, 2002; HITT; IRELAND; HOSKISSON, 2008).The company achieves competitive advantage and market differentials by using strategic alliances to spread and also transform the knowledge and generate internal and external innovations in the company (SIMONIM, 1999; GRUNWALD; KIESER, 2007; KODAMA, 2007; LOPES; CARVALHO, 2012; TEECE, 2010; BRAGA, 2010; LIN; CHANG; LIN, 2011.).

6 CONCLUSION

The scientific work about innovation have four main lines: stages of the innovative process, organizational contexts, underlying theoretical perspectives and innovation attributes (WOLFE, 1994), this article was based on the organizational innovation contexts assessment, relating them to the strategic alliances that influence and strengthen business innovations.

The evaluated industry has investments over the factors linked to the innovation and the expansion of partnerships, these being always made from the market analysis and consumer need attached to the alliance partners. The company's innovations are considered processes with parallel cycles that happen continuously. Most of the innovations was performed from the strategic alliances, increasing the company´s knowledge and strengthening partners facilitating the research conduction and new products and processes development.

The concept of innovation built from this article is based on the knowledge accumulation, exchanging or conversion directed to new products and processes related to technological, market and organizational needs. The concept of strategic alliances is oriented to the cooperative agreements that look for strategic objectives, in order to contribute, in the company, through the sharing of product design resources, through the resource sharing when it comes to the product design, production, marketing or distribution, reaching financial, technological, and organizational results and the concept of the relation of the innovation and the strategic alliances make the knowledge dissemination easier between the supplier, the consumer and the company promoting the innovations development, generating benefits and reducing costs.

The limitations of the article are developed from possible biases arising from the interviewer´s interpretation besides the impossibility of the generalization to other threads and other cooperatives. The realization of some deeper research with partners, the future research would be necessary, furthermore, it would be also important to evaluate the consumer´s perception when it comes to these partnerships, evaluating whether they will generate impact in the relationship and customer´s loyalty or not. Another indication for future researches would be the increasing ratio of the number of patents with companies that have strategic alliances.

Moreover, it is concluded that the study may contribute to spread the importance of establishing strategic alliances so as to promote the innovation process which is further exploited and disseminated from these alliances promoting financial and technological profits and competitive advantages against the company´s competitors.

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