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How AI Platforms Reshape Governance in Strategic Alliances: Evidence from Service Industry Partnerships

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Zusammenfassung

Diese Masterarbeit untersucht, wie die digitale Transformation die Zusammenarbeit zwischen Unternehmen sowie die Governance-Strukturen strategischer Allianzen verändert, mit besonderem Fokus auf KI-gestützte digitale Plattformen. Mit der zunehmenden Nutzung digitaler Technologien zur Koordination, Überwachung und Entscheidungsunterstützung über Organisationsgrenzen hinweg stoßen klassische Governance-Mechanismen, die ausschließlich auf vertraglichen oder relationalen Grundlagen beruhen, an ihre Grenzen. Aufbauend auf der Transaktionskostentheorie, der Theorie relationaler Governance sowie der Forschung zu digitaler Plattform-Governance verfolgt die Arbeit einen qualitativen Multiple-Case-Study-Ansatz. Die empirische Analyse basiert auf Sekundärdaten zu den Allianzen KPMG–Google Cloud und BBVA–Cisco. Mithilfe eines theoriegeleiteten deduktiven Kodierungsrahmens werden hybride Governance-Strukturen identifiziert, in denen formale, relationale und algorithmische Steuerungsmechanismen miteinander kombiniert werden. Die Ergebnisse zeigen, dass KI-gestützte Plattformen Transparenz erhöhen und Koordinationskosten senken, während relationale Governance weiterhin eine zentrale Rolle für Vertrauen und gemeinsame Innovation spielt.

Abstract

This master's thesis examines how digital transformation reshapes inter-firm collaboration and governance structures in strategic alliances, with a particular focus on AI-enabled digital platforms. As organizations increasingly rely on advanced digital technologies to coordinate activities across organizational boundaries, traditional governance mechanisms based solely on contracts or relational trust become insufficient. Drawing on transaction cost economics, relational governance theory, and digital platform governance literature, this study adopts a qualitative multiple-case study design. The empirical analysis is based on secondary data from two strategic alliances: KPMG–Google Cloud and BBVA–Cisco. Using a theory-driven deductive coding framework, the study identifies the emergence of hybrid governance structures in which formal, relational, and algorithmic governance mechanisms coexist and interact. The findings demonstrate that AI-enabled platforms enhance transparency, enable real-time monitoring, and reduce coordination costs, while relational governance remains essential for trust-building and joint innovation. The thesis contributes to the literature on digital transformation and strategic alliances by showing that digital technologies reconfigure rather than replace established governance mechanisms, with important implications for both theory and managerial practice.

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1. Introduction and Background

With its potential to increase productivity, adaptability, and long-term growth, artificial intelligence (AI) has emerged as a significant force in the digital economy in recent years (Vial, 2019; Papagiannidis et al., 2025). Companies are shifting to digital platforms that facilitate data-driven decision-making, automate processes, and link various organizational components as they integrate AI into their systems. But despite these developments, many companies have yet to fully realize the benefits of artificial intelligence (Dubey et al., 2024). AI's impact on company performance is still constrained by issues including governance, implementation, and ethical concerns, particularly when companies collaborate.

Companies must frequently coordinate their objectives, procedures, and technology in order to form strategic alliances, which can highlight difficulties (He et al., 2020). These days, a lot of companies depend on partnerships and digital transformation to adapt and expand, particularly in times of crisis like supply chain problems or international health situations (Dubey et al., 2024). Firms must think about risk management, transparency, incentive alignment, and preserving firm trust as they integrate AI-powered platforms into these collaborations.

Prior to the widespread implementation of digital technology, alliance governance ideas mostly concentrated on formal contracts and relationships based on trust and reputation (Williamson, 1985; Gulati, 1995). These presumptions need to be reviewed in light of the growing popularity of AI-based collaboration. Important considerations about the design and management of governance in platform-based alliances are brought up by the rapid rate of technological change, new methods for creating value, and the use of algorithms in decision-making (Papagiannidis et al., 2025). Even though responsible AI is now encouraged by numerous frameworks and policies, little is known about how these ideas are applied in actual business collaborations.

With a focus on the service sector, this thesis explores how AI-enabled digital platforms are changing the way strategic alliance governance operates effectively. In order to manage collaboration, coordination, and performance across organizational borders, it examines how the introduction of intelligent digital systems changes the link between formal contractual processes and relational trust.

The study seeks to clarify the ways in which technology infrastructures moderate inter-firm interaction and impact hybrid governance structures by drawing on recent research in alliance theory, digital transformation, and AI governance.

To achieve innovation and operational efficiency, the research empirically focuses on two strategic alliances between technology, analytics, and consulting firms that use AI-enabled platforms. The analysis solely uses secondary data from publicly available sources, including as press releases, industry reports, partnership documents, and white papers. This enables a thorough examination of the ways in which AI-driven cooperation appears in practical settings.

There are seven chapters in this thesis. The research problem, goal, scope, and framework are presented in Chapter 1. The relevant research on digital platforms, strategic partnerships, governance systems, and AI-related concerns is reviewed in Chapter 2. The theoretical foundation that guided the research is described in Chapter 3. The research methodology, including case selection, data collecting, and analysis strategy, is covered in Chapter 4. The case study results are presented in Chapter 5, and their implications for current theory are covered in Chapter 6. The findings, theoretical contributions, practical ramifications, and future research objectives are summarized in Chapter 7, which brings the thesis to a close.

2. Literature Background

2.1. Introduction to Literature Review

The quick spread of digital technologies has changed how firms collaborate across organizational boundaries as well as how they operate internally. There is relatively little information on how digital transformation affects inter-firm relationships, despite the fact that a large portion of the literature to date has concentrated on how it improves intra-firm capabilities like innovation, agility, and process optimization (Bharadwaj et al., 2013; Vial, 2019). New questions concerning how such infrastructures impact governance mechanisms, collaborative performance, and the role of digital capabilities in enabling and managing strategic partnerships emerge as organizations more frequently incorporate digital and AI-enabled platforms into their alliances to coordinate activities, exchange data, and co-create value.

The present state of research at the intersection of alliance performance, inter-firm governance, and digital platforms is reviewed in this chapter. The definition of digital platforms, particularly those driven by artificial intelligence, and their growing influence on cross-firm cooperation are covered in the first section. The second section examines the ways in which digital tools are challenging, redefining, or supplementing traditional governance mechanisms like contracts, control systems, and trust. The third portion emphasizes the enabling role of digital capabilities, especially in situations that call for data exchange and real-time cooperation. The impact of digitally mediated alliances on performance outcomes like creativity, effectiveness, and relationship stability is examined in the fourth section. The chapter concludes by outlining the main gaps in the research and how this thesis uses a multi-case analysis of platform-based inter-firm alliances to try to fill them.

2.2. Digital Transformation and Inter-Firm Platforms

Digital transformation has been a major factor in recent years, changing how firms generate value, plan their operations, and compete in the market. Early attempts at digitalization were mostly concerned with enhancing internal efficiencies through IT-enabled process optimization, but more recent studies are

realizing that the most significant effects of digital transformation go beyond the limits of individual firms. In particular, digital platforms have developed essential infrastructures for organizing inter-firm cooperation, allowing firms to participate in increasingly data-driven, scalable, and dynamic forms of ecosystem management and partnership.

2.2.1. Defining Digital Platforms

According to Bharadwaj et al. (2013) and Vial (2019), digital platforms are technological architectures that enable interactions between numerous, interdependent players both inside and outside of organizational boundaries. Digital platforms offer shared technology and governance infrastructures that allow external enterprises, consumers, and complementors to co-create value, in contrast to traditional company IT systems, which are usually built to improve internal operations. Digital platforms, according to Bharadwaj et al. (2013), represent a strategic shift in business strategy since they enable companies to coordinate resources and activities across large ecosystems instead of maintaining discrete dyadic connections. According to this ecosystem viewpoint, platforms serve as tools that bridge boundaries between diverse actors by means of standardized technology interfaces, data-sharing protocols, and modular service architectures.

Expanding upon this idea, Vial (2019) offers a thorough overview of the literature on digital transformation, emphasizing the function of digital platforms as border resources that make it easier to coordinate intricate organizational networks. According to Vial, platforms create governance frameworks that control access, involvement, and value appropriation in digital ecosystems in addition to facilitating technological interoperability. In order to balance the conflicting interests of ecosystem stakeholders, these governance frameworks may consist of technological standards, application programming interfaces (APIs), data-sharing agreements, and intellectual property management protocols.

2.2.2. Platform Ecosystems and Multi-Sided Coordination

The development of platform-based ecosystems, in which several companies communicate via a common technology infrastructure, is intimately related to the idea of digital platforms. According to

Constantinides, Henfridsson, and Parker (2018), platforms serve as middlemen that facilitate multi-sided marketplaces by bringing together producers, consumers, and complementors in ways that result in economies of scale and network effects. For instance, cloud computing platforms like Microsoft Azure and Amazon Web Services (AWS) offer standardized infrastructures that let firms create, implement, and expand digital services without having to make significant internal IT investments. Similarly, by offering transparent, unchangeable transaction records and the ability to execute smart contracts, blockchain systems such as Ethereum facilitate decentralized coordination among several stakeholders.

The platform owner or orchestrator usually establishes the terms of participation in these ecosystem contexts, including pricing schemes, data governance guidelines, and access privileges. In addition to granting the orchestrator a disproportionate amount of the ecosystem's value, this pivotal role entails obligations to maintain security, interoperability, and equitable participation. According to Constantinides et al. (2018), platforms can result in power imbalances and lock-in effects even when they lower coordination costs by standardizing interactions. This is especially true when one actor owns crucial data assets or platform governance mechanisms.

2.2.3. Digital Platforms as Coordination Enablers in Strategic Alliances

A significant improvement in how firms organize activities and handle collaborative relationships is the use of digital platforms in inter-firm alliances. To manage cooperation and reduce the risk of opportunistic behavior, strategic alliances have historically relied on a combination of formal contracts and relational governance mechanisms, such as trust and shared standards (Poppo & Zenger, 2002). Digital platforms, on the other hand, bring a technology layer that has the potential to either strengthen or weaken these governance systems.

Digital platforms lower transaction costs and information asymmetries by facilitating real-time data interchange, process integration, and collaborative decision-making across organizational boundaries. Kohtamäki et al. (2020), for example, describe how firms use digital platforms to integrate partners, suppliers, and customers into cooperative product creation processes in the manufacturing industry.

These systems enable more responsive and agile innovation cycles by facilitating the real-time sharing of production data, design specifications, and consumer feedback. Comparably, digital platforms like blockchain-based ledgers in supply chain management offer visible and secured transaction records, improving traceability and confidence among various participants (Kumar et al., 2025).

2.2.4. Empirical Evidence from Industry Alliances

NICE (2025) and Deloitte Digital established a strategic partnership to integrate AI-powered customer service solutions via the CXone Mpower platform in the context of customer experience management. By using cloud-based analytics and automation, this partnership makes it possible to coordinate client interactions in real-time across a variety of methods, improving responsiveness and service quality. In a similar manner, LTIMindtree's collaboration with Google Cloud (2025) shows how digital platforms promote cross-firm coordination in the implementation of AI and machine learning solutions, resulting in enhanced scalability and a quicker time to market. But the use of digital platforms also brings with it new problems with power imbalances, platform dependence, and data governance. Firms forming platform-based alliances should be cautious about platform control and value appropriation concerns, especially when the platform coordinator has undue influence over the ecosystem, according to Constantinides et al. (2018). Strong governance systems that strike a balance between the advantages of technological integration and the risks of strategic planning are necessary, as these concerns indicate.

In conclusion, digital platforms are an innovation for inter-firm cooperation, opening new ecosystem coordinating models that go beyond conventional dynamic alliances. Platforms enable collaborative value creation across organizational boundaries, real-time data sharing, and shared process integration by offering standardized governance and technology infrastructures. Platform-based coalitions have been shown to improve performance, but they also present significant governance issues that need to be properly handled. Gaining theoretical and practical insights into the digital transformation of inter-organizational connections requires an understanding of how firms manage these trade-offs. The current study, which aims to investigate how digital platforms alter alliance governance structures and performance outcomes in practice, is grounded on this literature.

2.3. Governance Mechanisms in Alliances

The underlying governance mechanisms that regulate these collaborations continue to be crucial to their success or failure, even as digital platforms offer new technological infrastructures for interfirm coordination. In the context of strategic alliances, governance refers to the incentive alignment, coordination, and control mechanisms that firms employ to oversee their collaborative partnerships. Formal contractual governance and relational governance are the two main governance modalities that are distinguished in the classic alliance governance literature (Poppo & Zenger, 2002). Instead of being mutually exclusive, these mechanisms serve as complementary tools that firms can use in various ways based on the type of alliance, the degree of uncertainty, and the potential for opportunistic behavior.

2.3.1. Formal Contractual Governance

Legally binding agreements that outline each alliance partner's duties, responsibilities, and obligations form the foundation of formal contractual governance. Contracts are intended to reduce the dangers of opportunism, define performance standards, and offer ways to resolve conflicts (Williamson, 1985). Formal contracts, according to Transaction Cost Economics (TCE), lower transaction costs by outlining the parameters of collaboration, defining intellectual property (IP) rights, and instituting sanctions for non-compliance.

Formal contracts are especially useful in coalitions with high levels of complexity, asset specificity, and performance measurability, according to Poppo and Zenger (2002). In these situations, specific contractual clauses helps in avoiding misunderstandings and offer legal protection in the event that the agreement is broken. For instance, because pharmaceutical development and commercialization carry such high stakes, pharmaceutical industry partnerships frequently rely on detailed contracts that outline milestones, royalty schemes, and intellectual property ownership. However, formal contracts are necessarily incomplete, which limits their impact. No contract can foresee every scenario that can arise in the future or outline every conduct that could occur, particularly in situations that are dynamic and unpredictable. In addition to impeding flexibility and adaptability, overly strict contracts may also make it more difficult for the alliance to react to shifting market dynamics or advancements in

technology (Gulati, 1995). Because of these drawbacks, academics have emphasized the function of relationship governance as an additional strategy.

2.3.2. Relational Governance

To manage inter-firm collaboration, relational governance depends on mutual commitment, agreed norms, and trust. Relational governance has its roots in the continuing social and professional ties between alliance participants, as opposed to formal contracts, which are formalized in legal forms. According to Zaheer et al. (1998), trust lowers the perceived risk of opportunism and allows partners to invest in relationship-specific assets without worrying about being taken advantage of. Open communication, collaborative problem-solving, and cooperative conduct are made easier by shared norms and mutual understanding. In coalitions that include significant amounts of uncertainty, the sharing of intuitive information, and collaborative innovation, relational governance is especially crucial. The flexibility and agility that trust-based relationships offer in these situations can improve the alliance's ability to react to new possibilities and obstacles. According to Gulati (1995), the development of relational capital, reputation building, and recurrent encounters are the ways in which relational governance evolves over time. But depending only on relational governance could put firms at danger of under-enforcement, particularly if trust decreases or if the incentives for opportunistic behavior are excessive. Furthermore, because relational governance mechanisms are frequently context-specific and rely on the dynamics and history of the given connection, they are challenging to transfer across coalitions.

According to current study, formal and relational governance are complementary rather than identical (Poppo & Zenger, 2002). In order to accomplish both control and flexibility, effective alliance management frequently combines specific contractual terms with relational procedures based on trust. Contracts, for instance, might offer a minimum degree of legal protection, while relational governance can handle unforeseeable circumstances by means of informal discussion and compromise. Empirical research supports the complementarity view by demonstrating that coalitions with high levels of relational trust and robust contractual protections typically generate better performance outcomes (Poppo & Zenger, 2002). By balancing the advantages of relational flexibility with the requirement for

legal clarity, this dual-governance strategy helps firms improve alliance stability, learning, and innovation.

2.3.3. Digital Platforms and the Reconfiguration of Governance Mechanisms

By changing the cost structures, knowledge asymmetries, and relationship dependencies that support inter-firm cooperation, the emergence of digital platforms adds new dynamics to alliance governance. By offering data-driven performance tracking, automatic process monitoring, and real-time visibility into partner operations, digital platforms can, on the one hand, lessen the need for comprehensive contractual requirements (Bassan and Rabitti, 2024). For instance, tamper-proof transaction recording is made possible by blockchain-based systems, which lessens the need for ex-post contractual enforcement measures. However, digital platforms might make new governance structures more necessary to handle concerns about cybersecurity, platform dependency, and data ownership. Traditional governance structures may be challenged by power imbalances brought about by the platform coordinator's centralization of data and control. One partner controlling the digital platform, for example, may have disproportionate control over pricing, innovation routes, and data access, which could result in strategic dependency for the other partners (Constantinides et al., 2018).

By permitting new technological methods of control and simultaneously elevating the significance of trust and social alignment, Daly et al. (2025) argue that digital transformation reconfigures the balance between formal and relational governance. Digital platforms, for instance, can automate certain collaboration tasks, but they also necessitate agreement from partners on data-sharing agreements, API standards, and governance protocols-areas that frequently lack well-established legal precedents and hence rely on mutual trust and negotiation.

2.3.4. Emerging Empirical Insights

There is inconsistent evidence regarding the impact of digitalization on governance from empirical studies on platform-enabled alliances. Manufacturing companies that use digital platforms are more likely to rely on relational governance to manage the risks of digital transformation, according to Kohtamäki et al. (2020). These companies highlight collaborative digital strategy, cooperative

capability development, and trust-building as critical success elements. However, other research shows that formal data governance agreements are becoming more and more important, especially in sectors where privacy, data security, and regulatory compliance are major issues (Clohessy and Acton, 2019). For instance, BBVA and Cisco's partnership in 2024 includes a Whole Portfolio Agreement that codifies the conditions of digital transformation for BBVA's worldwide operations, including clauses pertaining to platform integration, cybersecurity, and data governance. However, the growth of relational trust and collaborative cultures that allow partners to adjust to changing market demands and technology advancements is typically necessary for such alliances to succeed.

In conclusion, even in the era of digital transformation, governance structures continue to be essential to the management of strategic alliances. Strong governance structures are still necessary even when digital platforms offer new technology capabilities for coordinating inter-firm activities. Rather, they create new opportunities and difficulties for alliance management by rearranging the ratio of relational governance mechanisms to formal contractual rules. It is essential to comprehend how companies handle these changing governance dynamics in order to understand the performance results of alliances made possible by digital platforms. This realization sets the stage for the following part, which examines how digital capabilities may promote or prevent effective alliance performance.

2.4. AI-Enabled Platforms: Concept, Features, and Examples

Unlike traditional digital platforms, which rely on human-defined protocols and rule-based coordination, AI platforms embed autonomous decision-making within the infrastructure itself. This autonomy alters the balance of control between alliance partners, replacing human negotiation with algorithmic prediction and data-based trust mechanisms.

2.4.1. Concept and Definition of AI Platforms

The latest generation of digital infrastructures known as artificial intelligence (AI) platforms integrate and optimize business processes across organizational ecosystems by combining machine learning, algorithmic intelligence, and sophisticated data processing. AI platforms dynamically learn from data inputs, adjust to changing surroundings, and produce insights that improve performance and decision-

making, in contrast to traditional digital platforms that only facilitate transactions or information exchanges (Mucha and Seppala, 2020). AI platforms are multi-layered technical infrastructures that integrate digital infrastructure, data ecosystems, and artificial intelligence approaches to dynamically create, deliver, and collect value (Mucha and Seppala, 2020). Therefore, these platforms serve as socio-technical systems that facilitate independent and intelligent coordination between firms, clients, and partners in addition to being digital enablers.

The development of AI platforms signifies the fundamental change of the digital platform economy, as data and algorithms become core resources for value creation and governance (Dubey et al., 2024). By incorporating automation and predictive analytics into their decision-making logic, AI platforms expand on the role of digital platforms, which have acted as middlemen to facilitate the flow of information. They thus serve as both governance mechanisms and technology infrastructures, impacting decision-making as well as the distribution of control, trust, and coordination within the ecosystem. According to Broekhuizen et al., (2023), the incorporation of AI into inter-firm partnerships signifies a paradigm shift in alliance management by bringing in novel kinds of data-driven control and algorithmic trust that go against established governance frameworks.

2.4.2. Core Features and Architecture of AI Platforms

Typically, AI platforms function through a number of interlinked layers, each of which performs unique yet complimentary tasks:

1. Data Infrastructure Layer – makes it possible to gather, store, and process both structured and unstructured data on a massive scale.

2. AI and Machine Learning Engine – uses automated algorithms to analyze data, identify patterns, and make predictions.

3. Application Programming Interfaces (APIs) – Allows additional companies and developers to join the platform and collaborate on service development.

4. Governance and Compliance Layer – guarantees the ethical application of algorithms, transparency, and data integrity.

5. User and Ecosystem Interface – promotes creativity and collaboration by bringing together internal and external stakeholders.

These layers act as the foundation for continuous learning and adjustment. AI platforms function as dynamic systems that can self- improve through feedback loops, where algorithmic efficiency is continuously improved by data from user interactions, as noted by Mucha and Seppala, 2020. Furthermore, as Papagiannidis et al. (2025) point out, this development demands the creation of responsible AI governance frameworks that control the moral, free, and equal application of AI technologies on platforms. As a result, the governance element is now just as important as the technology one.

2.4.3. Examples of Leading AI Platforms

A number of AI-powered platforms demonstrate how automation and intelligence have taken center stage in digital collaboration:

• Google Cloud AI – combines automation, data analytics, and machine learning tools for sectors including healthcare and finance, providing an environment where partners can collaborate together to develop and implement AI solutions.

• NICE CXone – acts as an AI-powered platform for customer experience that uses emotion and speech analytics to improve customer happiness and service quality (Deloitte–NICE collaboration).

• Databricks – offers a single platform for machine learning and data engineering, facilitating cross-company innovation in fields including advanced analytics, process optimization, and predictive maintenance (Kyndryl–Databricks collaboration).

• Cisco AI Network Analytics – provides networking and cybersecurity solutions driven by AI, assisting financial institutions such as BBVA in enhancing risk management and operational transparency.

These examples show how AI systems change how firms work together and manage partnerships in addition to facilitating digital transformation. They establish foundations for hybrid governance models by creating common areas where relationship and technology coordination coexist.

2.4.4. AI Platforms, Collaboration, and Governance Implications

Because AI platforms provide real-time coordination, predictive monitoring, and adaptive control mechanisms, they drastically change the dynamics of inter-firm collaboration. They minimize traditional information asymmetries between partners by improving data sharing and transparency (Dubey et al., 2024). But because the company in charge of the platform frequently sets rules for data access and algorithmic decision-making, they also bring about new kinds of dependency and power imbalance. According to He et al. (2020), this duality changes governance from being solely relational or contractual to being hybrid, with algorithmic control mechanisms serving as a supplement to formal contracts and trust.

AI platforms also enable data-driven trust, where relationships are less risky and opportunistic because of predictive models, automated compliance, and ongoing monitoring. However, as Papagiannidis et al. (2025) point out, these advantages are accompanied by difficulties with accountability, transparency, and moral leadership. In order to maintain human oversight in algorithmic decision-making, firms must implement responsible AI procedures. Such hybrid systems, combining digital, contractual, and relational governance, are at the foundation of AI-enabled inter-firm collaboration.

Building on their collaborative function, AI platforms change the logic of alliance governance itself in addition to improving coordination. These solutions redefine accountability among ecosystem actors and redistribute decision-making authority in addition to promoting efficiency and innovation. AI platforms disrupt established value allocation methods, change trust dynamics, and create new types of dependency by integrating algorithmic control into strategic and operational processes.

Alliances that use digital and AI skills are more robust in times of crisis because they can dynamically reorganize procedures through data-driven coordination, according to Dubey et al. (2024). However, integrating AI into alliance structures also brings with it new governance challenges, including as algorithmic responsibility, disagreements over data ownership, and the requirement for open oversight procedures. This supports the claim made by Papagiannidis et al. (2025) that responsible AI governance is no longer a compliance duty but rather a strategic competency.

In conclusion, AI platforms combine technology innovation and governance evolution to transform inter-firm collaboration. They represent the shift from conventional, human-driven partnerships to digitally mediated ecosystems that depend on openness, ongoing learning, and hybrid governance models. In order to explain how digital transformation affects alliance performance and long-term strategic results, it is essential to comprehend the mechanisms via which AI platforms facilitate, regulate, and shape inter-firm partnerships.

2.5. AI-Enabled Platforms and Their Role in Hybrid Governance

Digital platforms which encourage inter-firm collaboration are increasingly integrating artificial intelligence (AI) technologies. Across organizational boundaries, these AI-enabled technologies provide automated decision-making, predictive analytics, and real-time data processing. AI can increase forecasting accuracy, facilitate more flexible reactions to changing conditions, and expedite collaborative workflows in strategic alliances (Dubey et al., 2024). The conventional reliance on human interpretation is diminished as firms work together using platforms that combine machine learning and natural language processing, enabling more scalable and effective collaboration. But this automation also brings up fresh issues with control, transparency, and responsibility in partnerships mediated by digital means. Alliance governance is made more challenging by the use of AI in interorganizational platforms. In order to accommodate algorithmic decision-making and AI-driven data flows, traditional governance mechanisms such as contracts, monitoring, and relational trust must now be modified (Papagiannidis et al., 2025). For instance, without direct human supervision, AI systems integrated into shared platforms may have an impact on customer engagement procedures, compliance monitoring, or cooperative resource allocation. As a result, alliances may become less dependent on strict contractual protections, but they also require more flexible administration that takes technological dependency into consideration.

Researchers have started looking into how hybrid governance models can better handle the distributed intelligence of AI-enabled systems by combining formal controls with mutual adjustment and learning (He et al., 2020). Robust governance frameworks are necessary to control the operational and ethical risks associated with the use of AI in inter-firm partnerships. The assumptions of traditional alliance

governance are called into question by problems like data privacy, algorithmic bias, and transparent decision-making, especially in regulated sectors like healthcare or finance (Lumenalta, 2024). Governance must also guarantee adherence to global regulatory frameworks and ethical standards as alliance partners share access to AI-driven tools and customer data. Building trust between partners is made more difficult by AI systems' lack of transparency, also known as the "black box" dilemma, particularly when performance results are hard to track down or validate.

Although there are significant limitations, empirical research is increasingly demonstrating that integrating AI-enabled systems can increase alliance performance. AI has the potential to boost innovation, lower transaction costs, and speed up the generation of shared value when properly managed (Kohtamäki et al., 2020). These results, however, depend on the organizations' capacity to co-manage AI risk, align strategic goals, and be digitally mature. Miscommunication, power imbalances, or technological lock-in can occur in partnerships where AI tools are implemented without shared knowledge or governance alignment. Therefore, the effectiveness of governance frameworks and the integration of digital capabilities among all partners are directly related to AI's performance impact in partnerships.

2.6. Digital Capabilities as Enablers or Moderators

Although digital platforms provide technological and structural foundations for inter-firm collaboration, firms' capacities to utilize these platforms efficiently vary. The success of platform-enabled alliances is greatly impacted by differences in managerial experience, organizational resources, and technology competence. Scholarly interest in the idea of digital capabilities-the firm-specific capacities to implement, integrate, and manage digital technologies for strategic advantage-has increased as a result of this variation in results (Khin & Ho, 2019). The ability of an organization to use digital technologies, such as blockchain, artificial intelligence, cloud computing, and data analytics, to generate business value is sometimes referred to as digital capabilities (Khin & Ho, 2019; Clohessy and Acton, 2019). These skills are more than just technical assets; they include a mix of organizational practices, skilled human capital, technology infrastructure, and leadership dedication that help firms adjust to the demands of digital transformation.

According to Khin and Ho (2019), digital capabilities are made up of three main components: (1) technological capability, which refers to the company's capacity to implement and oversee digital infrastructure; (2) human capability, which refers to the abilities and skills of staff members to use digital tools; and (3) managerial capability, which refers to the strategic vision and leadership needed to match digital initiatives with organizational objectives. These factors reinforce one another, indicating that organizational preparedness and cultural congruence are just as important to the success of digital transformation as technology investment.

2.6.1. Digital Capabilities as Enablers of Platform Adoption

Strong digital capabilities put firms in a better position to embrace and incorporate digital platforms into their alliance-building efforts. These companies are more likely to have the technological know-how required to manage data flows, setup APIs, and guarantee cybersecurity compliance. Additionally, they are better at creating digital strategies that match platform utilization to more general corporate goals like supply chain optimization, consumer engagement, or product innovation. This opinion is supported by empirical research. For instance, Kohtamäki et al. (2020) show that manufacturing companies that use platform-based business models and have sophisticated digital capabilities attain better results. These firms create networked ecosystems that provide real-time data exchange and cooperative decision-making by integrating platform infrastructures with their own internal processes and also extending this integration to their partners. Organizations with strong digital capabilities are also more likely to overcome organizational inertia and technological complexity, which are obstacles to blockchain adoption, according to Clohessy and Acton, (2019).

2.6.2. Digital Capabilities as Moderators of Governance and Performance

Digital capabilities serve as moderators that impact the relationship between platform utilization, governance procedures, and alliance performance in addition to facilitating platform adoption. According to (Volz et al., 2025), firms with greater digital skills are better able to handle the governance concerns that come with digital platforms, like platform dependency, data sovereignty, and interoperability problems. These skills enable firms to negotiate data-sharing agreements, co-design

governance rules, and put in place technical safeguards that secure their strategic interests. Firms with strong digital capabilities, for example, may be able to offset power imbalances in alliances when one partner controls the platform infrastructure by negotiating API access, guaranteeing data portability, and creating backup plans for platform switching. On the other hand, companies with inadequate digital skills could rely too much on platform orchestrators, putting them at danger of value appropriation and lock-in (Constantinides et al., 2018).

By strengthening enterprises' absorptive capacity, their ability to identify, assimilate, and apply external knowledge (Zahra and George, 2002), digital capabilities can enhance learning processes within inter-firm collaborations and thereby influence alliance performance outcomes. Firms with advanced analytical skills and higher levels of digital literacy are better positioned to extract insights from platform-generated data and translate them into actionable strategies that foster innovation and improve operational effectiveness (Khin and Ho, 2019).

2.6.3. Industry Examples of Capability-Driven Alliances

The moderating effect of digital skills is further demonstrated by industry alliances. For instance, the strategic alliance between LTIMindtree and Google Cloud (2025) makes use of LTIMindtree's sophisticated digital engineering skills to provide AI-powered solutions for a variety of industries. This collaboration shows how firms with strong managerial and technical skills may integrate platform services with domain-specific knowledge to co-create value. The partnership between Deloitte Digital and NICE (2025) is another example of how digital capabilities assist firms handle the challenges of coordinating the customer experience using cloud-based platforms. Together, NICE's technology ability and Deloitte's consulting experience help create AI-powered customer service solutions that improve client firms' overall performance. But not every alliance produces these results. Firms that aren't digitally prepared can find it difficult to fully employ platform-based collaboration, which could lead to underutilized technology, mismatched governance structures, and less-than-ideal performance. This discrepancy emphasizes how crucial it is to evaluate digital capabilities when designing and managing alliances.

2.6.4. Challenges in Building Digital Capabilities

Despite its significance, developing and maintaining digital skills is fraught with difficulties. First, according to Vial (2019), digital skills are path-dependent and necessitate sustained investments in personnel, technology, and organizational transformation. Firms must develop these capabilities through experimentation, continuous learning, and strategic commitment; they cannot be obtained overnight.

Second, digital capabilities vary depending on the situation. Strong digital capabilities in one industry or organizational context might not be the same in another. For instance, running a blockchain-enabled supply chain network requires different digital skills than managing a cloud-based customer service platform.

Lastly, because technology is changing so quickly, digital capabilities need to be updated and maintained on a regular basis. Even firms who were formerly regarded as digital leaders run the risk of lagging behind if they don't keep up with technological improvements.

To sum up, digital capabilities are essential for allowing firms to use digital platforms for inter-firm cooperation. These features affect alliance performance outcomes and moderate the efficacy of governance systems in addition to making platform adoption easier. Firms with robust digital skills are better equipped to handle the organizational, relational, and technological difficulties of digital platform-based alliances, which improves their capacity for efficiency, innovation, and competitive advantage. Understanding the intricate dynamics of digital transformation in inter-organizational contexts thus requires an appreciation of the centrality of digital capabilities. The performance results linked to platform-enabled alliances are examined in the following section, which expands on this foundation.

2.7. Collaborative Performance Outcomes

The performance results that these partnerships provide serve as the final indicator of alliance success, even though digital platforms and governance mechanisms offer the administrative and structural underpinnings for inter-firm cooperation. According to Kohtamäki et al. (2020), performance outcomes

in strategic alliances are usually evaluated along a number of aspects, such as innovation, operational efficiency, market competitiveness, and relationship length. These results are influenced by the strategy alignment and capacity fit between partner companies as well as technology integration and governance frameworks in the context of digital platform-enabled partnerships.

A complex concept, alliance performance measures how well an alliance accomplishes its strategic goals. The following are examples of common performance metrics:

• Innovation outputs, like the creation of new goods, services, or business models.

• Operational enhancements, such as improved supply chain coordination, cost savings, and process efficiencies.

• Results pertaining to the market, such a larger market share, happier customers, or improved brand positioning.

• Relational results, such as partnership continuity, stability, and partner satisfaction.

Because subjective views (like managerial satisfaction) frequently deviate from objective outcomes (like financial returns), scholars have for years debated the proper measures for evaluating alliance performance (Kale & Singh, 2009). Because digital value creation in digital alliances is intangible and frequently takes the shape of improved data analytics skills, consumer insights, or ecosystem positioning rather than direct financial rewards, performance evaluation becomes even more difficult.

2.7.1. Digital Platforms and Innovation Performance

The ability of digital platforms to spur innovation through collaborative development, real-time data exchange, and cross-firm knowledge integration is one of their most frequently mentioned advantages. According to empirical data presented by Kohtamäki et al. (2020), manufacturing firms that use digital platforms see increased rates of innovation in their goods and services. By incorporating partner capabilities, supplier knowledge, and customer feedback into the innovation process, these platforms enable the co-creation of value, shortening time-to-market and enhancing the relevance of new products.

Alliances like the one between LTIMindtree and Google Cloud (2025) are prime examples of how digital platforms can encourage innovation in the technology industry by utilizing AI-powered solutions. Combining Google's cutting-edge AI and cloud capabilities with LTIMindtree's technical know-how, the partnership has created sector-specific apps that improve process automation, decision-making, and predictive analytics in a variety of industries.

By improving supply chain visibility, cutting transaction costs, and optimizing workflows, digital platforms help improve operational performance. For instance, blockchain-based platforms offer transparent and unchangeable transaction records, eliminating the need for manual reconciliation and enhancing transparency in complex supply chains (Kumar et al., 2025). These skills are especially useful in sectors where process integrity and regulatory compliance are crucial, such manufacturing, logistics, and healthcare.

According to empirical research, supply chain coordination partnerships that use digital platforms generate better operational efficiency, such as quicker order fulfillment, lower inventory holding costs, and improved supplier cooperation (Wamba et al., 2020). The partnership between BBVA and Cisco (2024), for example, shows how a thorough digital transformation plan can boost customer service delivery, increase organizational agility, and streamline IT operations in the banking industry.

Beyond efficiency and innovation, digital platforms can improve a company's market position by facilitating unique consumer experiences, increasing ecosystem engagement, and raising brand awareness. The partnership between Deloitte Digital and NICE (2025) serves as an example of how cloud-based customer experience platforms may enhance customer engagement, brand loyalty, and service customization. The alliance assists customers in providing exceptional customer experiences that generate competitive advantage by coordinating customer interactions across many channels and utilizing AI-powered data.

Successful strategic partnerships that make use of digital platforms can also improve ecosystem positioning by giving firms the opportunity to play important roles as complementors or platform orchestrators. This positioning improves value appropriation opportunities and negotiating leverage

within the ecosystem in addition to giving access to larger markets and client bases (Constantinides et al., 2018).

The partnership's long-term viability and relational quality are also included in the performance of the alliance, which goes beyond its immediate operational or commercial results. High levels of mutual satisfaction, collaborative learning, and relationship continuity are frequently seen in successful digital alliances. Because they allow partners to strengthen their cooperation, adjust to technological advancements, and co-evolve their skills, these relational outcomes are essential for maintaining competitive advantage over time.

In digital platform ecosystems, where trust and relational governance are crucial for controlling the hazards of data sharing, collaborative innovation, and platform dependency, relational performance is especially significant (Sun and Qu, 2025). Partnerships that promote candid communication, common standards, and reciprocal dedication are more likely to successfully negotiate the difficulties of digital transformation and produce lasting value.

Even though digital alliances have the potential to be beneficial, not all of them succeed. A number of factors affect result variability, including:

• When partner goals are not aligned, priorities clash and coordination issues arise.

• Underutilization of platform functionality due to a lack of digital capabilities.

• Inadequate governance architecture that can overlook problems with value-sharing, platform control, or data ownership.

• Organizational or cultural obstacles, like mistrust or resistance to change.

These difficulties highlight how crucial it is to carefully plan alliances, build capabilities, and coordinate governance in order to optimize the performance advantages of digital platforms. In conclusion, alliances made possible by digital platforms have the potential to produce notable improvements in market positioning, innovation, operational effectiveness, and relational outcomes. These advantages, however, are not assured and are dependent upon the participating enterprises' digital

capabilities, governance systems, and strategic alignment. Both academic research and managerial practice require an understanding of the factors that influence and hinder alliance performance. This realization prompts the literature review's last part, which summarizes the gaps found and explains why the current study was conducted.

2.8. Synthesis of Gaps and Research Motivation

The literature on digital transformation, alliance governance, digital capabilities, and collaborative performance outcomes has been reviewed. It shows significant advancements as well as significant gaps in our knowledge of how AI-enabled digital technologies change inter-firm collaboration. Although academics have made substantial contributions to the definition of digital platforms, the identification of governance mechanisms, and the investigation of performance outcomes, there is still a lack of theoretical and empirical research on the incorporation of artificial intelligence (AI) into these frameworks.

Initially, studies on digital transformation have yielded useful conceptualizations of digital platforms as infrastructures that connect boundaries and encourage collaboration across ecosystems (Bharadwaj et al., 2013; Vial, 2019; Constantinides et al., 2018). These cases highlight how platforms may revolutionize multi-sided market interactions, collaborative innovation, and real-time data exchange. However, the way coordination and value generation take place has changed significantly as a result of the recent incorporation of AI into platform designs through automation, machine learning, and predictive analytics. Despite this change, the majority of current research is still centered on conventional digital platforms, providing little understanding of how AI-driven systems affect inter-firm cooperation and governance.

Second, the extensive body of research on governance mechanisms has made clear the functions of relational governance and formal contracts in coordinating incentives, managing alliance risks, and promoting collaboration (Poppo & Zenger, 2002; Williamson, 1985; Gulati, 1995). However, these theories frequently ignore how AI-enabled platforms alter governance dynamics because they were primarily designed in pre-digital contexts. Traditional relational and contractual controls are

complemented but also made more complex by the emergence of algorithmic decision-making, automated monitoring, and data-based trust mechanisms (He et al., 2020). There are still few systematic empirical studies looking at this hybridization of governing structures.

According to the literature on digital capabilities, technology infrastructure, skilled human capital, and strategic leadership are all essential components of a successful digital transformation (Khin & Ho, 2019; Clohessy and Acton, 2019). Firms now need a more sophisticated set of AI skills, such as data governance knowledge, algorithmic literacy, and ethical AI management, as AI technologies become more integrated into platforms. In addition to influencing how firms embrace and incorporate AI-enabled systems, these skills also impact how well they can reduce algorithmic bias, maintain inter-firm trust, and guarantee transparency. However, little is known about how these AI-specific skills affect the interaction between governance, technology use, and performance results.

Lastly, research that particularly address AI-enabled platforms are still in their early stages, despite empirical data supporting the beneficial effects of digital platforms on innovation, efficiency, and market competitiveness (Kohtamäki et al., 2020; Oh & Lee, 2020). According to preliminary research, AI can improve alliance performance through intelligent coordination, process automation, and predictive analytics (Dubey et al., 2024; Papagiannidis et al., 2025). However, depending on partner trust, governance design, and the extent of AI integration, alliance results differ significantly. There is still a lack of theoretical and empirical research on the relationship among AI adoption, hybrid governance, and digital capabilities fit.

2.8.1. Identified Research Gap

When combined, these gaps highlight the pressing need for comprehensive research that looks at the ways in which AI-enabled digital platforms affect alliance performance and governance. The literature specifically requests research on how alliance governance structures are altered by the incorporation of AI technology into digital platforms, especially the harmony between formal, relational, and algorithmic procedures. How the relationship between platform usage and alliance performance is

moderated by enterprises' AI-related capabilities, either enhancing or limiting the advantages of intelligent collaboration.

How AI-enabled partnerships across sectors and governance structures, especially in the service industry, affect performance outcomes.

Although professionals' interest in AI-driven ecosystems is growing, academic research has not yet provided a coherent explanation for why some AI-enabled partnerships work while others don't. Previous research frequently treats governance, performance, and digital transformation as distinct concepts, ignoring how interdependent they are in AI-enabled environments. Theoretical advancement and managerial applicability are restricted by this fragmentation.

2.8.2. Research Motivation and Thesis Contribution

This thesis fills these gaps by advancing our knowledge of how alliance formation, governance structures, and collaborative performance results are altered by AI-enabled digital platforms. In particular, it creates and empirically investigates a conceptual model that combines the use of AI platforms, hybrid governance systems, digital and AI capabilities, and performance outcomes in strategic partnerships with the service sector.

The study makes three main contributions to the body of literature:

Theoretically, by expanding alliance governance frameworks to include the relational, ethical, and technological complications brought forth by algorithmic control and AI-based decision-making.

Empirically, by offering methodical proof of the impact adoption of AI-enabled platforms has on performance in actual partnerships across the technology, analytics, and consulting sectors.

Managerially, by providing practical advice on how firms can create hybrid governance frameworks and develop digital and artificial intelligence skills to optimize the benefits of intelligent platform cooperation.

By tackling these goals, the thesis not only closes a significant gap in the scholarly literature but also offers useful information to managers and decision-makers negotiating the opportunities and difficulties of inter-firm collaboration offered by AI in the digital economy.

2.9. Conclusion

The main literature streams on digital transformation, alliance governance, digital and artificial intelligence capabilities, and collaborative performance outcomes have all been covered in this chapter. While previous research has significantly improved our understanding of how digital platforms encourage coordination and value creation, the review found that the emergence of AI-enabled infrastructures has brought about new types of algorithmic control and data-based trust that are not entirely explained by conventional frameworks. AI's incorporation into inter-firm platforms changes the logic and methods of governance, creating hybrid systems that incorporate relational, algorithmic, and formal aspects. These observations emphasize the necessity of a thorough theoretical framework that can connect organizational, relational, and technological viewpoints.

3. Theoretical Foundation

3.1. Introduction

Artificial intelligence (AI) advancements have accelerated digital transformation, which has impacted inter-organizational interactions and changed the way strategic alliances are organized and coordinated. The development of AI-enabled platforms, that combine algorithmic intelligence with digital connection, has brought forth innovative governance and collaborative dynamics that are beyond the scope of conventional theories. These platforms integrate predictive and decision-making capabilities into inter-firm connections, automate coordination, and process massive amounts of data in real time.

This study uses three interconnected frameworks-Transaction Cost Economics (TCE), Relational Governance Theory, and Digital Capability Theory- to examine how alliance governance and performance are impacted by AI-enabled platforms and how digital and AI capabilities influence these interactions. When combined, these frameworks offer a multi-level perspective for comprehending the interplay between organizational, relational, and technological elements in partnerships mediated by intelligent digital infrastructures.

3.2. Transaction Cost Economics (TCE)

According to Transaction Cost Economics, which has its roots in Williamson's (1985) research, firms aim to reduce the expenses associated with starting, carrying out, and enforcing transactions by implementing governance frameworks that are appropriate for the degree of uncertainty, asset specificity, and frequency of the transactions. Firms use formal governance tools including comprehensive contracts, monitoring systems, and legal protections to curb opportunism when transaction risks are high (Williamson, 1985; Poppo & Zenger, 2002).

TCE explains why firms formalize cooperation with contractual agreements that allocate rights, duties, and control mechanisms in strategic alliances, particularly those that are marked by technological complexity and interdependence (Reuer & Ariño, 2007). But the emergence of platforms powered by AI changes the structure of transaction costs. Automation, predictive analytics, and data transparency

help these systems reduce coordination costs, but they also come with new expenses for platform dependency, algorithmic bias, data sharing, and cybersecurity (Vial, 2019; Papagiannidis et al., 2025).

The governance conflict is reframed by this contradiction, which forces firms to evaluate the strategic dangers of technological dependence and less human control against the efficiency gains of algorithmic coordination. Digital infrastructures, according to Markus and Bui (2012), move governance from a relationship level-between two firms-to an ecosystem level, which is managed by platform coordinators. This change is more noticeable in the context of artificial intelligence (AI), as algorithmic systems take on more responsibilities related to resource allocation, partner reliability prediction, and compliance monitoring.

As a result, TCE offers a starting point for examining formal governance processes under AI mediation and poses important queries regarding the extent to which computers can be given decision-making authority without jeopardizing strategic autonomy or accountability in partnerships. Though TCE has a strong emphasis on regulations for efficiency and control, it offers little understanding of the behavioral and social processes that support cooperation. In order to discuss these relational aspects of governance, the next section presents Theory of Relational Governance.

3.3. Relational Governance Theory

The social and behavioral aspects of inter-firm collaboration are incorporated into Relational Governance Theory, which enhances TCE. It highlights reciprocal commitment, trust, and shared norms as ways to encourage collaboration and lower perceived risks-elements that contracts cannot fully capture (Gulati, 1995; Dyer & Singh, 1998). Poppo and Zenger (2002) argue that relational governance can serve as a supplement to formal contracts as well as a replacement for them, particularly in long-term partnerships characterized by reliance and uncertainty.

However, relational governance is changing in ecosystems facilitated by AI. Interpersonal trust can be damaged by less in-person connection and a greater reliance on digital and algorithmic systems (Puranam et al., 2014). However, new types of algorithmic or data-based trust can also be established via AI-driven openness, data traceability, and predictive monitoring (McEvily, Perrone & Zaheer,

2003). Scholars refer to the system's capacity to continuously check for compliance and identify irregularities as "algorithmic assurance," which can serve as a technology supplement to social trust.

Relational mechanisms are still essential in AI-mediated partnerships, though, especially where collaborative problem-solving, co-innovation, or adaptive learning are needed. Cultural compatibility, social embeddedness, and communication quality all continue to offer resilience in situations where relational understanding cannot be replaced by algorithms. Even in technologically advanced ecosystems, relational capital is still essential for managing uncertainty and change, as stated by Cao and Lumineau (2015).

Consequently, Relational Governance Theory assists in the explanation of how cooperation and trust develop under AI mediation, as trust takes on a hybrid form that combines algorithmic, institutional, and interpersonal elements. However, Relational Governance Theory and Transaction Cost Economics both mostly concentrate on the behavioral and structural aspects of cooperation, providing little insight into the internal resources that enable firms to successfully utilize these governance mechanisms. The next section examines Digital and AI Capability Theory in order to capture this organizational dimension.

3.4. Digital and AI Capability Theory

Digital Capability Theory, the third pillar of this theoretical framework, focuses on the organizational competencies that enable firms to embrace and experience the benefits of technology transformation. IT infrastructure, analytical know-how, and strategy alignment are traditional examples of digital competencies that help firms innovate, stay flexible, and provide value in digital settings (Bharadwaj et al., 2013; Khin & Ho, 2019).

These skills also include AI-specific talents like algorithmic literacy, data governance expertise, and ethical AI management in the age of AI-enabled platforms. These features enable firms to:

• Create and adapt algorithmic tools to alliance goals;

• Integrate AI-enabled platforms with internal processes; and

• Ensure the ethical, open, and legal usage of AI in cooperative networks.

AI capabilities can be viewed as a specialized category of digital skills that help businesses identify and take advantage of new opportunities while reducing algorithmic risks, building on Teece's (2007) concept of dynamic capabilities. Stronger AI skills enable partners in alliances to comprehend data outputs, co-create value, and oversee changing governance structures more effectively (Clohessy and Acton, 2019). Crucially, these skills serve as moderators, assessing how well firms can use AI platforms while controlling the possible hazards of bias, opacity, or over-reliance.

Firms with inadequate AI or digital readiness might refrain from utilizing advanced analytics for collaborative decision-making, which would limit their capacity for learning and performance. AI-mature companies, on the other hand, may use smart insights to improve alliance results and fortify governance. The next level of digital maturity is thus represented by AI skills, which show not just technological readiness but also ethical stewardship and the ability to combine machine intelligence and human judgment. Together, these theoretical perspectives demonstrate that good alliance management in AI-mediated settings necessitates both the internal capacity to implement, modify, and regulate intelligent technology as well as suitable governance frameworks. These viewpoints are combined into a single conceptual framework in the following section.

3.5. Integration of Theoretical Perspectives

The three ideas each provide a distinct contribution to our knowledge of performance and governance in AI-enabled alliances:

• TCE explains how AI alters transaction costs through automation and predictive analytics and offers justification for formal governance.

• Relational Governance Theory describes how social norms and trust change in the face of algorithmic control and digital openness.

• A firm-level contingency is introduced by the Digital and AI Capability Theory, which demonstrates how technological development influences the capacity to strike a balance between algorithmic and human decision-making.

Together, these frameworks create an integrated model in which the use of AI-enabled platforms is viewed as the independent variable, digital and AI capabilities are viewed as moderators, hybrid governance mechanisms (formal, relational, and algorithmic) function as mediators, and alliance performance is the result.

Recent requests for a more sophisticated understanding of alliance governance in the age of intelligent technologies (Lumineau & Henderson, 2012; Nambisan, Wright & Feldman, 2019; Dubey et al., 2024) are in line with this integration. The thesis may now explore how human, technological, and algorithmic forces interact to shape inter-firm collaboration, moving beyond conventional dichotomies such formal vs relational governance.

3.6. Conclusion

The theoretical framework of the thesis has been described in this chapter, utilizing Digital and AI Capability Theory, Transaction Cost Economics, and Relational Governance Theory. Together, these frameworks offer a multifaceted viewpoint for examining how alliance governance and performance are altered by AI-enabled platforms.

They provide the theoretical underpinnings for examining the ways in which intelligent coordination, automation, and algorithmic decision-making impact formal and informal governance structures. The research guarantees conceptual clarity and empirical precision by establishing the thesis on this multi-theoretic basis, which advances our knowledge of hybrid governance structures in the era of AI-driven inter-firm collaboration.

4. Research Methodology

4.1. Research Design

To examine how AI-enabled digital platforms affect governance frameworks and how alliance partners modify their procedures to handle the risks and uncertainties related to artificial intelligence, this study uses a qualitative multiple case study design. Since the research focuses on comprehending mechanisms, meanings, and processes rather than quantifying relationships, a qualitative method is appropriate for this thesis.

By comparing two strategic alliances that operate in the service industry, the multiple-case method allows grounded insights and theoretical generalization. Each example illustrates a different technological and organizational setup of an AI-enabled partnership: one is focused on professional services and innovation, while the other is focused on cybersecurity and financial risk.

The study is guided by two linked research questions:

RQ1: How do AI-enabled platforms reshape hybrid governance structures in service-sector alliances?

RQ2: How do alliance partners adapt their governance practices to manage risks and uncertainties introduced by AI technologies?

The first question focuses on how governance mechanisms in AI-mediated collaborations are being structurally transformed, while the second question highlights how firms are adapting to new technological, ethical, and interpersonal challenges. When combined, they offer a thorough framework for understanding the complex connection between inter-firm governance and technological progress.

4.2. Case Selection

This thesis focuses on two service-industry alliances which use AI-enabled platforms as the foundation of their cooperation to guarantee analytical depth and contextual diversity. Three factors were used to guide the planned sampling process used to choose the cases:

1. The firms involved in both collaborations are in the service industry, where co-production and information sharing are essential to value production.

2. Rather than being an additional tool, AI-enabled platforms are a fundamental component of inter-firm communication.

3. There is enough publicly accessible data to enable a methodical examination of adaption strategies and governance structures.

Based on these criteria, the study investigates the following two alliances:

- KPMG and Google Cloud - To implement generative AI, cloud analytics, and responsible-AI frameworks into business operations, KPMG and Google Cloud have formed a strategic cooperation in the professional services and technology industries. AI serves as both a governance tool and a coordinating mechanism in this partnership, which is an example of innovation-driven service transformation.

BBVA-Cisco: A partnership between a multinational financial company and a technology supplier that emphasizes automation, digital resilience, and AI-based cybersecurity. This partnership provides insight into how governance, compliance, and risk management are impacted by AI-driven automation in a highly regulated setting.

These two examples provide theoretical and contextual contrast: BBVA–Cisco illustrates the evolution of risk-oriented governance in a financial services setting, whereas KPMG–Google Cloud exhibits innovation-oriented governance adaption in a consulting setting. By contrasting these examples, one can use analytical power to examine the advantages and disadvantages of AI's introduction into alliance administration.

4.3. Data Sources

This study uses secondary qualitative data from several reliable and combined sources because confidential company information is not easily accessible. When the goal of the study is to comprehend strategically documented but non-observable occurrences, secondary data are suitable (Johnston, 2017).

The sources include:

- Official press releases and announcements from KPMG, Google Cloud, BBVA, and Cisco (Appendix A);

- Corporate white papers, industry reports, and technical documents detailing AI-related initiatives;(Appendix A).

- Reputable media coverage from outlets such as Reuters, Forbes, PaymentExpert, The Fintech Times, and CIODive (Appendix A);

- Academic and policy reports discussing AI governance and digital transformation in alliances (Appendix A).

Each document was evaluated based on three criteria to guarantee the legitimacy of the data: authenticity (issued by credible institutions), accuracy (alignment across many independent sources), and relevance (specific reference to governance processes, alliance structure, or AI integration). A strong basis for tracking the structural and behavioral aspects of governance reform is provided by the combination of primary corporate materials and outside analyses.

4.4. Data Collection Procedure

The period of data collection was October 2024–January 2025. Press releases, articles, technical white papers, and analyst commentary were all included in the extensive document corpus that was produced for each case, with roughly 20 to 25 pieces per alliance.

Every document was methodically listed in a data matrix that included the following characteristics:

- Source type (press release, report, article),

- Publication date and issuing organization,

- Content focus (AI functionality, governance, adaptation, risk), and

- Relevance to one or both research questions.

Data triangulation across multiple points of view was made possible by this methodical approach to data collection, guaranteeing that interpretations did not depend on a single story or corporate statement. When there were differences between sources, the analysis gave preference to information that had been cross-checked or saw conflicting statements as interpretive material that would indicate organizational conflicts. A detailed overview of the document corpus and its sources is provided in Appendix A.

4.5. Data Analysis Strategy

This analysis followed a two-stage qualitative approach combining within-case and cross-case analysis.

Within-Case Analysis:

To determine how AI-enabled platforms affect governance procedures and adaptive practices, every case has been examined separately. Three analytical categories that were taken from the theoretical framework were the focus of the coding:

- Formal governance mechanisms (contracts, monitoring, compliance),

- Relational governance mechanisms (trust, collaboration, communication), and

-Algorithmic or platform-based mechanisms (AI-based transparency, data governance, automated control).

Descriptive evidence was linked to theoretical constructs in order to extract patterns.

Cross-Case Comparison:

Insights from both alliances were compared after within-case coding to find similarities and differences in how AI reconfigures governance and how firms respond to new dangers. This phase aimed to determine whether governance hybridization and adaptation strategies vary between contexts that are risk-oriented (BBVA–Cisco) and innovation-oriented (KPMG–Google). The coding dimensions and illustrative examples used in the analysis are documented in Appendix B.

Analysis stayed theory-driven but analytically open during both phases, enabling the emergence of new categories when recurrent patterns emerged in various documents.

4.6. Ensuring Research Quality

This study uses the well-established qualitative criteria of credibility, transferability, dependability, and confirmability to improve methodological rigor (Lincoln & Guba, 1985).

Data triangulation across corporate, media, and analytical sources was used to establish credibility.

Rich contextual detail improved transferability by enabling readers to evaluate the findings' relevance to other AI-mediated partnerships.

Consistent coding practices and the recording of analytical conclusions guaranteed dependability.

Maintaining an open audit trail, which included a data matrix with all sources, coding categories, and interpretive notes, helped to ensure confirmability.

4.7. Methodological Limitations

Reliance on secondary data has drawbacks even though it provides transparency and access to a range of viewpoints. It is more difficult to record private or informal aspects of alliance governance, including interpersonal trust or bargaining dynamics, when primary interviews are not conducted. Additionally, limited disclosure or promotional bias may be present in professional communications.

To reduce these risks, the analysis used a number of independent sources, focused on trends that were supported by many sources, and regarded differences as possible signs of strategic conflict rather than genuine contradictions. Despite these limitations, secondary data offer a legitimate and trustworthy basis for investigating AI-enabled governance in extensive service-sector partnerships, particularly in situations where direct access to companies is limited due to scale or confidentiality concerns.

5. Within-Case Analysis and Findings

This chapter aims to describe the empirical findings from the two qualitative case studies: the KPMG–Google Cloud alliance and the BBVA–Cisco alliance. In accordance with the technique described in Chapter 4, the analysis utilizes a within-case approach, examining each partnership as an independent entity to comprehend the fundamental mechanisms and processes involved. This methodology facilitates the comprehensive description essential for establishing a basis for the next cross-case comparison and theoretical generalization in Chapter 6.

5.2. Case 1: The KPMG–Google Cloud Alliance

The KPMG–Google Cloud partnership aims to include Google Cloud's sophisticated AI functionalities, including foundational models, specialized analytics, and responsible AI tools, into KPMG's professional service offerings. The Google Cloud Platform (GCP) functions as the essential shared infrastructure for collaborative value creation, radically transforming the interdependence and risk profiles of partners (Google.com, 2025). The findings indicate a governance issue specifically focused on managing technology opacity and the need for collective ethical monitoring.

5.2.1 Platform's Impact: Opacity, Uncertainty, and Co-Specific Investment

The most significant governance challenge presented by this co-creation platform is Technological Opacity, characterized by the "black box" phenomenon associated with extensive generative AI models. KPMG's integration of these models into fundamental audit, tax, and consulting services makes it exceedingly difficult to determine the rationale behind specific judgments produced by the models due to their complexity. This opacity creates significant behavioral uncertainty (Williamson, 1985) concerning future outcomes, encompassing unexpected biases, irregular results, and unpredictable regulatory compliance challenges. The output of an AI model in a high-stakes auditing context cannot be precisely anticipated, hence creating significant governance challenges with accountability.

- The Nature of Co-Specific Asset Investment

KPMG's dedication to this partnership demonstrates significant asset specificity, especially for human and site-specific resources, thereby enhancing interdependence among partners (Williamson, 1985; Drempetic et al, 2020). This individuality stems from the cultivation of AI proficiency, bespoke consultation methodologies, and data integration protocols customized for the relationship.

KPMG allocates substantial resources to train its specialists-numerous auditors, tax experts, and risk consultants-in the specific AI APIs of GCP, Responsible AI frameworks, and distinctive data governance instruments. The co-specialization within the proprietary GCP stack results in elevated switching costs, hence establishing lock-in and solidifying the partnership. The platform serves as the fundamental technological layer that enforces this close interdependence. The abilities are not readily transferred to an AWS or Azure platform without substantial retraining expenses.

Site Specificity: The collaborative creation of customized AI solutions necessitates that data residence and processing take place within designated, highly secure cloud environments recognized by both companies for client data management. This requirement incurs sunk costs in the establishment of essential cloud architecture and physical access protocols, hence intensifying mutual reliance.

5.2.2 Formal Governance: Contractual Allocation of Opacity Risk

The formal contractual framework of the alliance is intended not only to regulate exchanges but also to foresee and distribute liability for the technological risks fundamental to the platform's outputs (Reuer & Ariño, 2007). The contracts establish order within an intrinsically uncertain technology.

- The Tripartite Intellectual Property (IP) Ownership Model

A fundamental discovery is the necessity to establish a three-tiered Intellectual Property (IP) ownership framework, essential for mitigating co-creation risk within a platform context:

Platform IP (Google): The foundational models, essential algorithms, and proprietary cloud infrastructure are solely owned by Google, safeguarded by standard licensing and strict usage provisions.

Application Intellectual Property (Joint/KPMG's): This pertains to the meticulously tailored business logic, model fine-tuning parameters, and distinctive prompt engineering sequences designed for certain regulatory frameworks, such as German tax legislation. This is the outcome of collaborative investment. Formal contracts employ detailed terms to delineate mutual rights and revenue distributions for co-created assets, typically favoring KPMG's ownership of the client-facing application interface and Google's ownership of the foundational technical improvements.

Data IP (Client's/KPMG's): Stringent provisions regulate the utilization, residency, and anonymization of client data employed for training and fine-tuning. These clauses safeguard the input resource, preventing contamination of other client models and violations of regulatory boundaries. The contractual requirement to safeguard client data is an essential instrument for maintaining client trust and regulatory accountability.

- Contractualization of Uncertainty via Option Clauses and Staged Commitment

To mitigate the significant risk associated with investing in AI technologies that may not pass inspection by regulators or demonstrate technical effectiveness, the alliance utilizes an advanced method of contractualizing uncertainty (Reuer & Ariño, 2007).

Sequential Commitment: Contracts use alternative provisions that facilitate sequential commitment rather than relying on monolithic agreements. The initial formal investment is restricted to the proof-of-concept (PoC) and prototyping phases. This indicates that commitment is formed through specific stages, featuring defined "kill points" at which the alliance can be dissolved or redirected with little repercussions.

Performance Triggers: Complete dedication to widespread implementation is contingent upon meeting designated performance metrics and obtaining regulatory approval from the joint ethical committees. This technique reduces pre-commitment to significant technological uncertainty by postponing substantial financial investment until essential performance and ethical criteria are met.

5.2.3 Relational Governance: Shared Sensemaking as the Opacity Buffer

Relational governance serves as a crucial complement, establishing a social framework to address uncertainties that contracts cannot anticipate or define (Puranam et al., 2014). This is the principal method for addressing the persistent output uncertainty of the AI models.

- Co-location and the Development of a Shared Technical Language

Cooperation depends significantly on physical co-location by establishing joint "AI Innovation Labs" and "Solution Centers" in critical global markets. This closeness fulfills an essential relational role:

Mitigated Information Asymmetry: KPMG domain professionals, including auditors and risk consultants, collaborate with Google Cloud engineers, such as data scientists and platform architects, to establish a common technical language and cognitive framework. This straightforward, informal communication enables partners to quickly determine the reasons for an AI model's failure, collaboratively explaining the model's hidden mechanisms. This represents a method of collaborative, rapid problem-solving that cannot be governed by traditional, bureaucratic processes.

Interpersonal and Procedural Trust: Collaborative, high-stakes efforts in client-facing projects generate profound interpersonal trust and, crucially, procedural trust. By establishing a mutual dependence of both organizations' reputations on the successful and ethical implementation of the AI tool, the relational mechanism aligns motivations in a manner that formal monitoring could not accomplish. The collective destiny creates significant motivation for ethical conduct and the exchange of information.

- Aligning Disparate Organizational Cultures

Relational mechanisms are essential for overcoming the cultural gap between KPMG’s traditional, risk-averse, and highly structured environment and Google Cloud’s "move fast and break things" Agile engineering philosophy. Consistent, transparent communication via joint steering committees (SCs) and regular technical working groups is essential to close this gap, ensuring that regulatory compliance is emphasized equally with the pace of innovation. This ongoing discourse promotes shared understanding of acceptable risk thresholds.

5.2.4 Dynamic Governance: Adapting to Ethical and Regulatory Ambiguity

The alliance's success depends on its capacity to adapt its governance frameworks and practices to address the evolving landscape of AI risk, showcasing a distinct Dynamic Governance Capability (Teece, 2007).

- Structural Adaptation: The AI Ethics Review Boards (AERBs)

The fundamental structural modification is the obligatory establishment of AI Ethics Review Boards (or collaborative risk councils). These are freshly established, formally authorized governance frameworks functioning independently of the conventional contractual oversight process.

Serve as a Compliance Barrier: Comprising compliance, legal, and engineering leadership from both partners, these boards function as a needed compliance gate (Hoche, 2025). Client adoption of any AI technology requires board clearance, reflecting a proactive organizational commitment to addressing reputational and regulatory risks.

Perception and Adaptation: The board routinely monitors upcoming rules and subsequently translates these unclear legal stipulations into specific, quantifiable engineering standards (Shaping Europe’s digital future, 2024). This structural innovation formalizes the administration of ethical uncertainty.

- Procedural Adaptation: Taming the Agile Process

The procedural adaptation focuses on altering the co-development technique, a practice referred to as "Taming Agile." Technical teams employ rapid, adaptive development cycles (Agile sprints), with the process adjusted by incorporating codified regulatory "gates" at essential integration milestones. This procedure requires that at specified intervals, the project must pause for a collaborative Compliance and Risk Review lead by KPMG. This procedural pause, although apparently contradictory to the Agile principle, guarantees that the AI model's outputs and data management protocols conform to the regulatory risk tolerance of the professional services sector, emphasizing risk mitigation above development velocity. This signifies a methodological advancement designed explicitly for platform co-creation.

5.3. Case 2: The BBVA–Cisco Alliance

The BBVA–Cisco partnership primarily focuses on operational resilience and systemic security in a heavily regulated global financial organization. The Cisco platform, which includes secure networking, automated threat detection, and data center solutions, functions as an intelligent operational layer, employing embedded AI/ML for real-time network optimization and proactive threat analysis. The results emphasize governance frameworks intended to address systemic environmental risk and ensure rigorous operational continuity.

5.3.1 Platform's Impact: Systemic Risk, Uncertainty, and High Reliance

The principal governance challenge within this partnership is Systemic Environmental Risk. The persistent and dynamic characteristics of external cyber threats (zero-day vulnerabilities) and the disparity in global financial regulations (GDPR, CCPA, multiple central bank mandates) create a volatile and unpredictable environment (Vial, 2019). The Cisco platform's extensive integration within BBVA's core transactional and communication infrastructure means that any failure or security breach poses a systemic risk to the entire bank, jeopardizing financial stability, regulatory compliance, and public confidence.

- Asset Specificity and Systemic Hub Dependence

BBVA's dependence on Cisco's particular security architecture and network protocols demonstrates significant site specificity and physical asset specificity (Cisco,2025).

Physical and Site Specificity: The technology serves as the bank's digital foundation; all data, transactions, and internal communications are transmitted through the Cisco infrastructure. The substantial complexity, expense, and danger involved in replacing the entire infrastructure create significant dependence. The platform serves as the systemic hub-essential for both companies, as any failure by Cisco directly affects BBVA's operational capacity and subjects Cisco to significant liabilities. This collective, high-stakes exposure significantly influences the governance strategy.

Specificity of Routine: Moreover, BBVA's internal security and IT teams have established specialized protocols, diagnostic manuals, and certification procedures centered on Cisco technology. Replacing

the platform would require the revision of several internal procedural documentation and the re-certification of thousands of personnel, representing a significant portion of the switching cost.

5.3.2 Formal Governance: Specifying and Transferring Operational Risk

Due to the strict rules of the banking sector, the formal governance framework emphasizes clear liability assignment and precise performance specifications essential for operational continuity.

- Specificity of Operational Standards and Auditable Compliance

Formal contracts are filled with complex Service-Level Agreements (SLAs) that extend well beyond basic availability guarantees. They encompass precise, quantifiable metrics for:

Recovery Time Objectives (RTOs): The maximum acceptable downtime prior to the restoration of services.

Recovery Point Objectives (RPOs): The maximum permissible data loss after a catastrophic failure, such as "no more than 30 seconds of transaction data."

Real-time Performance Metrics: Ongoing assessment criteria for network latency, throughput, and threat detection precision.

The elevated specificity of measurement seeks to transform systemic risk into manageable, auditable, and quantifiable contractual risk (Reuer & Ariño, 2007). Moreover, contracts stipulate auditable compliance, necessitating Cisco to prove that its platform design and internal operational protocols conform to all local financial regulations relevant to BBVA's activities in its various worldwide jurisdictions.

- Robust Indemnification and Liability Transfer

A primary purpose of formal governance is the clear proactive distribution of financial risk. The contracts include comprehensive insurance terms that specify the exact financial and legal options available to BBVA if a failure, malfunction, or security breach stemming from the Cisco platform results in a regulatory penalty, legal proceedings, or significant service interruption. This technique seeks to officially allocate the systemic repercussions of the platform's performance risk to the

technology supplier, enforcing adherence through financial penalties (Bbva.com, 2020). The substantial magnitude of the prospective financial obligation serves as a compelling commitment mechanism for the vendor.

5.3.3 Relational Governance: Procedural Alignment and Crisis Coordination

This alliance's relational layer emphasizes the creation of procedural alignment and collective sensemaking essential for addressing unpredictable external threats that static contracts cannot manage.

- Integrated Security Operations and Procedural Trust

The relationship connection is established on procedural trust developed through collaborative training, mutual certification processes, and ongoing distribution of danger intelligence.

Joint Technical Competence: By guaranteeing that BBVA's security teams are extensively trained and certified specialists in Cisco's architecture and vulnerability response protocols, the partnership reduces the knowledge disparity and eliminates information asymmetry during security events. This standardization guarantees that both teams adhere to identical protocols under pressure, building faith in the partner's procedural reliability rather than solely in individual integrity.

Collective Sensemaking: Specialized joint Steering Committees (SCs) meet often, typically daily during key deployments or heightened alert phases, to participate in ongoing collective sensemaking concerning emerging cyber risks. This operational coordination is an essential relational mechanism for preserving systemic stability, ensuring both parties possess a unified perspective of the threat picture.

5.3.4 Dynamic Governance: Resilience Through Integration and Feedback Loops

The alliance must demonstrate significant adaptation to sustain resilience against an ever-evolving threat landscape and regulatory requirements (Teece, 2007).

- Structural Adaptation: Integrated Crisis Response Centers (SOC)

The most significant structural change is the establishment of a Shared Crisis Response Protocol that permanently links BBVA's internal Incident Management Team with Cisco's worldwide Security Operations Center (SOC).

Single Unified Defense: This is not simply a communication protocol; it is an organizational framework that confers shared authority to appointed personnel from both companies to make real-time, cross-organizational decisions during an active security. This structural embedding establishes a cohesive defense mechanism, indicating a structural dedication to collective risk management.

The Shared Locus of Risk: The integration compels all partners to confront identical live danger data, so aligning incentives entirely towards prompt remediation and system stability, as failure impacts both parties equally.

- Procedural Adaptation: Regulatory Divergence Management

The procedural adaptation focuses on mitigating the risk of regulatory compliance inconsistencies among the several jurisdictions in which BBVA operates. This is accomplished by a systematic Procedural Feedback Loop (Bbva.com, 2016).

Identifying Regulatory Alterations: BBVA’s dedicated compliance teams detect emerging or conflicting regulatory.

Communication and Reconfiguration: These specifications are promptly communicated to the specialized Cisco team tasked with establishing the platform's security policy. Cisco subsequently reconfigures the platform settings to comply with the new mandate.

Auditing and Verification: BBVA’s internal audit division conducts a swift assessment of the new configuration to confirm compliance, thereby completing the process.

This ongoing, highly adaptive procedural cycle serves as a dynamic capability for addressing non-technical environmental uncertainty via the platform interface.

5.4. Preliminary Summary of Within-Case Findings

An in-depth examination of the two cases demonstrates that AI-enabled platforms do not just present general risks but fundamentally alter the nature of governance risk according to their principal role in the alliance: innovation vs operation.

In the KPMG–Google Cloud scenario, the platform serves as an Innovation Hub, with the principal risk being Technological Opacity. Governance is organized to regulate the uncertainty of collaboratively generated outcomes through:

Formal: Option clauses and a comprehensive Tripartite IP framework that anticipates prospective liability and revenue distribution.

Relational: Co-location and collaborative sensemaking to collectively navigate the AI dark box and address cultural disparities.

Adaptive: The establishment of AI Ethics Review Boards and the procedural integration of regulatory "gates" to regulate the rapid development process.

In the BBVA–Cisco example, the platform serves as a Systemic Backbone, with the principal risk being Systemic Environmental Volatility. Governance is organized to address the ramifications of external threats and regulatory non-compliance through:

Formal: Precisely defined, verifiable SLAs (RTO/RPO) and comprehensive indemnification provisions to allocate financial responsibility.

Relational: Procedural trust established via collaborative training and ongoing communal sensemaking within Steering Committees.

Adaptive: The systematic incorporation of Crisis Response Centers (SOC) and the methodical application of a swift, organized Regulatory Feedback Loop.

Table 5.4. Preliminary Table of Within-Case Findings

Governance Category	KPMG–Google Cloud (Innovation/Opacity)	BBVA–Cisco (Operation/Systemic Risk)
Formal Governance Focus	Ex-ante allocation of liability for unpredictable output (Option Clauses, IP Delineation).	Ex-post recourse/remediation for system failure (Detailed RTO/RPOs, Indemnification).
Relational Governance Focus	Shared Sensemaking (Co-location) to manage internal technological opacity.	Procedural Trust (Integrated SOC) to manage external systemic volatility.
Adaptive Capability	Structural: AI Ethics Boards (Managing ethical/reputational risk).	Structural: Integrated SOC (Managing systemic operational risk).

The data indicates that effective governance is contingent upon the specific type of AI-induced uncertainty within the alliance, requiring partners to collaboratively develop specific, dynamic governance institutions that function directly at the technical and organizational interface of the platform (Lazerson et al, 2024).

6. Cross-Case Discussion

This section synthesizes empirical insights from the KPMG–Google Cloud and BBVA–Cisco service-sector alliances, examining how AI-enabled platforms transform hybrid governance structures and how alliance partners modify their practices to address AI-related risks and uncertainties.

The two cases exhibit differences in strategic orientation and regulatory context. KPMG–Google Cloud signifies an innovation-focused partnership that uses AI and cloud technologies to collaboratively develop new services and improve digital consulting competencies. In contrast, the BBVA–Cisco alliance is characterized by a focus on risk management and compliance, with AI serving predominantly as an instrument for operational resilience and cybersecurity.

6.1. Cross-Case Comparison of Governance Mechanisms

The analysis indicates that both alliances use hybrid governance frameworks that integrate formal, relational, and algorithmic mechanisms. The configuration and emphasis of each mechanism vary based on strategic orientation, regulatory context, and digital maturity.

Formal governance is a key element in both alliances, though it is implemented in distinct manners. In the BBVA–Cisco case, formal mechanisms predominate, illustrating the highly regulated nature of the financial sector. The partnership is based on extensive contractual frameworks that include provisions for AI compliance, cybersecurity, and data governance. BBVA employs joint oversight committees, risk management frameworks, and regular compliance audits to guarantee regulatory conformity. In contrast, KPMG–Google Cloud exhibits a more flexible approach to formal governance. Contracts are designed as modular agreements that adapt to technological advancements and regulatory changes. Governance frameworks define ethical AI principles and accountability frameworks, whereas Responsible AI Councils function as semi-formal oversight entities. This comparison verifies that formal governance in AI-enabled alliances is progressively dynamic and iterative. Partners develop dynamic frameworks rather than static contracts, incorporating technical standards and ethical safeguards, aligning with Beulen et al. (2022), who demonstrate that AI-related collaborations necessitate continual contractual flexibility to reconcile innovation with risk management.

Relational mechanisms - trust, cooperation, shared vision, and communication routines - remain essential in both alliances, although to different degrees. In KPMG–Google Cloud, relational governance serves as a crucial facilitator of innovation. Enduring collaboration and aligned strategic objectives have generated substantial relational capital. Teams collaborate within AI Innovation Hubs, combining human expertise and AI analytics for solution development. Informal communication and collaborative learning practices facilitate knowledge exchange, consistent with Liu et al. (2022), who assert that relational governance within innovation ecosystems promotes adaptive learning and creativity. In BBVA–Cisco, relational governance is significantly restricted by formal oversight and regulatory requirements. Nonetheless, previous collaboration on network infrastructure projects has established a foundation of trust. Despite strict compliance, relational connections improve coordination efficiency and enable rapid problem resolution when AI systems produce anomalies. The findings suggest that in AI-mediated alliances, relational governance coexists with technological governance; trust transitions from interpersonal to data-driven forms, facilitated by algorithmic transparency rather than solely social interactions.

The most significant finding in both cases is the development of algorithmic governance, characterized using AI and digital platforms to coordinate, monitor, and enforce collaboration.

KPMG–Google Cloud uses tools like Vertex AI dashboards to offer real-time insights into project performance, model accuracy, and compliance. Algorithmic mechanisms enhance relational trust by producing data-driven transparency. BBVA–Cisco uses AI systems for cybersecurity surveillance, threat identification, and compliance reporting. These systems embed control within technology, establishing what Chang et al., (2025) refers to as “digital accountability loops.” Algorithmic governance serves as an additional governance layer, supplementing and occasionally replacing human supervision. It integrates control directly into technological frameworks, altering how partners monitor performance and ensure compliance.

Table 6.1: Cross-Case Comparison of Governance Mechanisms

Governance Type	KPMG–Google Cloud (Innovation Context)	BBVA–Cisco (Regulation Context)	Comparative Insight
Formal Governance	Contracts are treated as living documents and are continuously updated with AI ethics clauses and evolving technical standards. A joint Responsible AI Council ensures ongoing policy alignment, while flexible auditing procedures are embedded directly into operational workflows.	Governance relies on highly codified contracts emphasizing regulatory compliance, cybersecurity controls, and data protection obligations. Joint oversight committees enforce mandatory reporting cycles, complemented by periodic third-party regulatory audits.	Formal governance is adaptive and evolutionary in innovation-oriented alliances, whereas it is prescriptive and compliance-driven in regulated contexts.
Relational Governance	High levels of mutual trust are rooted in long-term collaboration. Partners engage through AI Innovation Hubs, open communication channels, and shared learning and co-development routines.	Trust is moderate and primarily based on prior project experience. Interaction is structured through scheduled coordination meetings, with relational capital mainly supporting formal control mechanisms.	Relational governance shifts from trust-based collaboration toward a complementary role that stabilizes formal controls in highly regulated alliances.
Algorithmic governance	Vertex AI dashboards enable real-time model validation and performance tracking. Automated A		

6.2. Hybrid Governance and Performance Outcomes

The analysis indicates that hybrid governance frameworks improve alliance performance via different mechanisms. In KPMG–Google Cloud, hybrid governance promotes innovative flexibility. The incorporation of algorithmic transparency and relational collaboration enables partners to jointly develop new services while maintaining ethical and operational accountability. Formal structures afford flexibility for experimentation while maintaining oversight. This hybrid configuration enables what Wang et al. (2025) refer to as "adaptive governance," allowing for responsiveness in rapidly changing digital contexts. In BBVA–Cisco, hybrid governance improves risk resilience. AI-driven monitoring tools simplify compliance and threat identification, thereby decreasing response time during cyber incidents. Relational familiarity guarantees that human coordination enhances algorithmic

control. The partnership illustrates governance layering, wherein formal, relational, and technological mechanisms function simultaneously to maintain stability. In both instances, hybrid governance enhances alliance outcomes by reconciling control and flexibility. However, the focus diverges: innovation alliances prioritize adaptability, whereas regulated alliances underscore predictability and trust in technological systems.

6.3. Adaptive Governance under AI-Related Risks

AI technologies introduce new uncertainties, including data bias, model opacity, and technological dependency. Both alliances demonstrate unique adaptive responses.

KPMG–Google Cloud (Innovation Context) consistently revise governance frameworks to mitigate algorithmic risks. The Responsible AI Council evaluates model revisions and monitors ethical considerations. Algorithmic audits are incorporated into project cycles to guarantee accountability. This method demonstrates a proactive adaptation strategy, wherein governance progresses in conjunction with AI advancement.

BBVA–Cisco (Regulation Context) use a proactive adaptation strategy. Governance is essential to AI infrastructure; for example, Cisco's AI-driven cybersecurity analytics conduct ongoing risk evaluations. Compliance algorithms comply with European data protection regulations. These mechanisms reduce human error while strengthening reliance on technology.

- Comparative Insights

Both cases demonstrate that AI-induced uncertainty transitions governance adaptation from reactive to continuous approaches. Governance transforms into a dynamic system, continuously adjusted through feedback from algorithmic oversight. This supports the perspective of Lobo et al. (2025) that alliances operating in dynamic environments depend on feedback loops to sustain a balance between innovation and risk management.

6.4. Theoretical Integration

Transaction Cost Economics (TCE) argues that governance decisions are influenced by transaction costs caused by uncertainty and opportunism. In AI alliances, transaction costs arise not from human opportunism but from technological opacity, such as uncertain algorithmic accountability. The results indicate that formal governance is transitioning to digital governance, characterized by contracts that incorporate continuous auditing and traceability mechanisms (Beulen et al., 2022). This expands TCE to technological domains by reinterpreting "safeguards" to include both legal and algorithmic measures.

Relational Governance Theory is crucial yet increasingly influenced by data. Trust is now established not solely through personal acquaintances but also through algorithmic transparency and collective data accessibility. This agrees with Liu et al. (2022), who argue that relational governance in digital ecosystems relies on shared platforms that facilitate measurable and observable collaboration. The cases demonstrate techno-relational trust and confidence in systems that guarantee fairness and accountability.

AI Proficiency and Dynamic Capabilities Framework - The level of digital maturity influences the efficacy of governance. Organizations having advanced AI capabilities (Google) can assign governance responsibilities to technology, whereas those with limited capabilities (BBVA) depend more on formal control mechanisms. This corroborates the findings Jie et al.(2025), demonstrating that digital and AI capabilities function as moderators influencing governance adaptation and performance.

Overall, the findings extend governance theory by integrating algorithmic governance as a third pillar alongside formal and relational mechanisms.

6.5. Empirical Findings and Theoretical Contributions

The cross-case research finds several significant conclusions that enhance our comprehension of governance in AI-driven strategic alliances. These cases indicate that AI systems significantly change governance limits. Governance is no longer limited to contractual requirements or human coordination; it is now integrated inside digital infrastructures. In both coalitions, AI dashboards, automated auditing tools, and continuous monitoring systems assign specific governance functions, historically executed

by managers, to algorithmic processes. This transition broadens governance to include non-human agency, reinforcing current claims regarding the rise of algorithmic governance in inter-organizational contexts (Papagiannidis et al., 2025).

Second, the findings show that hybrid governance structures are context contingent. In innovation-driven environments such as KPMG–Google Cloud, governance mechanisms emphasize flexibility, mutual learning, and iterative alignment, supported by relational trust and adaptive contracting. In contrast, the BBVA–Cisco alliance, operating under strong regulatory constraints, adopts a more rigid configuration that prioritizes compliance, reliability, and operational security. Thus, while both alliances rely on formal, relational, and algorithmic layers, the relative weight and interaction of these layers vary depending on institutional and strategic conditions.

Third, the analyses indicate that algorithmic governance functions as a coordination mechanism capable of reducing information asymmetry and enhancing accountability. Real-time data visibility and automated model validation enable transparent oversight without excessive bureaucratic monitoring. In both cases, algorithmic tools create a shared reference system that partners rely on to evaluate performance and manage risks, thereby complementing formal and relational mechanisms.

Fourth, the cases highlight that AI capabilities moderate governance effectiveness. Partners with higher digital maturity, particularly in AI literacy, data governance, and analytics, are better positioned to leverage algorithmic mechanisms for coordination and decision-making. In KPMG–Google Cloud, high AI capability on both sides enables sophisticated monitoring and co-creation of AI solutions. In BBVA–Cisco, asymmetry in digital capabilities reinforces reliance on formal controls and raises dependence on Cisco's technical infrastructure.

Finally, the findings demonstrate that governance becomes an adaptive, iterative process in AI-enabled alliances. Continuous algorithmic feedback, performance monitoring, and risk analytics require partners to revise governance routines dynamically rather than rely on fixed contractual structures. This supports recent scholarship emphasizing governance adaptability in the face of technological and institutional turbulence (Salvador and Sancho,2023). Collectively, these insights contribute to alliance governance

literature by introducing the concept of "algorithmic hybrid governance", a governance logic in which human, contractual, and technological mechanisms co-evolve to manage complexity, uncertainty, and interdependence in AI-enabled collaborations.

Table 6.5. Empirical Findings

Empirical Finding	Explanation	Evidence from Cases
AI platforms redefine governance boundaries	Governance shifts from purely contractual and interpersonal mechanisms into technological infrastructures through dashboards, audits, and automated monitoring systems.	Vertex AI dashboards (KPMG–Google); AI-driven risk analytics (BBVA–Cisco).
Hybrid governance is context-contingent	Innovation-driven alliances rely on flexible and adaptive governance, while regulated alliances emphasise prescriptive control and compliance.	KPMG–Google (innovation context); BBVA–Cisco (regulation context).
Algorithmic governance acts as a coordination mechanism	Automation reduces information asymmetry, enhances transparency, and strengthens accountability across partners.	Automated audits and performance dashboards in both alliances.
AI capabilities moderate governance outcomes	Higher digital maturity enables more effective use of AI-enabled coordination and monitoring mechanisms.	Google's advanced AI capabilities; BBVA's reliance on Cisco's technological expertise.
Governance becomes an adaptive process	Continuous algorithmic feedback and monitoring lead to evolving governance routines rather than static contractual arrangements.	Dynamic risk monitoring and iterative contract updates in both cases.

6.6. Managerial Implications

The findings of this study carry several important implications for managers designing or participating in AI-enabled strategic alliances. First, the results highlight the need to embed governance directly into technological systems. AI-driven dashboards, automated audit trails, model explainability tools, and real-time monitoring platforms can substantially improve accountability, reduce administrative burden, and enhance transparency across organizational boundaries. Managers should therefore treat technological systems as governance instruments, not merely operational tools.

Second, the study underscores the value of adopting a layered governance approach, integrating formal, relational, and algorithmic mechanisms. Exclusive reliance on contractual control limits adaptability, while overdependence on relational trust may be insufficient in complex AI environments. A balanced combination, particularly one supported by algorithmic transparency, enables partners to maintain control while fostering flexibility, innovation, and joint problem-solving.

Third, the findings point to the importance of strengthening responsible AI governance. As algorithmic systems influence decision-making and risk allocation across partners, clear ethical guidelines, accountability frameworks, and governance boards become essential. Joint AI ethics committees, cross-organizational review councils, and transparent incident-response protocols can reduce reputational and regulatory risks while supporting sustainable collaboration.

Fourth, managers must invest in digital and analytical capabilities. Effective participation in AI-mediated alliances requires skills in data governance, model validation, risk analytics, and AI literacy. Capability asymmetries not only impede collaboration but may create dependence on technologically superior partners, potentially destabilizing governance or limiting strategic autonomy.

Finally, the results emphasize that governance structures must be iteratively recalibrated. Static contracts and fixed governance routines are insufficient in environments shaped by rapid AI evolution. Managers should therefore establish mechanisms for periodic governance review, continuous model evaluation, and joint adaptation to regulatory and technological developments.

Together, these implications offer a practical roadmap for organizations seeking to design robust and adaptive governance structures in AI-enabled alliances.

Table 6.6. Managerial Implications

Managerial Implication	Practical Recommendation	Why It Matters
Embed governance into technology	Use AI dashboards, automated audit trails, explainability tools.	Enhances transparency and reduces manual oversight.
Adopt a layered governance approach	Combine formal, relational, and algorithmic mechanisms.	Balances flexibility with control and compliance.
Strengthen responsible AI governance	Establish ethics boards and accountability frameworks.	Mitigates bias, improves trust, supports regulation.
Build digital capabilities	Invest in AI literacy, analytics, and data governance.	Digital maturity determines effective alliance participation.
Continuously recalibrate governance	Update contracts, AI models, and review routines.	Ensures governance remains aligned with rapid AI evolution.

This chapter analyzed two AI-driven service-sector alliances to comprehend the interactions and adaptation of governance mechanisms within digital ecosystems. It illustrated that hybrid governance, which combines formal, relational, and algorithmic mechanisms, is crucial for reconciling innovation and risk in AI-mediated collaborations.

KPMG–Google Cloud demonstrates that algorithmic transparency enhances relational trust and innovation flexibility, whereas BBVA–Cisco demonstrates how algorithmic control supports formal compliance and operational security. Together, they demonstrate that AI transforms governance from a static framework into a dynamic, adaptive process integrated within technological systems.

7. Conclusion

This chapter concludes the thesis by combining the empirical and theoretical insights obtained from the KPMG–Google Cloud and BBVA–Cisco alliances case studies. It summarizes the key findings, discusses the thesis's theoretical and managerial contributions, and defines the limitations and prospects for future research. The objective is to deliver an integrated and comprehensive analysis of how AI-enabled platforms transform governance in strategic alliances and the implications these changes present for research and practice.

7.1. Summary of Findings

This thesis examined how AI-enabled platforms reshape hybrid governance structures in strategic alliances and how partners adapt their governance practices to manage AI-related risks and uncertainties. Based on a comparative analysis of the KPMG–Google Cloud and BBVA–Cisco alliances, the study identified five overarching patterns that characterize governance in AI-mediated collaborations.

Initially, AI platforms extend governance beyond contractual and interpersonal structures by integrating oversight and coordination into technological infrastructures. The configuration of hybrid governance is influenced by contextual factors: innovation-driven alliances emphasize flexibility and continuous learning, whereas regulated environments depend on greater formalization and compliance protocols. Third, algorithmic governance serves as an additional coordination layer that diminishes information asymmetry and offers real-time transparency. Fourth, digital and AI capabilities affect governance effectiveness, shaping the integration of algorithmic tools into collaborative practices. Eventually, governance transforms into an adaptive process influenced by ongoing algorithmic feedback, technological advancements, and regulatory developments.

These findings provide the empirical foundation for the theoretical and managerial contributions summarized in the following sections. A detailed interpretation is presented in Chapter 6.

7.2. Theoretical Contributions

This thesis makes three main theoretical improvements to the literature on strategic alliances and digital transformation, building on the empirical results and the cross-case analysis discussed in Chapter 6. This work shows how AI reconfigures these boundaries into a dynamic, "algorithmic hybrid" system, in contrast to earlier research that views governance as a static option between contracts and trust.

- Extending the Hybrid Governance Framework to the AI Era:

Formal contracts and relational trust are complementing systems, according to traditional alliance research, most notably Poppo and Zenger (2002). This thesis contributes to this discourse by defining "algorithmic governance" as a separate third pillar. Although He et al. (2020) proposed that digital tools could complement traditional controls, this study provides specific evidence from the KPMG and BBVA cases that AI-enabled platforms actively perform governance functions like automated compliance and real-time auditing in addition to supporting human managers. By demonstrating that the "dual" model of Poppo and Zenger in Ai-mediated alliances needs to be extended to a "tripartite" model where technology functions as an autonomous governing agency, this expands the hybrid governance theory.

- Redefining Transaction Cost Economics (TCE) for Digital Environments:

The idea that governance is meant to protect against human opportunism is a fundamental component of Williamson's (1985) TCE. By claiming that "technological opacity" replaces human behavioral risks as transaction costs in AI-driven alliances, this thesis makes a novel contribution. As seen in the BBVA-Cico case, the main "cost" is now the possibility of algorithmic bias or a lack of accountability within the platform rather than the possibility of a partner cheating. As a result, this thesis broadens TCE by redefining "safeguards" to include not only legal clauses but also ongoing digital monitoring and traceability measures. This aligns with and empirically validates the theoretical claims made by Beulen et al (2022) about AI outsourcing.

- Conceptualizing “Techno-Relational Trust” in Digital Ecosystems:

According to Gulati (1995), Relational Governance Theory usually concentrates on the reputation and social connections that are formed over time. This study adds to the corpus of literature by showing how trust is becoming more “data-driven” rather than just “social”. This thesis makes the case that AI platforms establish a “shared reference system” that promotes confidence via objective transparency by connecting the results to Liu et al. (2022). The identification of “techno-relational trust”, a condition in which partners rely on algorithmic fairness and real-time visibility of the platform to manage uncertainty, thereby reducing the heavy reliance on long-term historical ties traditionally required in alliance theory, is what makes this contribution new.

- Identifying Digital Maturity as a Governance Moderator:

This thesis contributes to the Digital and AI Capability Theory by presenting these abilities as crucial moderators of governance effectiveness, in contrast to Khin and Ho’s (2019) discussion of digital capabilities as internal business resources. The contrast between BBVA’s dependence on Cisco’s infrastructure and KPMG’s high level of AI literacy demonstrates that governance efficacy varies. By demonstrating that “AI literacy” impacts whether a corporation may utilize algorithmic coordination or must rely on strict, prescriptive formal constraints, this validates and expands upon the findings of Jie et al. (2025).

Together, these contributions refine existing theories by integrating technological and capability-based dimensions into the architecture of alliance governance.

7.3. Managerial Contributions

The thesis discusses various strategic considerations for managers involved in AI-enabled alliances from a practical perspective. The findings indicate that effective collaboration requires the integration of governance functions within technological systems, the implementation of layered governance architectures that combine contractual, relational, and algorithmic aspects, and the investment in responsible AI governance capabilities. Moreover, partners must enhance their digital and analytical competencies to prevent capability disparities and promote equitable decision-making.

7.4. Limitations

Several limitations of this study must be acknowledged when interpreting the findings.

The research predominantly uses secondary data, including press releases, white papers, analyst reports, and media articles. Although the data corpus was comprehensive and validated through various sources, it fails to capture the informal dynamics, internal negotiations, or delicate governance tensions that may arise in primary interviews or ethnographic research.

The thesis employs a two-case design, suitable for comprehensive, theory-driven analysis, yet it limits statistical generalization. The findings are analytically generalizable to similar contexts rather than representative of all AI-enabled collaborations.

Third, both alliances relate to large, digitally advanced organizations possessing significant resources and capabilities. Governance structures in smaller firms, less regulated industries, or partnerships with asymmetrically resourced collaborators may diverge from those presented herein. This constrains the relevance of the findings to alternative organizational contexts.

The empirical analysis is performed within the context of rapidly advancing AI technologies and regulatory frameworks. As AI systems gain autonomy and regulatory frameworks like the EU AI Act come into effect, governance requirements and practices are expected to change. The conclusions of this thesis should be understood as founded on a specific technological and institutional context.

Despite these constraints, the research design conforms to established best practices for qualitative multiple-case studies and offers a solid foundation for theoretical understanding.

7.5. Directions for Future Research

Based on these constraints, numerous exciting possibilities for future research arise.

Future studies should include primary fieldwork via interviews with alliance managers, AI engineers, compliance officers, and legal advisors. This research may uncover nuanced insights into power dynamics, negotiation processes, and the experience of managing AI-enabled governance.

Secondly, comparative analysis across various sectors, such as healthcare, logistics, manufacturing, or public services, may reveal diverse governance configurations and explain how sector-specific risks influence the interplay among formal, relational, and algorithmic mechanisms.

Third, longitudinal studies would be helpful in tracking the evolution of governance structures as alliances develop, AI systems are revised, or regulatory conditions shift. This would enhance comprehension of governance adaptation and institutionalization processes.

Fourth, quantitative research could investigate the correlations among governance configurations, AI capability levels, and performance outcomes across a broader sample of alliances. Such studies could empirically evaluate propositions derived from this thesis and furnish broader evidence for the notion of algorithmic hybrid governance.

Future research could systematically investigate the ethical and regulatory implications of inter-firm AI adoption, including issues of liability, fairness, transparency, and cross-border data flows within multi-jurisdictional alliances.

7.6. Final Remarks

This thesis demonstrates that AI-enabled platforms fundamentally transform governance in strategic alliances by integrating coordination, oversight, and decision-making into technological infrastructures. The comparative analysis of two service-sector alliances reveals that governance in AI-enabled collaborations is optimally characterized as hybrid, context-dependent, and adaptive. Formal, relational, and algorithmic mechanisms collaborate to mitigate risks, foster innovation, and uphold accountability despite technological and institutional complexity.

As AI increasingly influences inter-organizational relationships, companies will rely more on complex, multi-tier governance frameworks to manage uncertainty, seize opportunities, and maintain ethical and regulatory compliance. The insights presented in this thesis provide a preliminary basis for comprehending and constructing governance structures, while also encouraging further exploration of AI's transformative influence on the future of inter-firm collaboration.

This thesis addresses a critical empirical gap in the strategic alliance literature by providing one of the first systematic case-based analysis of how AI-enabled platforms reconfigure hybrid governance structures.

Appendix A: Document Corpus

The empirical foundation of this study is based on a qualitative multiple-case analysis using secondary data. The period of data collection was 2024 –2025. For each alliance, an extensive document corpus was compiled, consisting of approximately twenty to twenty-five documents per case.

The dataset includes press releases, corporate reports, technical white papers, analyst reports, and media articles obtained from official company websites, news databases, and professional outlets. This corpus enabled data triangulation and supported both the within-case and cross-case analyses presented in Chapters 5 and 6.

A.1 KPMG – Google Cloud Alliance

- Official corporate publications:
- KPMG and Google Cloud Expand Alliance to Help Organizations Unlock Value with Generative AI (Google Cloud Press Corner, 2023)
- KPMG Invests $100M in Google Cloud Alliance to Accelerate Enterprise Adoption of AI (PR Newswire, 2024)
- KPMG Announces Google Cloud Center of Excellence to Advance Responsible Adoption of Generative AI (KPMG, 2024)
- The KPMG Trusted AI approach – Accelerating the value of AI with confidence (KPMG Insights, 2023)

- Industry and media sources
- Reuters (2024): KPMG to Spend $100 Million on AI Partnership with Google Cloud

- Analyst and academic support
- Vial (2019); Papagiannidis et al. (2025); He et al. (2020)

A.2 BBVA – Cisco Alliance

- Official corporate publications

- BBVA and Cisco Strengthen Strategic Partnership to Accelerate Digital Transformation and Foster Innovation (Cisco Newsroom, 2024)
- BBVA securely democratizes financial services (Cisco, 2025)
- BBVA Data Governance Framework (BBVA Sustainability Report, 2023)

- Industry and media sources

- PaymentExpert (2024): BBVA Prioritises Efficiency with Historical Cisco Agreement

- Analyst and academic support

- Williamson (1985); Poppo & Zenger (2002); Lumineau & Henderson (2012); Ellström et al., (2021)

Appendix B: Coding Framework

To systematically analyze the secondary data collected for both cases, all documents were coded according to three analytical dimensions derived from the theoretical framework (see Chapter 3).

These dimensions capture the main governance mechanisms relevant to AI-enabled inter-firm alliances:

B.1:

- Formal Governance Mechanisms (from Transaction Cost Economics – TCE)
- Relational Governance Mechanisms (from Relational Governance Theory)
- Algorithmic Governance Mechanisms (from AI Capability and Platform Governance Theory)

The coding process followed a deductive approach - categories were determined from existing theory, and evidence from each case was classified accordingly.

Each coded segment was then compared across the two cases to identify similarities, contrasts, and hybrid governance patterns.

B.2 Illustrative Coding Dimensions

- Formal governance mechanisms
- KPMG–Google Cloud: Establishment of a joint Responsible AI Council to oversee ethical compliance and accountability
- BBVA–Cisco: Contractual SLAs governing cybersecurity performance, regulatory compliance, and system resilience

- Relational governance mechanisms
- KPMG–Google Cloud: Cross-functional collaboration within AI Innovation Hubs to support co-development and shared learning
- BBVA–Cisco: Long-term procedural trust built through repeated cooperation in digital infrastructure projects

- Algorithmic governance mechanisms
- KPMG–Google Cloud: Use of Vertex AI dashboards for real-time model validation and performance transparency
- BBVA–Cisco: AI-driven monitoring and risk analytics embedded in cybersecurity infrastructure

B.3 Analytical Procedure

- Data familiarization: All documents were read multiple times to identify governance-relevant content.
- Initial coding: Text segments were assigned to one or more governance dimensions.
- Within-case analysis: Codes were grouped to identify governance patterns within each alliance.
- Cross-case comparison: Governance mechanisms were compared across innovation-oriented and regulation-oriented contexts.
- Interpretation: Patterns were linked back to the theoretical framework to support analytical generalization.

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