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INTERACTIVE PAPER

COLLABORATIVE PRODUCT DEVELOPMENT BY BORN GLOBALS:
ANALYZING THE TECHNOLOGY ALLIANCE CAPABILITY

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Principal Topic

Born globals – rapidly internationalizing new ventures face a number of liabilities in their early years: they lack resources (financial and knowledge), economies of scale and legitimacy on international markets. From their early days, these ventures enter into alliances and other collaborative agreements with foreign and often significantly larger companies to overcome these liabilities and resource limitations. Yet, balancing power with an MNC and reaching objectives without being led into a less beneficial direction requires particular knowledge and skills. Collaborations that involve new product development (NPD) in technology-intense sectors are particularly complex. In this article, our aim is to increase our understanding of the alliance capability of technology born globals, with particular focus on collaborations in NPD.

Method

We carry out an in-depth case study of a Scandinavian technology born global with three embedded cases: the firm’s collaborations with three Asian MNCs for the purpose of NPD in audio semi-conductors. The collaborations had different outcomes: two were successful to a different degree for the born global and the MNCs. The third was unsuccessful for the born global and the MNC, as well as for a third party involved in the contract. Through these contrasting cases situated in one born global, we trace the factors critical for success of such alliances and the alliance capability of technology born globals.

Results and Implications

Our findings add to our understanding of the collaboration processes and skills of technology born globals in their relations with MNCs – the issue not yet explored in detail in the literature. Among the results, we find that a born global’s skills in contract specification and project management are critical to alliance success. Their internal and external conflict resolution practices are critical in situations when a project starts to go wrong. The firm’s excellence in its technology field and an open collaborative culture are enablers for its alliance capability. Finally, the firm’s marketing capability is the enabler to obtaining investing MNC partners for NPD projects in the first place. As a summary, based on our empirical study and the existing literature, we attempt to formulate critical aspects of the alliance capability of technology born globals.

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