



Honors Research Assistant Program

Title: Network Outcomes Following Alliance Termination

Description of the Research: Based on past research, we know that alliances and networks yield strategic advantages to firms. A firm can gain access to valuable resources and assets by partnering with other prominent firms mutually reinforcing each others' strategic position. Alliances and networks can also facilitate the transfer of closely held information based upon the trust that develops between the firms. Yet alliance failures are estimated to range from 50% to 70%. These terminations are often one-sided. One partner leaves before the goal of the alliance is met. Such unilateral departures may lead to violations of trust that prevent future partnerships between the two firms even though it may be rational choice that maximizes the payoffs.

In this research, we will try to understand the implications of such reputation effects on the subsequent network of firms. We suspect that the answer depends on how prominent the firms are and their capability in assessing the position of the other firms in the network. We plan to study this issue in the Thoroughbred and bloodstock industry where alliance activity is pervasive. Given the variety of possible alliances we will be able to assess our predictions on a wide range of circumstances. The Thoroughbred industry also is known as the 'sport of kings' featuring several important industry and world leaders as owners. The past traditional farms are now business units in some of the world's biggest conglomerates. This represents an exciting research opportunity because it can help managers better understand the network effects of alliance termination. The project provides a great opportunity to become familiar with academic research and cutting edge business concepts.

Responsibilities of the Student:

The research assistant will help gather data from multiple sources and organize it into spreadsheets (Excel) for several companies in the Thoroughbred racing and bloodstock industry. The data-gathering process will focus on three areas: the firm's assets, the firm's alliance network, and the firm performance.

Approximate Number of Hours/Schedule:

The work will take 10-15 hours per week. The schedule is extremely flexible in terms of when and where the student works.

Qualifications:

Proficiency in Excel and Internet search
Attention to detail
Ability to meet deadlines
Basic understanding of business concepts