



## Honors Research Assistant Program

---

**Title:** When to Form and When to Avoid Strategic Alliances in the Face of Uncertainty?

**Description of the Research:** Companies are establishing strategic alliances—technology sharing agreements, joint R&D projects, exclusive marketing arrangements, etc.—with each other at an ever-increasing rate. Uncertainty has consistently been found to be an important predictor of alliances. Firms face higher uncertainty when increasing competition, complex technologies, and globalization make the future harder to predict. Strategic alliances promise to provide flexibility to firms in dealing with uncertainty because they help lower the risks of ‘going it alone’ in facing these challenges.

In this project, we challenge the notion that firms will always choose to establish alliances to deal with uncertainty. Instead, we suggest that sometimes companies will seek to *avoid* some alliances if uncertainty is high. By definition, uncertainty makes predicting the future difficult, which creates a risk that alliances formed in the present will turn out to have been a bad choice in the future because things didn’t turn out as expected. Thus, firms will *avoid* strategic alliances if they require investments which are hard to reverse in the future. In contrast, firms will engage in *more* alliances if they require relatively easy-to-reverse investments.

This study is important because it provides managers with better criteria to decide whether strategic alliances will be helpful in coping with uncertainty. Rather than always using alliances when the future becomes hard to predict, managers need to take into account the reversibility of investments in strategic alliances to properly deal with uncertainty.

**Responsibilities of the Student:** The primary task will be to gather data on the strategic alliances in which companies from multiple industries are involved, as well as financial statement numbers. The data is housed in three online databases and needs to be downloaded and summarized in Excel.

**Approximate Number of Hours/Schedule:**

The job requires 10-15 hours per week. The work can be done from any computer with an internet connection.

**Qualifications:**

1. The two most important skills are ability to meet project deadlines and strong command of Excel. A basic understanding of financial statements is a plus.
2. Attention to detail—especially as it relates to accurately collecting, recording and organizing data.

Honors Research Assistant Program, Fall 2009

3. Basic familiarity with using Microsoft Excel.
4. Foreign language skills potentially useful.