“Preformation Stage of Strategic Alliances: An Examination through the Lens of Resource-Based View and Dynamic Capabilities Theory”

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Background: The energy sector has experienced a remarkable surge in growth and transformation in recent years. Competition among industry stakeholders has intensified due to the increase of new entrants. Therefore, firms across industries are increasingly recognizing the strategic significance of entering into strategic alliances as an essential way for the growth and, in some cases, the very survival of the firm.
Aim: This study will look into the unique resources and (dynamic) capabilities possessed by the case company – a manufacturer active in the energy sector - while being in the preformation stage of a strategic alliance. Furthermore, this study will serve as a guidance for the case company as it sheds light on their unique resources and capabilities and which of these need to be obtained through strategic alliance engagement.
Method: The analysis of this study is based on a single-case qualitative research including the use of semi-structured interviews with managers of the case company. In addition, secondary data sources such as written documentation are utilized in order to provide a more holistic view about the strategic alliance preformation stage of this manufacturer.
Results: The interviews revealed that the case company is motivated to act in both exploitation and exploration alliances. In addition, several unique resources that may benefit the company in a future strategic alliance are revealed. Furthermore, it was found that there is a clear need to develop and improve the companies’ dynamic capabilities in order to successfully engage in a strategic alliances in the future.

Keywords: Strategic Alliances, Resource-Based View, Dynamic Capabilities, Alliance formation

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Version: 1 (Anonymized)

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1. Introduction

1.1 Background

In recent decades, there has been a surge in interest and experimentation with strategic alliances involving two or more companies, all striving to achieve diverse strategic objectives (Judge & Dooley, 2006). Gulati (1989) describes strategic alliances as a voluntary agreement among enterprises, including exchange of division of product, technology or services development. The study of strategic alliances has been around since the 1970, with a significant growth in the number of studies since. However, it's worth noting that examining strategic alliances undertook long before the 1970s. Economists have long been intrigued by the possible competitive advantages and actual anti-competitive consequences stemming from collaborative endeavours such as joint ventures and various forms of cooperation between different firms (Koza & Lewin, 1998).

Strategic alliances have evolved to become essential for the growth and, in some cases, the very survival of the firms (Musarra et al., 2016). Firms across industries are increasingly recognizing the strategic significance of entering into these partnerships, motivated by several objectives. The objectives encompass but are not limited to accessing new markets, capitalizing on economies of scale, acquiring valuable skills and knowledge, establishing legitimacy, and reducing risks (Dhaundiyal & Coughlan, 2020). Firms must continually enhance their product and service offerings to survive, and even more so, to thrive (Panico, 2017). This involves allocating substantial resources to various areas such as adopting contemporary manufacturing techniques, engaging in effective marketing, and investing in research and development. The growing technological intricacy of modern products and services, along with their increasingly shorter lifespans, demands both financial resources and specialized knowledge that might not be easily accessible within the organization (Dyer & Singh, 1998).

The ability of a firm to create and capture value through alliances can be conceptualized and understood by looking into "alliance capabilities" (Anand & Khanna, 2000). This concept helps to understand the learning processes that lead to the development of these capabilities and therefore explain why some firms are able to realize better performance than others from alliances (Kale & Singh, 2007). More research is necessary in order to understand the specific firm-level attributes that affect the development of alliance capabilities (Wang & Rajagopalan, 2015). Focal firms often face the challenge of determining whether a potential partner has complementary resources/capabilities because these are causally ambiguous (Barney, 1991; Wang & Rajagopalan, 2015). At last, most scholars do not recognize that capabilities can vary depending on the stage of formation (preformation vs. postformation) and therefore it is necessary to develop a more holistic view of alliance capabilities (Wang & Rajagopalan, 2015).

Building on this knowledge, this research closely examines strategic alliances in the preformation stage. Furthermore, this research will follow a approach proposed by Wang and Rajagopalan (2015), which recommends utilizing the Resource-Based View (RBV) and the Dynamic Capabilities theories to further investigate the concept of alliances. Moreover, this research aims to reveal the unique resources and capabilities possessed by a firm in the preformation stage that may or may not help or prevent them to thrive in the challenging landscape of strategic alliances in the future.

1.2 Research gap

The body of research on strategic alliances has been around for a long time and is still continuously expanding as of today. Many researchers contributed to the development of various theoretical areas in the strategic alliance theory. Researchers have explored the motivations that underlie the formation of alliances. Such motivations include various objectives, with researchers for example looking into: resources (Das & Teng, 2000; Eisenhardt & Schoonhoven, 1996; Tsang, 1998), accessing new markets (Burgers et al., 1993; Dong & Glaister, 2006), organizational learning (Dong & Glaister, 2006; Li, 2010), and maintaining competitive edge (Dong & Glaister, 2006). Furthermore, there has been a significant focus on the different types of governance structures within strategic alliances with research often looking into hierarchical elements (Gulati, 1998). In addition there exists a substantial body of research looking into the performance and outcomes of strategic alliances (Bleeke & Ernst, 1991; Kanter, 1990), encompassing elements such as flexibility, expectations, trust, information exchange, and so on.

Most of the aforementioned studies have mainly build upon the theoretical understanding of the strategic alliance theory and most of it has been well-developed in recent decades. Nevertheless, even though there is a lot of empirical research on this subject, it tends to be rather fragmented. Limited attention has been paid to how a firm's capabilities and resources influence the capture and creation of value through strategic alliances and how complementary (external) resources are identified and leveraged (Wang & Rajagopalan, 2015). In addition, Krishna (2023) states that there is a clear need for a comprehensive exploration of existing knowledge on strategic alliances to facilitate its practical application. Although there are some studies that apply an industry specific research in for example the healthcare or manufacturing sectors (Judge & Dooley, 2006; Sambasivan et al., 2013), most of these studies neglect to recognize and consider the different stages (preformation vs. postformation) of alliance formation (Wang & Rajagopalan, 2015).

One way of examining these preformation implications is by looking at a firm's resources and (dynamic) capabilities and which of these positively contribute to a firm's ability to form a strategic alliance (Wang & Rajagopalan, 2015). While both the preformation and postformation stages are essential, this research will only focus on the preformation stage, aiming to understand how a firm's resources and dynamic capabilities influence this early stage of alliance formation. By narrowing the study, this research intends to contribute to a lack of recognition of alliance stages in prior research (Wang & Rajagopalan, 2015).

1.3 Case organization

The case specific organization for this study is a manufacturer in the field of energy distribution for the global energy sector and industry. The company primarily supplies to energy companies for the regular electricity grid. However, with the emergence of sustainable energy parks, there is an increasing demand for deliveries to project developers and contractors. These stakeholders often lack experienced technicians familiar with the technology. This situation prompts consideration of engaging in partnerships, wherein the case company can expand its offerings and provide comprehensive solutions.

This could potentially transition into a strategic alliance, building a collaborative network that goes beyond its initial role as a product supplier. The case company may create a strategic alliance where knowledge sharing, resource sharing, innovation, and support thrive. This interconnected network would not only cater to the immediate needs of project developers and contractors by providing comprehensive solutions but also foster an environment of continuous improvement and adaptation. In this way, the company can position itself within the strategic alliance, driving collaboration while enhancing its own value proposition and long-term growth.

1.4 Research objective

Through a single case study, this research intends to uncover the case company's motivations, internal resources, and (dynamic) capabilities that can contribute to a successful participation in a strategic alliance. To clarify, this study is about the resources and capabilities the case company currently possesses to see whether they are capable of entering into a strategic alliance in the future. On the other hand, this research aims to assists the case company in identifying the resources and dynamic capabilities they may be lacking in the preformation stage of strategic alliance engagement. Furthermore, through examination of existing academic literature this research intends to propose a frameworks that help clarify measurements by combining the Resource-Based view and the Dynamic capability theories related to future strategic alliance engagement. Overall, by conducting exploratory research, this study aims to answer the following research question:

"What insights for the case company can be derived in the preformation stage of strategic alliances utilizing the Resource-Based View and Dynamic Capabilities theory?"

In order to comprehensively investigate and address this research question, the following sub questions have been formulated:

- *What are the strategic motivations and objectives that could drive the case company to consider entering into strategic alliances in the future? And what strategy (exploration/exploitation) is suitable for this objective?*
- *What are the unique resources possessed by the case company that could be leveraged in strategic alliances? And what resources need to be obtained through alliance formation?*
- *What potential dynamic capabilities can the case company cultivate to enhance its readiness for future strategic alliances? And which dynamic capabilities need to be developed or acquired?*

This research will involve the development of theoretical models based on existing scientific literature on strategic alliances, Resource-Based View, and Dynamic Capabilities. This framework (or model) serves as a guidance for examining and collecting data at the case company.

1.5 Theoretical and Practical relevance

This research is theoretically relevant because it draws upon established theoretical frameworks, specifically the Resource-Based View and Dynamic Capabilities Theory, to delve deeper into the complexities of strategic alliances. By doing so, it contributes to the academic discourse by providing a deeper understanding of how a manufacturer's preformation resources and dynamic capabilities influence their future engagement in such alliances. This theoretical exploration not only enriches the existing body of knowledge by providing a situational application but also offers insights into the nuances of the preformation stage of alliance formation.

Furthermore, beyond theory, this study carries practical implications for the case company. As the industry experiences rapid transformation and increasing competition, understanding how to successfully engage in a strategic alliance is paramount. This research aims to provide insights in resources and (dynamic) capabilities that can guide firms in the preformation stage of alliance formation.

1.6 Research structure

This research begins with developing a theoretical background in which a few central topics, derived from the research question, are further explored. The subsequent chapter, describes and discusses the methodological approach employed in the research. After that the results from the exploratory research will be presented and analysed. At last, chapter 5 will consist of a discussion and conclusion of the findings, their managerial implications and limitations. See fig. 1 for a structural overview of the chapters.

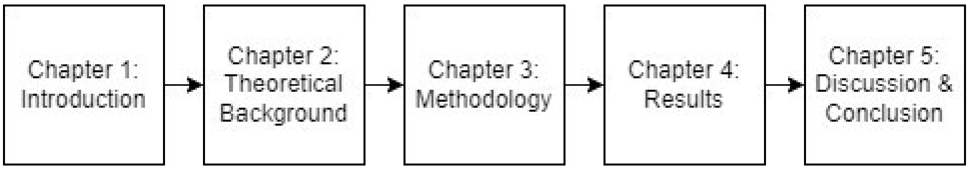

Fig. 1 structural overview research

2. Theoretical background

This chapter will provide a theoretical background into several constructs from the research questions presented in chapter 1.4 "Research objective". There will be a specific focus on the Resource-Based View (RBV) and Dynamic Capabilities. These theoretical perspectives should help provide a better understanding of a firm's internal resources and (dynamic) capabilities in the preformation stage of alliance engagement.

2.1 The motivation for alliances

The literature on motivations for strategic alliance engagement exhibits an extensive list of reasons why firms have chosen to enter an alliance. One of these reasons includes learning alliances, where partners aim to learn and acquire each other technologies, products, skills, and knowledge (Lei & Slocum Jr, 1992). Simultaneously, business alliances focuses on the maximization of complementary assets where each partner brings and contributes a distinctive capability in a particular value-adding activity (Lei & Slocum Jr, 1991).

2.1.1 Entry strategies

Koza and Lewin (1998) argue that formulating a single model that can clearly explain why a firm chooses a specific strategic response at a given time becomes more and more difficult. They mention that Hitt et al. (2011) proposed an extensive list on why firms might decide to form alliances. However, it's important to mention that each of these reasons isn't exclusive to alliances and the decision-making process for a specific entry strategy is influenced by multiple factors (Koza & Lewin, 1998). These factors include the manager's perception of the business environment (Meindl et al., 1994), historical experiences with particular strategies, managerial preferences (Lewin & Stephens, 1994), industry norms, external constraints like government regulations, risk tolerance, the influence of unpredictable processes, and the overall information structure connecting firms (Balakrishnan & Koza, 1993). Furthermore, Koza and Lewin (1998) argue that when scrutinizing each individual strategic decision, it becomes clear that the rationale behind the choice can be unique and specific to a certain situation. This may result in the fact that different strategies might ultimately yield similar results, making it challenging to know the exact motivations behind each choice (Gresov & Drazin, 1997; Sydow & Windeler, 1998).

2.1.2 Exploration and Exploitation

March (1991) introduced a model for organizational learning that might be regarded as a mechanism to link how business adopt form internal changes within the company to more general organizational changes. In simpler terms, this model differentiates two essential strategies: exploration and exploitation. Exploration is looking for new opportunities for wealth creation, experimenting, taking risk, developing new skills and capabilities, entering new lines of business, and investing in the firm's absorptive capacity (Cohen & Levinthal, 1990; Lane & Lubatkin, 1998). On the other hand, exploitation involves increasing the productivity of currently employed capital and assets, standardization, routinization, and systematically reducing costs (Koza & Lewin, 1998). According to Levinthal and March (1993), a firm's ability to "engage in enough exploitation to ensure the firm's current viability and engage in enough exploration to insure its future viability" is a requirement for survival.

When specifically looking at alliances, firms can be categorised based on the motivation to either make the most of existing capabilities or seek out new opportunities. This choice between exploration and exploitation extends to various strategic options. Exploitation alliances is the most common form and is centred around partners jointly maximizing complementary assets and thus sharing the resulting benefits (Koza & Lewin, 1998). Entering an exploration alliance, on the other hand, means that a firm is eager to uncover new opportunities where the pursuit of discovery is a shared effort (Haspeslagh & Jemison, 1991).

Choosing between exploration and exploitation strategies can be influenced by several factors. According to March (1991) and Levinthal and March (1993), choosing one of the strategies somewhat depends on the expected return, how managers perceive the environment, and the strategic intentions of the organization. When firms choose to exploit their existing capabilities, the returns are often closer in time and more predictable. In contrast, when a firm chooses to explore new opportunities, the returns are more distant in the future and often come with more variability. Notably, the positive outcomes from exploiting capabilities tend to make it a more appealing choice, strengthening the firm's preference towards that strategy. However, when the business environment is dynamic and competitive conditions change frequently, sticking only to exploitation can backfire. It may lead to a situation known as "competency trap", which can harm the firm's long-term survival (Levinthal & March, 1993).

Moreover, some organizational studies propose that companies should strive to balance both exploration and exploitation efforts, while also recognizing the difficulties in harmonizing these contrasting activities. Firms should establish organizational distinctions between units dedicated to exploration and those focused on exploitation. However, these approaches involve trade-offs in resource allocation and conflicting organizational practices, which could potentially hinder overall organizational performance as companies aim to navigate a balance between exploration and exploitation (Lavie et al., 2011).

2.1.3 Conclusion

There are diverse motivations for engaging in a strategic alliance, ranging from learning alliances to the maximization of complementary assets. The theories about exploration and exploitation alliances introduced by March (1991) will serve as a guiding concept to evaluate the case company's motivations. Moreover, this research will examine whether the company leans towards the exploration or exploitation of its existing resources and capabilities, or perhaps a balanced combination of both strategies.

2.2 Resource-Based View Theory

2.2.1 Introduction

The RBV theory was first introduced by Wernerfelt (1984) and stated that the a firm's achievements are primarily influenced by the unique resources its possesses and manages and resources are often categorized as either assets or capabilities. Assets can be both tangible and intangible and are kept and overseen by the firm (Collis, 1994). Capabilities, on the other hand, are always intangible and refer to expertise and acquired knowledge applied through the firm's organizational practices (Teece et al., 1997). The RBV mainly states that competitive advantage and performance can only be achieved and kept by resources that meet the VRIN criteria, this includes: they must be valuable, rare, inimitable, and non-substitutable. These type of resources are often referred to as strategical and intangible assets (Amit & Schoemaker, 1993; Galbreath, 2005).

2.2.2 Conceptualizing resources

Galbreath (2005) defines a resource as a factor at the firm level that holds the capacity to generate economic advantages. Resources are categorized into two primary types: (1) tangible resources and (2) intangible resources. Tangible resources encompass elements with quantifiable financial or physical value, typically reflected in the firm's balance sheet. In contrast, intangible resources comprise factors that lack a physical or financial nature and are seldom, if ever, recorded on the firm's balance sheet. Intangible resources can be broadly classified into two groups: assets and skills (or capabilities). An intangible resource is considered an asset if it represents something the firm "possesses," while it is categorized as a skill or capability if it signifies something the firm "does" (Hall, 2009).

For the purpose of this study, the conceptualization of the resource constructs follows the approach by Galbreath (2005) – see also fig. 2:

1. Tangible resources which include (a) financial assets (Grant, 1991) and (b) physical assets (Grant, 1991).
2. Intangible resources that are assets which include (a) intellectual property assets (Hall, 2009), (b) organizational assets (Barney, 1991), and (c) reputational assets (Roberts & Dowling, 2002).
3. Intangible resources that are skills which include capabilities (Amit & Schoemaker, 1993; Day, 1994; Hall, 2009).

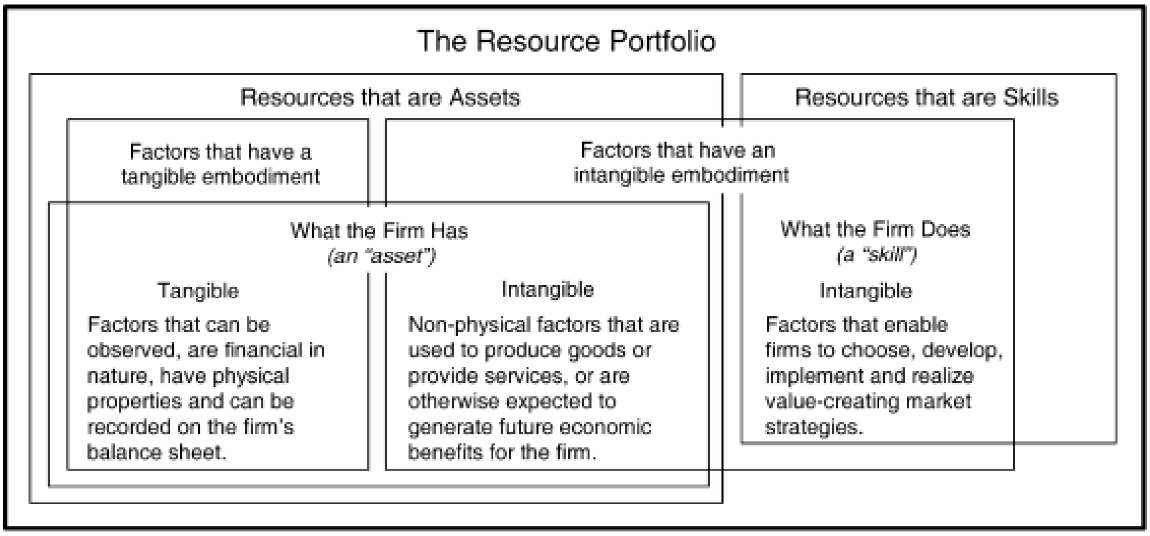

Fig 2. Resource portfolio (source: Galbreath (2005))

A firms tangible resources include the physical technology used in a firm, a firm's plant and equipment, its geographic location, and its access to raw materials (Barney, 1991). In addition, tangible resources consist of a firm's financial assets, including, financial capital, cash-on-hand, inventory, investments, buildings, and land (Galbreath, 2005).

A firm's intangible resources that are assets consists of intellectual property assets, organizational assets, and reputational assets. Intellectual property assets include; copyrights, patents, registered designs, trademarks, and held-in-secret technology (Galbreath, 2005; Schroeder et al., 2002). Given their legally enforceable protection or held-in-secret standing, intellectual property assets are argued to be more difficult to duplicate than tangible resources (Hall, 2009). In addition, organizational assets consist of contracts, operating structure, culture, HRM policies. Finally, reputational assets which include; company reputation, customer service reputation, and product/service reputation. Reputational assets have the capacity to convey to external stakeholders information regarding the firm's reliability, credibility, and excellence. Consequently, reputational assets can significantly influence the favourable responses of external stakeholders towards the firm (Galbreath, 2005).

At last there are the firm's intangible resources that include its main capabilities. Capabilities are inherently implicit since they are deeply ingrained in an firm's knowledge, learning processes, and practical expertise (Teece et al., 1997). Consequently, they are challenging to replicate because of the substantial degree of uncertainty regarding their causal origins. Recognizing that the RBV literature often positions capabilities as the most superior type of resource and a paramount factor in a firm's achievements. Galbreath (2005), divides capabilities into manager expertise, employee know-how, and external relationships. See fig. 3 for a visualization of a theoretical framework based on the RBV constructs as proposed by Galbreath (2005).

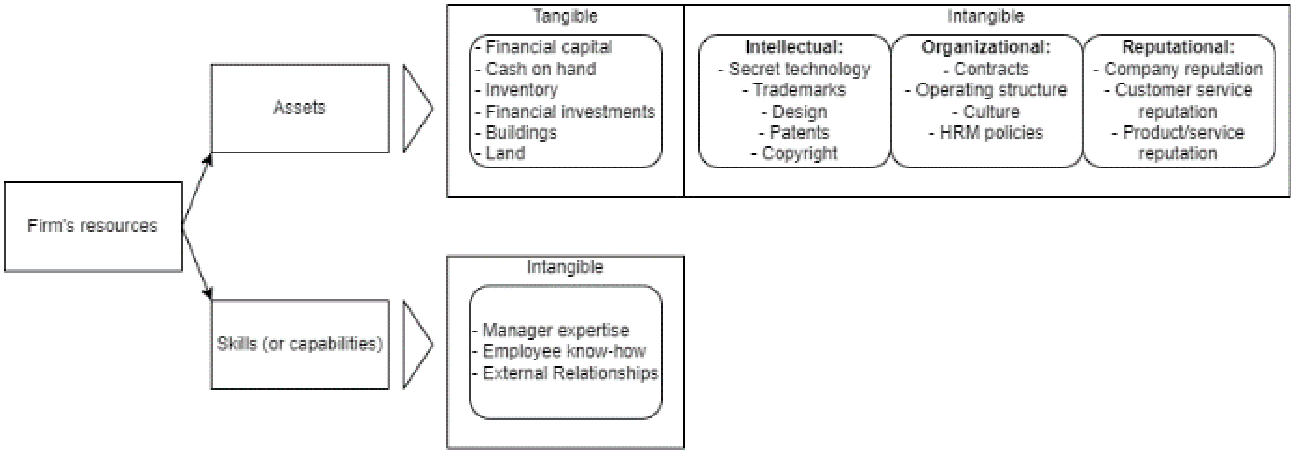

Fig 3. Resource-based view framework inspired by Galbreath (2005)

2.2.3 Resource-based view and strategic alliances

Das and Teng (2000) suggest that the RBV is highly suitable for analysing strategic alliances since firms primarily utilize alliances as a means to access valuable resources held by other firms. Thus, a firms resources provide a relevant basis for studying alliances. Eisenhardt and Schoonhoven (1996) essentially discovered that alliances tend to be established either when both firms find themselves in precarious strategic positions (needing resources) or when they are in advantageous social positions (possessing valuable resources to offer).

The resource-based perspective underscores a firm's aim to maximize its value by aggregating and effectively using valuable resources. In this view, firms are seen as striving to identify the most advantageous resource allocation to optimize the value of their resources compared to alternative resource combinations (Das & Teng, 2000). A firms is often considered to realize a competitive advantage when it follows a strategy that generates value and is not currently being followed by any other existing or potential competitor. This competitive advantage is typically realized because competitors are not able to adopt such a strategy because of a lack in resources (Barney, 1991). From the RBV perspective, strategic alliances and mergers/acquisitions can be seen as strategies to acquire resources from other firms. This is often done with the aim of obtaining competitive advantage and creating value for the firm that would otherwise not be available (Das & Teng, 2000).

Both alliances and mergers/acquisitions can achieve the goal of obtaining a specific firm's resources. However, the resource-based perspective highlights two conditions that make alliances more favourable than mergers/acquisitions. First, when not all of the resources held by the target firm are valuable to the acquiring firm, strategic alliances offer a more feasible option. Second, due to a certain level of asset specificity typically involved, some of the less valuable or duplicate resources in a merger/acquisition cannot be readily divested without incurring losses (Das & Teng, 2000; Ramanathan et al., 1997). Hennart and Reddy (1997) argue that in acquisitions, when unwanted assets are combined with needed ones and cannot be easily separated, unnecessary assets are inevitably acquired. In contrast, in strategic alliances, partner firms can access only the assets they desire and avoid those they do not, increasing overall value. Therefore, the key advantage of strategic alliances is accessing precisely the required resources with minimal excess.

While the aim of obtaining resources is to access resources held by others, the objective of "retaining resources" is to securely maintain valuable resources within the firm. For instance, there might be an surplus of research staff with not enough substantial tasks to occupy them. Instead of resorting to layoffs, firms can outsource these individuals by identifying projects that can be undertaken in collaboration with the resources of other firms, including financial and physical assets. In this way, strategic alliances can aid in retaining resources that are presently underutilized within the organization (Das & Teng, 2000).

The distinction between these two motives, accessing additional resources owned by others and preserving one's own resources, lies in the fact that while obtaining resources primarily aims to establish a competitive advantage in the current moment, retaining resources focuses more on ensuring a competitive advantage in the future. Nevertheless, the shared aspect of these motives appears to be of greater significance: the resources contributed to the alliance must ultimately yield higher value than what could be obtained through selling or using them internally (Das & Teng, 2000).

The case company’s resources may potentially be valuable in the context of strategic alliances, as they can offer partners access to high-quality accessories and expertise. By sharing their technical knowledge with alliance partners, the case company can contribute to the development of innovative solutions in the energy sector. This aligns with the findings of Gulati and Singh (1998), who highlight knowledge-sharing as a critical aspect of successful alliances.

2.2.4 Conclusion

The RBV theory provides the opportunity for analysing the unique resources possessed by the case company and those that can be leveraged through strategic alliances. The conceptualization of tangible and intangible resources, including financial assets, physical assets, intellectual property assets, organizational assets, and capabilities, provides a basis for identifying the company’s resources.

2.3 Dynamic Capabilities Theory

2.3.1 Introduction

Teece et al. (1997) first introduced the theory of dynamic capabilities (DC’s) by defining it as "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments." The DC’s theory therefore specifically focuses on how organizations can develop and use their capabilities in a highly dynamic and uncertain environment. The DC’s theory since became a prominent framework in strategic management for evaluating a firm’s ability to adapt, integrate, and reconfigure its internal resources and capabilities to constantly changing environments.

DC’s are important for the case company as well, operating in the energy sector where the technologies and environment change rapidly. The case company should be able to adapt to these changes in a swiftly manner by adapting, integrating, and reconfiguring its internal resources and capabilities. This may involve actively monitoring the industry landscape, identifying potential partners, and recognizing opportunities to expand its product offerings. Additionally, the case company should have the capacity to seize these opportunities; This involves making strategic decisions, forming alliances when necessary, and allocating resources to capitalize on identified opportunities.

2.3.2 From Resource-based view to Dynamic Capabilities theory

Scholars have expanded the Resource-Based View (RBV) framework to accommodate dynamic markets, as RBV alone has not sufficiently explained how and why certain firms maintain a competitive advantage in swiftly changing and unpredictable environments (Eisenhardt & Martin, 2000; Teece et al., 1997). In such dynamic markets, where the competitive landscape constantly evolves, the DC's that enable firm managers to "integrate, build, and reconfigure internal and external competencies to address rapidly changing environments," as described by Teece et al. (1997), emerge as the primary source of enduring competitive advantage. DC's go beyond the base set of valuable, rare, inimitable, and non-substitutable (VRIN) resources that the RBV uses. The DC's theory examines the firms' capacity to continuously innovate and adapt while adhering to the fundamental principles of the RBV (Kim et al., 2015).

Market dynamism and the idea of dynamic capacities are inseparable. Eisenhardt and Martin (2000) found that different characteristics of dynamic capabilities are present in two different kinds of markets: (1) moderately dynamic markets, where changes occur frequently but follow predictable and linear paths, industry structures are relatively stable (as a result, firms heavily rely on existing knowledge, and designs of processes and activities typically follow a problem-solving approach) (Fredrickson, 1984). Furthermore, (2) high-velocity markets, where changes occur rapidly but follow non-linear paths. Therefore, a firm's dynamic capabilities are focused on quickly producing new knowledge that is situation-specific (Eisenhardt & Martin, 2000).

2.3.3 Measuring Dynamic Capabilities

Given the mixed use and interpretation of terminologies, the definitional issue of DC's often remains to be clarified. Most prior studies have not compiled the commonalities of DC's across organizations, and many research findings focus primarily on revealing processes that are specific to certain firms or industries (Wang & Ahmed, 2007). Nevertheless, Eisenhardt and Martin (2000) underscored the importance of recognizing that commonalities in DC's can be both identifiable and measurable, emphasizing their pivotal role in shaping and refining the concept of DC's. Therefore, this research follows a study done by Wang and Ahmed (2007) which defines those commonalities in DC's but also proposes the underlying processes on a firm-specific level. Below, a research framework is presented for measuring DC's, which is grounded in the work of Wang and Ahmed (2007) (refer to Fig. 4).

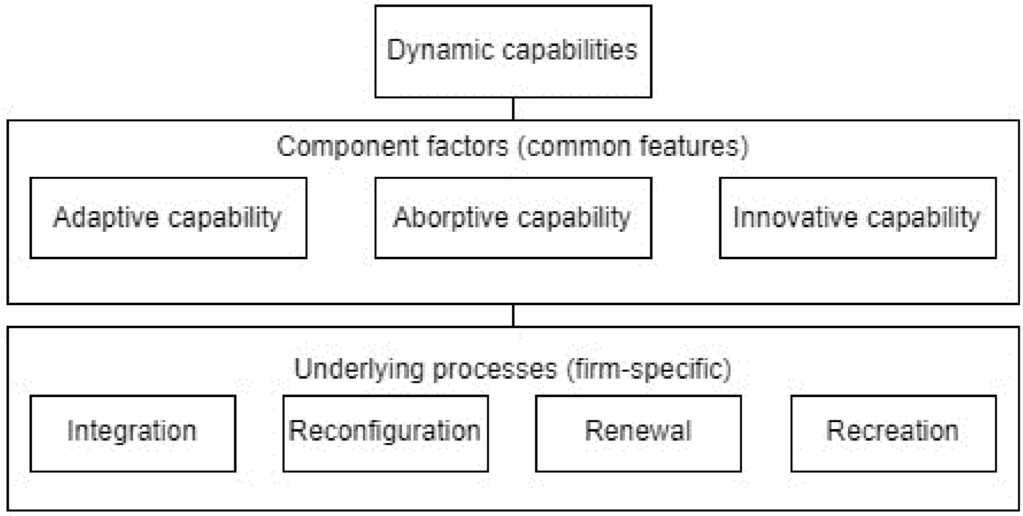

Fig 4. Dynamic Capabilities framework inspired by Wang and Ahmed (2007)

Wang and Ahmed (2007) define DC’s as a firm's behavioural orientation to continuously integrate, reconfigure, renew, and recreate its resources and capabilities, but most importantly, to upgrade and reconstruct its core capabilities in response to the changing environment to achieve and sustain competitive advantage. A distinction can be made between core capabilities and DC’s. The central focus of core capabilities lies in the seamless integration of resources and capabilities, aligning them with the firm's strategic objectives. Nevertheless, core capabilities can lose their relevance or even transform into "core rigidities" when the business environment undergoes change. Consequently, DC’s underscore the firm's continuous attempt to renew, reconfigure, and recreate its resources, capabilities, and core capabilities as a response to shifts in the external environment (Wang & Ahmed, 2007).

In addition to the firm-specific processes there are three main component factors namely adaptive capability, absorptive capability, and innovative capability (Wang & Ahmed, 2007). According to Chakravarthy (1982), Hooley et al. (1992), Miles and Snow (1978), adaptive capability is the capacity of a firm to recognize and seize possibilities in new markets. Adaptive capability becomes evident in the form of strategic flexibility, which encompasses both the inherent flexibility of the firm's resources and the adaptability in how these resources are employed (Sanchez, 1995). In the current body of research, indicators of adaptive capability encompass various dimensions. These dimensions include a firm’s ability to adapt their product–market scope to respond to external opportunities; to scan the market, monitor customers and competitors and allocate resources to marketing activities, as well as its capability to swiftly react to shifting market dynamics (Oktemgil & Greenley, 1997).

Absorptive capacity is defined by Cohen and Levinthal (1990) as 'the ability of a firm to recognize the value of new, external information, assimilate it, and apply it to commercial ends and the ability to evaluate and utilize outside knowledge is largely a function of the level of prior knowledge'. Firms that have a better capacity for absorption exhibit a stronger capacity for learning from partners, integrating outside knowledge, and turning it into firm-embedded knowledge. Zahra and George (2002) suggest that absorptive capability is a multi-faceted concept and put forward four constituent elements of the absorptive capability framework: knowledge acquisition, assimilation, transformation, and exploitation.

According to Wang and Ahmed (2004), innovative capability describes a company's capacity to create new products and/or markets by coordinating its strategic creative orientation with innovative behaviours and processes. Wang and Ahmed (2004) have tackled the challenge of accurately assessing organizational innovative capability. They have introduced numerous metrics designed to measure different facets of the innovative capability, encompassing dimensions such as strategic innovative, behavioural aspects, process innovation, product innovation, and market innovativeness (Wang & Ahmed, 2004).

2.3.4 Dynamic Capabilities in Strategic Alliances

The DC's discussed previously, while sometimes expressed in somewhat different terms, are equally relevant within the context of strategic alliances. This is because DC's encompass a diverse set of processes, such as the capacity to establish alliances, allocate resources, transfer information, and replicate (Mamédio et al., 2019). Strategic alliances, on the other hand, are often sought by firms as a means to mitigate risks when facing unpredictable environments (Murray & Kotabe, 2005). This connection between DC's and strategic alliances becomes particularly evident when considering the capacity of firms to configure and adapt their strategic relationships efficiently, a prime example of a DC's (Kale et al., 2002). Through the alliance configuration capability, firms can proactively identify promising alliance opportunities, design effective alliances, coordinate these partnerships, and integrate valuable alliance learning (Kale & Singh, 2007).

Moreover, strategic alliances facilitate resource integration, a fundamental aspect of DC's (Zollo & Winter, 2002). This integration capability, ingrained in routines, systems, and social interactions, ensures that resources are strategically combined, used, and deployed rather than merely accumulated, ultimately helping firms respond to the demands of the ever-evolving competitive landscape (Menguc & Auh, 2006; Sirmon et al., 2007). Therefore, strategic alliances play a crucial role in enabling firms to develop and leverage DC's, allowing them to navigate the complexities of modern business environments effectively.

2.3.5 Conclusion

In order to examine the case company's DC, this study utilizes the framework proposed by Wang and Ahmed (2007), incorporating adaptive capability, absorptive capability, and innovative capability as key components. These dimensions offer a comprehensive view of the case company's orientation towards continuously reconstructing its core capabilities, essential for navigating in unpredictable business environments. In conclusion, the identified dynamic capabilities serve as constructs for evaluating the case company's dynamic capabilities in the preformation stage and guide them in which capabilities need to be developed or obtained.

2.4 Conceptual model

The theoretical concepts encompassing the motives, resources, and (dynamic) capabilities associated with strategic alliance theory, as discussed in the theoretical background chapter, are merged into a conceptual model. This model serves as a visualization of the connection between the earlier proposed frameworks. The model is illustrated in fig. 5.

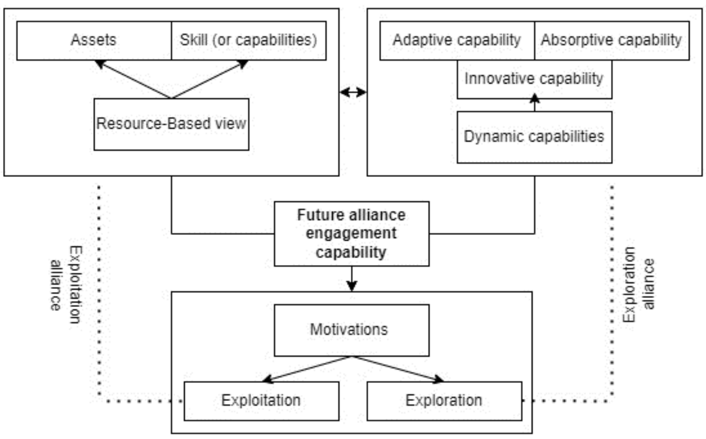

Fig 5. Conceptual model

3. Methodology

The purpose of this chapter is to provide a detailed description of the methodology in this research. First the research approach and case selection is discussed in detail and then the data collection procedures are explained and further elaborated. Then this chapter discusses the data analysis techniques and at last the reliability and validity of the findings are ensured.

3.1 Research approach

This research follows a qualitative approach to answer the research questions presented in chapter 1.4 “Research objective”. Qualitative research can help answer questions about experience, meaning, and perspective, most often from the standpoint of the participant (Hammarberg et al., 2016). Furthermore, qualitative research can reveal and give insight into more complex social processes that quantitative data cannot easily reveal (Eisenhardt & Graebner, 2007). In order to address these complex social processes, a qualitative case study is well-suited. This case study approach allows for an in-depth analysis of phenomena and it is a commonly used research method in business (Eisenhardt & Graebner, 2007). At last, Yin (2018) argues that case studies are suitable for circumstances in which the researcher focuses on a contemporary set of events, helping the researcher understand situations and issues and why they exist.

Research can be exploratory, explanatory, or descriptive and the case study is applicable to all of them (Yin, 2018). Considering this research it can be concluded that it is explorative in nature. In addition, looking at most of the constructs from the theories presented in the previous chapter it is important to acknowledge that these are about deeply embedded processes from multiple facets of the organization. Given their complexity it is difficult to quantify these constructs in a meaningful way so qualitative research is the better approach. Exploratory case studies also serve as valuable tools for understanding phenomena as their primary objective is to uncover and evaluate occurrences while examining issues from various angles (Saunders et al., 2007).

Moreover, after examining the sub questions, it becomes clear that they include three overarching themes: (1) motivations to engage in a strategic alliance, (2) resources possessed by the firm, and (3) (dynamic) capabilities possessed by the firm. These themes have been extensively developed and conceptualized in the theoretical background chapter. They will serve as guiding principles during the research processes and, eventually, as a way of assessing if the case firm in the preformation stage of a strategic alliance.

3.2 Case selection

As mentioned this study aims to examine a firm’s motives, resources, (dynamic) capabilities in the preformation stage of a strategic alliance. The goal is to provide insights into the firms unique motives, resources, and (dynamic) capabilities that make them capable of engaging in a strategic alliance in the future. Therefore, it is important to select a firm that is currently not in a strategic alliance and the case company is such a firm, as introduced in chapter 1.3 “Case organization”.

The case company is a manufacturer in the energy sector and firms within this sector are increasingly adopting the shift towards a innovated business model. The energy sector has experienced a remarkable surge in growth and transformation in recent years, primarily driven by the urgent need to limit the average global surface temperature increase. This transformative shift is made possible by technological innovations, particularly in the field of renewable energy (Gielen et al., 2019). Distributed energy systems become more prevalent and competition among industry stakeholders has intensified due to the increase of new entrants. In this context, the need for industry players to innovate their business models and seek new sources of growth has become increasingly crucial (Park, 2022).

Within this context, the case company, is no exception. The company is observing a shift in the market, with a growing trend of supplying directly to project developers and contractors. However, it's worth noting that these stakeholders may not always possess the required expertise or technical knowledge. By entering into a strategic alliance, the company aims to provide the entire infrastructure in one go, thereby offering the market a comprehensive solution that tackles their problems. Overall, recognizing the rapidly evolving marketing within which the case firm is operating, it becomes an excellent choice for investigating its dynamic capabilities and internal resources.

3.3 Data collection

This research uses semi-structured interviews as a primary approach to collect data from the participants, see Appendix B for the interview questions. The semi-structured interviews will be divided into three sections: motivations (exploration and/or exploitation), Resources (tangible and intangible), and Dynamic capabilities (absorptive, adaptive, innovative). Some information about the research was send to interviewees prior to the interviews, see Appendix A. This approach allows for a better understanding of the perspectives and context of the interviewees (Lincoln & Guba, 1985). Furthermore, this research technique helps finding or providing views on a focused topic, achieving background information, or an institutional perspective (Hammarberg et al., 2016). In addition to collecting primary data through semi-structured interviews, this research will use secondary data sources such as company reports to supplement the interview data and provide a more fully elaborated context for the findings.

The interviewees will be carefully selected to ensure a representation of various stakeholders. Selecting and interviewing various stakeholders also provides this research with multiple points of view which leads to a better understanding of the theories and practical situation. The research participant include senior executives, managers, and product developers.. These individuals should have expertise or knowledge about strategic planning, business development, internal resources and/or (dynamic) capabilities. The selection criteria for the participants will focus on their level of expertise, experience, and involvement in strategic decision making but also, as mentioned, on their knowledge about internal resources and capabilities.

3.4 Data analysis

The case company will be analysed through a single-case analysis. This method allows for a detailed examination of a single case and thoroughly explores a single organization. This method is chosen because it can help gain an in-depth understanding of the case organization examining its motives, resources, and (dynamic) capabilities. In addition, after conducting the data collection procedures, the qualitative data will be analysed. This can be a challenging process because of the large amount of qualitative data. The interviews will be conducted face-to-face and the audio, where allowed, recorded. Afterwards the records will be transcribed which results in numerous pages of raw data. Key phrases and themes will be highlighted from the data following deductive thematic analysis. This method helps summarizing the qualitative data into shorter codes and categories by dividing the answers into predefined categories: motivations, resources, and dynamic capabilities (Gioia et al., 2013).

3.5 Validity and reliability

Validity in research is concerned with the accuracy and truthfulness of scientific findings (Van Manen, 2016). Moreover, validity can be divided into internal and external. Internal validity considers data accuracy and examens if the research is measuring what it is supposed to measure. External validity is concerned with the generalizability of the research. This research addresses these concepts by sending out the interview questions in advance and asking the participants if they have any questions or comments on it. Furthermore, during the interview itself a lot of follow up questions will be asked and afterwards an evaluation of the final analysis will be given by the participants. The use of follow up questions and respondent validation are effective means of ensuring internal validity according to Saunders et al. (2007). When it comes to the external validity, the results itself are non-generalizable to other companies or industries due to the single case nature of this study and this has been noted as one of the week points this research strategy (Yin, 2018). However, it must be noted that the results of a case study are great for examining complex phenomena and, thus, an excellent research approach for this study.

On the other hand, reliability refers to the absence of random error which enables future researchers to arrive at the same insights if they were to replicate and conduct the research following similar steps (Gibbert et al., 2008). Replication and transparency are of vital importance in order to achieve reliable research results. This research is reliable because it clearly documents every step of the research process, findings, limitations, etc. This follows a claim by Gibbert et al., (2008) that reliability can be achieved by producing a report that specifies how the entire research has been conducted.

4. Results

This chapter will discuss the main results from the interviews. The aim of the interviews was to provide a holistic view of the case company's resources and (dynamic) capabilities that may benefit them while being in the preformation stage of a strategic alliance. The conceptual model (fig. 5) on page 11 served as a exploration guidance during the interviews by developing three predefined categories: motivations, resources, and dynamic capabilities. The results of the interviews are analysed using a coding scheme, see Appendix C. in order to identify recurring themes, concepts and patterns in the data.

4.1 Motivations for entering a strategic alliance

4.1.1 Exploration alliance

The insights obtained from the interviews indicate that the case company is motivated by multiple factors to form exploration alliances. Firstly, organizational learning emerged as an important motivator, with interviewees emphasizing the value of knowledge exchange and collaborative learning within alliances. The Sales Manager MEA/APAC emphasized the importance of mutual learning together with partners and maintaining a collaborative presence: *"I think it's important to learn together and be present with each other."* Similarly, the Sales & Marketing Director highlighted the potential for collaboration in product development, underscoring the utilization of external expertise to develop new products: *"We could enter into collaborations in the area of product development in which we use the knowledge and experience of another party."* This reflects the explorative approach to enhance organizational learning and innovation.

In addition, the concept of experimenting emerged as an important motivator for entering exploration alliances, particularly in the area of technology development and solution exploration. The Head E&D identified the potential for alliances with universities to mutually develop new materials, technologies, and systems: *"For developing technologies, there are a lot of alliances imaginable, cooperation with universities, doing research for developing new materials, technologies, systems."* Additionally, the Managing Director also emphasized the importance of seeking alliances to mutually explore solutions, as evidenced by a collaboration in meeting the needs of a customer in a transformer station project: *"There is currently a market out for transformer station. We are working with a number of parties to see how we can best meet that demand by scanning what would be the best solution."* This underscores the role of alliances in mutually experimentation and innovation to address market demands.

Furthermore, several interviewees mentioned entering exploration alliances as a way for entering new business domains and diversifying market presence as an important motivator. The Sales & Marketing Director proposed leveraging existing knowledge and experience to explore new markets: *"We could also use our knowledge and experience in other markets, so a diversification of markets."* Although not directly mentioning doing this with partners it can be seen as a form of exploration. Furthermore, the Director Finance identified port areas as a promising new market opportunity to enter utilizing potential partners: *"I think port areas can be an interesting new market where we can also work with partners."* This reflects the motivation and strategic orientation towards expanding market reach and make use of untapped opportunities through collaborative initiatives like alliances.

To conclude, the motivations for entering exploration alliances consist of multiple factors, including organizational learning, experimentation, and new business exploration. By fostering collaboration and knowledge exchange with potential external partners, the company seeks to enhance their competitive position, drive innovation, and act on emerging market opportunities.

4.1.2 Exploitation alliance

While trying to understand the motivations behind alliance engagement, an important theme emerged from the gathered qualitative data. Multiple interviewees expressed an interest in the potential advantages of exploitation alliances. The Sales Manager MEA/APAC, expressed this perspective by stating: *"We could not only individually deliver our materials to the end customer, but we just make sure as an alliance, we realize the connection from a to z."* This underscores the sentiment of collaboratively exploiting partner resources within the alliance in order to enhance the overall product delivery while also emphasizing the collective strength that may arise from a potential partnership. The Head of E&D underscores this potential by stating, *"...the exploitation of a partnership where one party has cable, the other has fabrication capabilities and we can then provide a watertight connection."*

The aim of expanding sales channels through strategic alliances is another recurring theme. This was brought up by the Head of E&D who said, *"We could expand our sales channel, for example, with a party that has a one-stop shop and our products can complement based on technology."* This emphasis on making use of partner's existing sales channels reflects the exploitative nature of using existing resources of partners. This was also underscored by the Managing Director who explained: *"…let's say with a large party, well, can we use your sales channels or do you want to sell our product in certain markets that we are not active in."* Emphasizing the intention to leverage a potential partner's market presence, and utilizing their expertise in regions where the company may lack a strong foothold.

Furthermore, another motivation for exploring exploitation alliances is the diversification of product offerings. Interviewees imagine partnering with companies who provide related products but do not yet offer the specific products …..manufactures'. The Sales & Marking Director expressed this point of view by saying, *"We could also form an alliance with a party that sells related products but does not yet have our product."* Utilizing resources of potential partners and improving the overall value proposition through complementary offerings is an example of exploitation alliances.

Moreover, one of the interviewees also acknowledged the value of alliance contingency planning, especially in unexpected situations like emergencies. *"In case of fire, for example, you could partner with a party who could take over our production."*, said the Managing Director. This particular strategy emphasizes how alliances may help reduce risk and guarantee business continuity by working together and making agreements.

In conclusion, the potential motivations behind participating in exploitation alliances, as explained by the interviewees, cover a variety of strategic factors. These consist of increasing sales channels, broadening product offerings, entering existing markets of partners, reducing risks, and utilizing specialized knowledge. Together, these motivations demonstrate how important multifaced alliances can be within the context of the studied industry.

4.2 Unique resources

4.2.1 Tangible resources

The interviews revealed the case company possesses several unique tangible resources that could be utilized in a potential future strategic alliance. One of these resources is its state-of-the-art facilities, as mentioned by the Head E&D, who emphasized the significance of the high voltage lab: *"We have a high voltage lab here and it's not a given that a manufacturer has that."* This specialized facility enables the company to conduct important testing and research, making it a unique asset in a potential alliance. In addition, the Managing Director emphasized the importance of facilities for product development, mentioning the lab and cages utilized for electrical tests as important assets: *"I think with us the facilities for product development are pretty important, think for example the lab or cages where we can do electrical tests."* These facilities provide the company with the internal infrastructure necessary for innovation and quality assurance, which can contribute in a potential alliance.

In addition, the company benefits from some unique inventory resources, particularly through its established supplier relationships. The Director Finance mentioned the advantage of having access to raw materials via long-standing supplier relationships, which may not be readily available to other manufacturers: *"We have access to raw materials through our long-standing supplier relationships when competitors may not."* In contrast, the Managing Director mentioned that this could be a burden as well because the company is highly dependent on only a few suppliers raising potential dependency problems.

Moreover, some interviewees revealed that the company possesses specialized machinery that can be seen as another unique tangible resource. The Head E&D highlighted a specific machine that enables the company to develop its own recipes and being capable of customizing and innovating products: *"We have a machine with which we can develop our own recipes."* This machinery facilitates product development and enhances the company's ability to adapt to changing customer preferences and market trends.

In summary, the company's unique tangible resources include its specialized facilities, inventory access, and machinery, which can be utilized in a future strategic alliance (see Fig. 6). These unique resources enable the company to innovate, ensure product quality, and effectively meet customer needs.

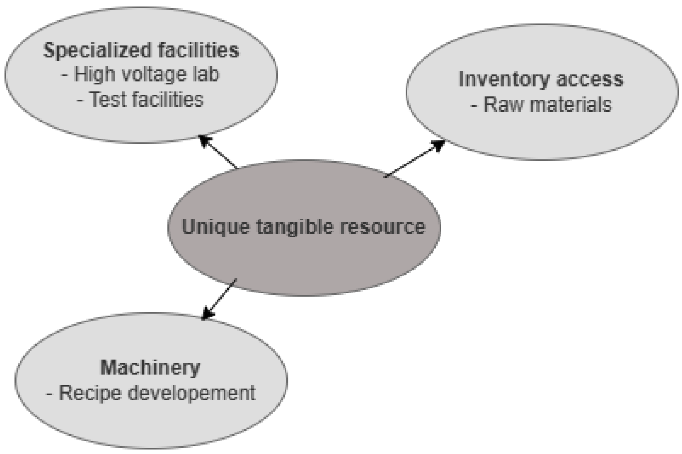

Fig. 6 Unique tangible resources

4.2.2 Intangible resources

The case company possesses a range of unique intangible resources that can be of significant importance within a strategic alliance. First of all, the reputational assets, which are underscored by customer perceptions of product excellence and reliability. According to the Head E&D, customer feedback often emphasizes the quality of the company's products: *"What our customers say is that we have a very robust product and that there is no better solution for the application."* Similarly, the Managing Director mentioned the company's reputation for producing superior products, which often exceed expectations: *"...the thing that stands out is that our products are seen as the best of their kind, sometimes even over the top."* However, the Director Finance emphasized that while the company's products are highly regarded, there is also recognition of the perception of being an expensive manufacturer: *"We have the reputation of an expensive manufacturer which makes us unattractive to some customers."* In contrast, the Manager Sales & Marketing emphasizes that this is highly debatable, depending on the point of view, as one could also be willing to pay this realising the overall total cost of ownership is lower in the end.

In addition to reputational assets, interviewees mentioned some significant intellectual assets, including patented designs, proprietary knowledge, and specialized expertise. The Managing Director highlighted the development of patented seal that guarantees the products durability against weather conditions: *"We have designed a patented seal that makes our product waterproof."* Furthermore, the company's ability to integrate diverse fields of knowledge, such as electrical engineering, chemistry, and mechanical engineering, into its product development process is a notable intellectual asset, as mentioned by the Head E&D: *"We combine knowledge of electrical engineering, chemistry and mechanical engineering and unite that into a product, and I think we are succeeding quite well in that."* Additionally he emphasized the company's expertise in insulating compound development, insulation, and main product design: *"We have knowledge of insulating compound, developing insulation. We have knowledge of insulation and also the design of the main product and the things that come with that."* Highlighting the depth of the company's intellectual assets.

Furthermore, the company benefits from organizational assets that enhance its agility and responsiveness. The Sales Manager MEA/APAC mentioned that the company's size allows for a relatively shorter response time to market inquiries and complaint handling: *"We are smaller than competitors therefore we do have a very short response time to market inquiries or complaint handling."* In contrast, some of the interviewees mentioned that the response time to market inquiries could be accelerated, specifically emphasizing the product development process. Additionally, the Managing Director mentioned the flat organizational structure that the company has, emphasizing the importance of finding partners that possess a similar culture: *"We have a flat business organization so I see us working mostly with companies from Europe, US or something similar."* These organizational assets could benefit the company in a future strategic alliance. See Fig. 7 for a visualization of the unique intangible resources.

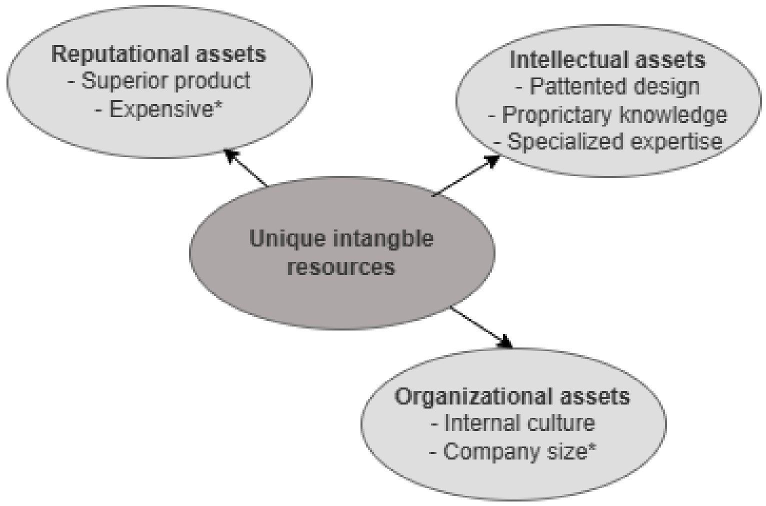

Fig 7. Unique intangible resources

4.3 Dynamic Capabilities

4.3.1 Adaptive capability

The interviews revealed that the company possess some forms of adaption capabilities, which enable them to effectively respond to changes in the market and align its product-market scope. One aspect of its adaption capabilities is the company's ability to adjust product-market scope to meet customer needs and follow industry trends. The Sales Manager MEA/APAC highlighted that the company is proactive in testing its products for market developments: *"Decentralized power generation is becoming more common in recent years, and we are testing our products for this development."* This demonstrates the company's willingness to adapt to emerging market trends and stay relevant for customers.

Furthermore, the company monitors market changes and gathers insights. There is are knowledge sessions within the sales department, the Sales Manager MEA/APAC mentioned: *"We have knowledge session within our department where we discuss the input from the market and look at market changes."* This shows the company's willingness to stay aware of market changes and be prepared to adapt to them.

In addition, the company demonstrates a commitment to monitoring competitors and staying aware of their products/technologies. The Sales Manager MEA/APAC noted participation in trade shows as a way of observing competitors: *"I attend trade shows where I also see that competitors are doing that as well."* This indicates that there is some competitive benchmarking, allowing the company to adapt to potential threats and opportunities in the competitive landscape.

4.3.2 Absorptive capability

The case company's absorptive capabilities involve the acquisition, assimilation, and transformation of external knowledge to drive innovation and strategic decision-making. Firstly, knowledge acquisition is realized through various channels, including knowledge sessions attended by the E&D department, as mentioned by the Sales Manager MEA/APAC: *"Our E&D colleagues participate in knowledge sessions several times a year."* Additionally, the Managing Director emphasized the need for more extensive research in the market, realizing the importance of market analysis: *"...so we did research in the market, but that can be done more extensive."* Furthermore, the Head E&D mentioned the role of Account Managers as key sources of market intelligence: *"..we have account managers,* *they are our eyes and ears in the market, they visit customers, are at trade shows, seminars, and have a network in the industry."*

However, the interviews revealed that there are gaps in the knowledge acquisition and assimilation processes. The Sales & Marketing Director acknowledged the need for more structured efforts in gathering market intelligence: *"...market intelligence, call it that for a moment. That's very important and something we need to do considerably more work on."* In addition, the Sales & Marketing Director highlighted the reliance on the sales department for market insights, and indicating a lack of systematic research: *"We don't do structural research on customer behavior, competitors, or market trends, everything comes from sales."* This suggests that there are some gaps in the absorptive capability and thus room for improvements.

Furthermore, there is a recognized challenge in transforming external knowledge into actionable insights. The Sales & Marketing Director expressed concerns about the unstructured nature of internal communication and knowledge sharing: *"We do need to start finding ways in which we can store information from the market and then translate it into actionable information that you can manage."* And adding: *"We do talk about it internally and eventually signals come together more often, but it is unstructured so "Pietje" hears something and "Jantje" hears about it a month later."* Additionally, the Sales Manager MEA/APAC emphasized the importance of improving evaluation and utilization of external knowledge across departments: *"The evaluation and utilization of external knowledge could perhaps improve and how can we get departments to work better with each other."*

To conclude, while the company shows some absorptive capabilities through its efforts in knowledge acquisition, assimilation, and transformation, there are opportunities for improvement that became evident during the interview and addressing these challenges can strengthen the company's dynamic capabilities.

4.3.3 Innovative capability

The interviews revealed some notable innovative capabilities that the company possesses, particularly in the areas of product innovation and market innovativeness. First of all, the company is actively engaged in product innovation, as highlighted by the Head E&D, who mentioned ongoing efforts to develop new products: *"...we are also developing new products for new markets."* This indicate a proactive stance towards identifying and utilizing market opportunities through product development. Additionally, the Sales & Marketing Director emphasized the company's commitment to innovation in product design and sustainability: *"...we are now developing totally toxin-free products."* Secondary resources revealed that this is an important factor for Italian customers concerned with toxins integrating the soil. Furthermore, this reflects the company's responsiveness to customer preferences and regulatory requirements by innovating their products.

In addition, from a customers' point of view there are different opinions about the innovativeness of the company's products, with the Head of E&D mentioning: *"We occasionally do a customer survey….some find us innovative others not so much."* While some customer may view the company as innovative, there may be opportunities to further enhance its reputation for innovation. Additionally, secondary resources revealed that (part of) the technology the company uses is considered as old fashioned, however, it is the combination of technologies that make the products unique and innovative. There is a lack of understanding and brand awareness that results in some parties considering the company as less innovative.

Overall, the company's innovative capabilities are evident through its proactive approach in product development and its responsiveness to customer preferences. The company is constantly investing in innovation and sustainable alternatives, as well as acting upon customer feedback.

5. Conclusion & Discussion

Chapter 5 contains the conclusion and discussion part of the study and will answer the main research questions. Furthermore, the managerial implications will be explored based on the results and limitations of the study will be acknowledged. Finally, this chapter will offer suggestions for future research to build upon this work.

5.1 Conclusion

This research uncovered multifaced, motivations, unique resources, and dynamic capabilities of a firm that shape the preformation stage of a strategic alliance. The main question of this research is aimed at providing insights for the case company in navigating the preformation stage of a strategic alliance through the lenses of the Resource-Based View and Dynamic Capabilities theory. See Fig. 8 for an overview of the findings.

First of all, regarding motivations and objectives, this research revealed several drivers behind exploration and exploitation alliances for the case company. Engaging in exploration alliances is mainly motivated by organizational learning, technology development, and market exploration. On the other hand, the motivation to engage in exploitation alliances is mainly motivated by objectives such as expanding sales channels, diversifying product offerings, and leveraging partner resources. Within the context of exploitation alliances, collaborative product delivery, sales channel expansion, and product complementarity were highlighted as key strategies that could be pursued. It's clear that the case company has dual motivations for engaging in strategic alliances, meaning both exploration and exploitation. This is positive as it aligns with Levinthal and March's (1993) idea that companies must balance between exploitation to ensure current viability and exploration to insure its future viability, as it is a requirement for long term survival.

Second, the case company possesses a range of several unique tangible and intangible resources that could be leveraged in a strategic alliance. Tangible resources include state-of-the-art facilities, inventory access, and specialized machinery, which together contribute to innovation, product quality, and operational efficiency. On the other hand, intangible resources consist of reputational assets such as superior product manufacturer, intellectual assets such as patented design and specialized knowledge, and last organizational assets such as internal culture and organizational size. These are the unique resources possessed by the case company in the preformation stage of a strategic alliance and enable it to create value in the context of alliance partnerships.

Third, this study shed light on the case company's dynamic capabilities, consisting of adaptive capability, absorptive capability, and innovative capability. While the company demonstrates some level of adaptive capability in adjusting product-market scope, there is room for improvement in terms of agility and responsiveness, Furthermore, the company shows absorptive capabilities through efforts in knowledge acquisition, assimilation, and transformation. However, there are gaps in the knowledge acquisition process, particularly in gathering extensive market intelligence and conducting systematic research. Additionally, transforming external knowledge into actionable insights poses a challenge due to the unstructured nature of internal communication. At last, the company's innovative capabilities are demonstrated through proactive product development but there are opportunities to further enhance the innovation processes. The interviews revealed a lack of understanding and brand awareness regarding the company's technology, which may hinder its perceived innovativeness.

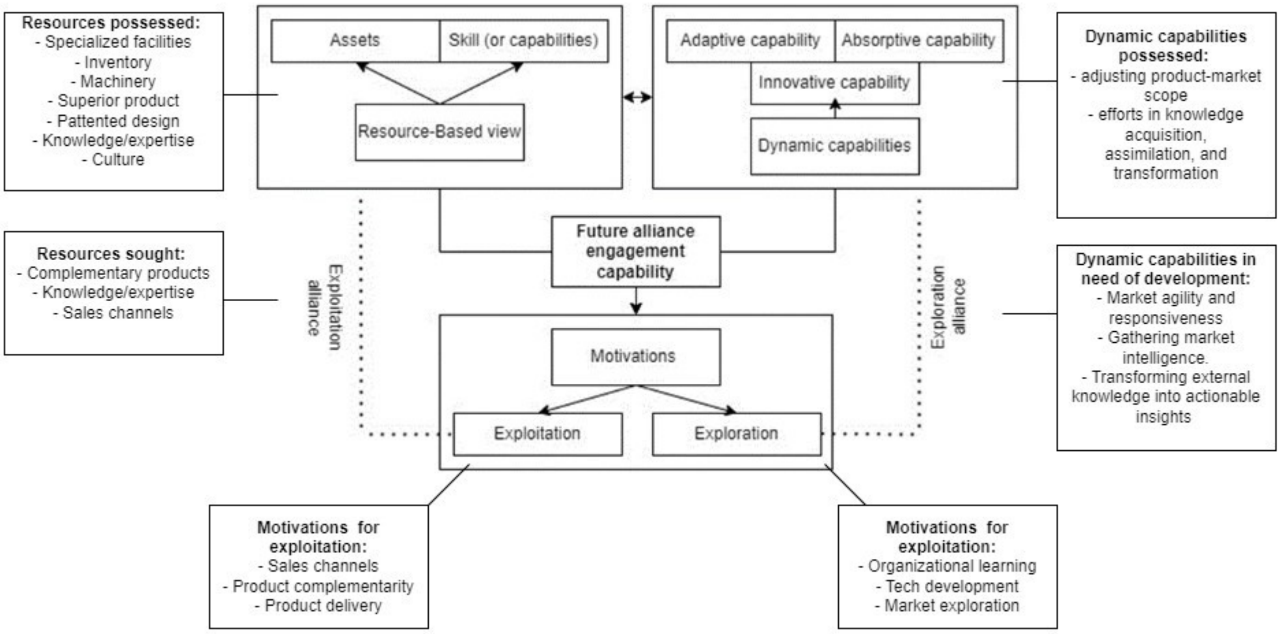

Fig. 8 Conceptual model with results

5.2 Discussion

This study makes theoretical contributions to the fields of strategic management, specifically in the context of strategic alliances. This study is guided by the research question: "What insights for the case company can be derived in the preformation stage of strategic alliances utilizing the Resource-Based View and Dynamic Capabilities theory?" Furthermore, this research builds upon existing literature and contributes to the understanding of the preformation stage of alliance engagement.

First of all, this study integrates the Resource-Based View and Dynamic Capabilities theory within the context of a manufacturing company in the energy sector. In doing so, this study contributes to the existing literature of Wernerfelt (1984) and Teece et al. (1997) and answers the need from Krishna (2023) to provide a more empirical validation of these theoretical frameworks in the context of strategic alliances. In addition, by conducting in-depth, semi-structured interviews with managers, this study brings a more practical dimension to these theories by offering real-world examples and insights.

Second, Wang & Rajagopalan (2015) emphasized that literature often neglects to recognize the different stages of alliance formation. Therefore this study addresses this limitation by acknowledging and taking into account the preformation stage of alliance formation. By doing so this study also provides a practical example and builds upon the study done by Das and Teng (2000) who suggest that the RBV is highly suitable for analysing alliances.

5.3 Managerial implications

The findings of this study hold implications for managers and decision-makers at the case company. By integrating the Resource-Based View and Dynamic Capabilities theories within the context of the company’s strategic alliance endeavours, several managerial insights were revealed.

First of all, managers are advised to conduct a comprehensive assessment of their firm’s resources, particularly those that are firm-specific and unique. Understanding the strategic value of these resources is for example important when considering potential alliance partners in the preformation stage. The theoretical framework (see fig. 5) developed in this research can assist companies in the preformation stage of an alliance in identifying these resources and capabilities and aligning them with alliance objectives.

Second, this study emphasizes the importance of developing and nurturing (dynamic) capabilities, especially in industries with a dynamic nature. The study found that dynamic capabilities in the preformation stage are important for engaging in a strategic alliance in the future. A firm's adaptive, absorptive, and innovative capabilities are important indicators to asses as it could help them acquire and assimilate external knowledge into the internal organization. As revealed in this study a lack of dynamic capabilities could potentially impact the successful engagement in a strategic alliance as external information may not be efficiently utilized. Managers should activity monitor dynamic capabilities and develop them were needed.

Third, strategic alliances involve many potential risks, and managers must proactively address uncertainties. Conducting and evaluating the companies resources and capabilities can help mitigate risk before engaging in a strategic alliance. In addition, managers should evaluate the strategic fit between organization's resources and capabilities and the objective of potential partnerships, meaning they should distinguish between exploitation and exploration and ideally combine both strategies to ensure current and future viability.

5.4 Limitations and Future research

While this research has provided several valuable insights, it is important to acknowledge and address certain limitations that arose during the study. First, this primary limitation of this study stems from the nature of this study, it specifically focuses on one case organisation. Therefore, the findings may not be generalizable to other contexts or companies. The unique situation of the case may not be representative of other situations, industries, or organizational contexts. It is suggested that future research includes the application of the conceptual framework proposed in this study across various sectors and organizational contexts as this could reveal insights from different industries.

Second, qualitative interviews were use as the primary method of data collection, and as such, the interpretation of the answer may be subjective. Furthermore, the interviews were analysed using deductive thematic analysis, involving the development of multiple themes and concepts. The interpretation of the data may have been subject to the researcher's personal biases, perspectives, or past experiences, which could lead to subjectivity in the conclusions. It is suggested that future research includes external review that provides insights and ensures the interpretations are grounded and unbiased.

Third, there was a time constraint on the study, which might have affected the scope and depth of the data gathering process and analysis. A longer time frame for the research might have resulted in a more thorough understanding of the phenomenon being studied. Future research could overcome this limitation by adopting a more longitudinal approach, allowing for an extended research period to research the phenomena proposed in this study and thereby providing a more comprehensive understanding.

6. Acknowledgements

First of all, I would like to thank my supervisor Dr. R.P.A. Loohuis for his time, effort, and constructive feedback throughout the research process. This feedback allowed me to improve my thesis and overall research approach. Second, I would like to thank the case organization for giving me the opportunity to conduct the research and provide me with the additional resources needed. Finally, I would like to thank the interview participants for their insightful contributions and voluntary participation in this study.

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Appendices

Appendix A: Prior interview information (Dutch)

Achtergrondinformatie onderzoek

Nogmaals bedankt dat u wilt deelnemen aan dit onderzoek. Hieronder vindt u een korte beschrijving van de relevante theorieën en een uiteenzetting van de (voorlopige) interviewvragen:

Strategische allianties:

Strategische allianties verwijzen naar samenwerking tussen organisaties met als doel wederzijdse voordelen te behalen, bijvoorbeeld door het delen van middelen of kennis. Het doel is meestal om strategische voordelen te behalen die individueel moeilijk te realiseren zouden zijn.

Resource-Based View:

De Resource-Based View theorie biedt een kader waarmee ik de strategische allianties nader kan analyseren. Deze theorie stelt dat duurzame concurrentievoordelen voortkomen uit waardevolle, zeldzame, niet-imitable, en niet-substitueerbare (VRIN) middelen en capaciteiten. Het doel hiervan is om uiteindelijk te bepalen welke interne middelen Lovink bezit en kan benutten om succesvolle strategische allianties aan te gaan in de toekomst.

Dynamic capabilities:

De Dynamic Capabilities theorie zal een ander integraal onderdeel zijn van mijn analyse, omdat dit de capaciteit van een organisatie beschrijft om snel en effectief te reageren op veranderingen in de omgeving. In het kader van strategische allianties onderzoek ik hoe Lovink deze dynamische capaciteiten benut om zich aan te passen en te vernieuwen, waardoor ze veerkrachtig blijven bij veranderende marktomstandigheden.

Appendix B: Interview questions

Strategic alliances:

1. In what ways might the company leverage possible alliances (partners)?
2. What factors would be important to the company in evaluating potential alliance partners?
3. Could the company enter into an exploratory (exploration) alliance? If so, in what way? and could you also name possible partners?
4. In what way will the company assess the expected returns that might result from a strategic alliance?

Resource-Based View:

1. Can you briefly describe the company's core business, including key products and services?
2. Can you name and explain the tangible resources the company possesses (e.g., physical technology, factory equipment, geographic location, or access to raw materials) that can be considered unique and valuable in the context of strategic alliances?
3. Are there any intangible assets or skills that stand out for the company? Consider, for example, specific intellectual property rights, knowledge, or reputation.
4. What resources or capabilities do you think the company should obtain through alliance formation that are currently lacking or less developed within the company?

Dynamic capabilities:

1. What strategies or practices does the company currently employ to adapt to market changes?
2. Can you give some specific examples of situations in which the company has shown flexibility in response to changing market conditions?
3. How does the company monitor the market and stay aware of opportunities?
4. Can you suggest ways in which the company could adapt more quickly to market change?
5. How does the company currently integrate external knowledge into its processes and decision making?
6. Can you give examples of situations in which the company has successfully incorporated external knowledge or information?
7. According to your perspective, how can the company improve the evaluation and utilization of external knowledge?

Appendix C: Coding interviews

Theory	Theme	Code	Quote	Interviewee
Strategic Alliance motivations	Exploitation	Resource utilization	[illegible]	Sales Manager MEA/APAC
		Resource utilization	[illegible]	Head R&D
		Resource utilization	[illegible]	Managing Director
		Resource utilization	[illegible]	Sales & Marketing Director
		Resource utilization	[illegible]	Managing Director
		Resource utilization	[illegible]	Head R&D
	Exploration	Organizational learning	[illegible]	Sales Manager MEA/APAC
		Organizational learning	[illegible]	Sales & Marketing Director
		Organizational learning	[illegible]	Sales & Marketing Director
		Experimenting	[illegible]	Head R&D
		Experimenting	[illegible]	Managing Director
		New Business	[illegible]	Sales & Marketing Director
		New Business	[illegible]	Director Finance
Resource Based View	Tangible resources	Facility	[illegible]	Head R&D
		Facility	[illegible]	Managing Director
		Inventory	[illegible]	Director Finance
		Machinery	[illegible]	Head R&D
	Intangible resources	Reputational assets	[illegible]	Head R&D
		Reputational assets	[illegible]	Managing Director
		Reputational assets	[illegible]	Director Finance
		Reputational assets	[illegible]	Managing Director
		Intellectual assets	[illegible]	Managing Director
		Intellectual assets	[illegible]	Head R&D
		Intellectual assets	[illegible] [redacted] [illegible]	Sales Manager MEA/APAC
		Intellectual assets	[illegible] [redacted] [illegible] [redacted] [illegible]	Head R&D
		Intellectual assets	[illegible]	Managing Director
		Organizational assets	[illegible]	Sales Manager MEA/APAC
		Organization assets	[illegible]	Managing Director
Dynamic Capabilities Theory	Adaptation capability	Adapt product-market scope	[illegible]	Sales Manager MEA/APAC
		Market change	[illegible]	Sales Manager MEA/APAC
		Monitor competitors	[illegible]	Sales Manager MEA/APAC
	Absorptive capability		[illegible]	Sales Manager MEA/APAC
		Knowledge acquisition	[illegible]	Managing Director
		Knowledge acquisition	[illegible]	Head R&D
		Knowledge acquisition	[illegible]	Sales & Marketing Director
		Knowledge acquisition	[illegible]	Sales & Marketing Director
		Knowledge assimilation / Knowledge acquisition	[illegible]	Head R&D
		Knowledge assimilation / Knowledge acquisition	[illegible]	Managing Director
		Knowledge assimilation / Knowledge acquisition	[illegible]	Managing Director
		Knowledge assimilation / Knowledge acquisition	[illegible]	Director Finance
		Knowledge assimilation / Knowledge acquisition	[illegible]	Sales & Marketing Director
		Knowledge assimilation	[illegible]	Head R&D
		Knowledge Transformation	[illegible]	Sales & Marketing Director
		Knowledge	[illegible]	Director Finance
		Knowledge Transformation	[illegible]	Managing Director
		Knowledge Transformation	[illegible]	Sales Manager MEA/APAC
	Innovative capability	Product innovation	[illegible]	Head R&D
		Product innovation	[illegible]	Sales & Marketing Director
		Market innovativeness	[illegible]	Head R&D