

Internationalizing R&D Co-opetition: Dress for the Dance with the Devil
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Competitors can be valuable partners and sources for innovation activities. Against the background of international expansion of firms and increased international competition the cooperation between international competitors (international co-opetition) is becoming a more likely path to gain access to international knowledge potentials in the innovation process. However, the cooperation between international competitors provides additional uncertainties and risks for the joint R&D activities in comparison to domestic co-opetition. In order to be able to benefit from the paradox alliance a certain level of international co-opetition readiness of the firm is required. This readiness comprises on one hand methods to protect the companies' intellectual properties that should not be published to competitors and on the other hand to be able to absorb and utilize the knowledge and capabilities of the cooperating competitor. On the basis of a study of about 1000 innovative German firms in the manufacturing industry we analysed existing cooperations with international competitors. In this context the paper aims to identify those skills and company endowments that are necessary to handle the complexity, risks and uncertainties arising from the social and cultural differences in the international co-opetition alliance. Our findings argue that for the protection of the firms' intellectual properties in the international co-opetition alliance formal appropriability methods like patents and copyrights are more effective than informal methods such as secrecy, lead time or complex design. The ability to benefit from the international co-opetition alliance depends on the absorptive capacities of the firm that enable to identify, assimilate and exploit information from the cooperating rival. In this vein, we find that a higher education level of employees is an important feature. We also find that previous international R&D cooperation experience with international customers or suppliers is a positive prerequisite for international R&D co-opetition. This kind of international experience impacts on the readiness for international co-opetition to a larger scale than international sales experience.

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