**The Relational View of Competitive Advantage: Case Study on a Strategic R&D Alliance**

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**The Relational View of Interorganizational Competitive Advantage: Case Study on a Strategic R&D Alliance**

Collaborating with external partners on R&D and forming strategic partnership for R&D have been popular phenomena for long, which leads new development in existing theories. From the industrial view, a firm’s competitive advantage comes from its bargaining power and industrial barriers to entry. From a resource-based view, a firm’s competitive advantage comes from its resource base constructed by valuable, rare, inimitable and nonsubstitutable resources. A third view is the relational view, which assumed that competitive advantage can be generated from interorganizational relationships with external partners. Under the relational view, the interorganizational competitive advantage is based on relational rents which come from: relational-specific assets, knowledge-sharing routines, complementary resources/capabilities, and effective governance (Dyer and Singh, 1998).

Though the relational view of competitive advantage has been proposed for more than a decade, few in-depth empirical researches are down within this field, especially case study on R&D strategic alliance from this perspective. On the other hand, when researching on Danish transnational corporations’ R&D in China, we found that they emphasize a lot on cooperating with Chinese local firms. The collaboration between Danish and Chinese firms is not only about transactions and production, but also about R&D. Chinese firms, which are regarded as lacking R&D capability, is now becoming preferred R&D partner for these world’s leading transnational corporations. As a result, we investigate an R&D strategic alliance between a Danish transnational corporation and a Chinese private enterprise, and try to understand: 1. why do they cooperate with each other on R&D? 2. How do they generate relational rents (interorganizational competitive advantage) from this alliance? Based on this case study, we will propose some implications for the R&D collaboration between Chinese and Scandinavian countries. Also, the case will help us to test and enrich the existing theories on interorganizational competitive advantage. At the end of the paper, based on existing theories and the case study result, we will propose our conceptual framework on researching R&D strategic alliance between Scandinavian and Chinese firms.

Key Words:

Relational view, interorganizational competitive advantage, relational rents, R&D strategic alliance