

**Thomas Keil**  
York University  
4700 Keele Street  
Toronto, Ontario M3J 1P3, Canada

**Rita Gunther McGrath**  
Columbia Business School  
2880 Broadway  
New York, NY 10025

**Taina Tukiainen**  
Helsinki Polytechnic Stadia  
PO Box 4020, 00099 City of Helsinki, Finland

**REAL OPTIONS REASONING AND THE MANAGEMENT OF UNCERTAIN VENTURES: AN EXPLORATORY ANALYSIS**

**Currently under Review in Academy of Management Journal**

**Real options reasoning and the management of uncertain ventures: An Exploratory analysis**

This study offers empirical evidence relevant to a debate about the applicability of real options reasoning to decision-making with respect to highly uncertain ventures. Based on a four-year study of the entire portfolio of a major European electronics firm, we find strong support for the applicability of options reasoning in three areas: 1) facilitation of venture termination; 2) facilitation of venture redirection and 3) capture of value from investments in venturing, even when the outcome is not a standalone business.