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**SWIMMING WITH SHARKS:
TECHNOLOGY VENTURES AND CORPORATE RELATIONSHIPS**

ABSTRACT

This paper examines when inter-organizational relationships between dissimilar organizations emerge. In particular, we focus on the tension between the resource interdependencies that push these organizations together and the misalignment of interests that pulls them apart, and the social factors that both facilitate these relationships and alter this tension. We explore this tension from the new firm perspective in a study of corporate investment relationships in 5 technology-based industries over a 25-year period using multiple theoretical logics. We have several findings. First, new firms enter these relationships when they need out-sized financial and manufacturing resources, but not marketing ones.

Thus from a resource dependence view, resources are not alike, and indeed a resource hierarchy may exist. Second, new firms enter these relationships when they can defend against agency misalignment through overlooked mechanisms (i.e. trade secrets and timing), but not prominent ones (i.e. patents). Thus, we bring agency considerations into our understanding of inter-organizational relationships, and note that new firms have a fundamentally distinct approach to defending intellectual property that differs from that of established firms. Third, immediate and diffuse embeddedness facilitates these relationships with effects that are surprisingly irreversible. Embeddedness unexpectedly also shapes the strategy of young firms regarding such relationships. We conclude by noting the significance of the perspective of low-power actors to generate theoretical insights, and of multiple theoretical logics for understanding significant organizational and strategic phenomena.