

# A Value-Driven Decision Making Model on Governance Mode of Strategic Technology Alliances

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*Within the last twenty years, inter-firm strategic collaborative agreements have been a common strategic means used by firms towards either exploring or exploiting new technology and market opportunities for improving their long-term business performance. This paper discusses strategic technology alliances, which are contracted for the creation or commercialization of a technology-based product/service innovation. Having identified the peculiarities of strategic technology alliances, as well as some gaps of the existing research on alliances formation and design, this paper proposes a conceptual model explaining the way in which firms, and particularly their managers, make their decision upon the preferred governance mode of the alliance. The proposed model includes a set of determinants, already identified by current literature, regarding the internal environment of the firm and the external environment of the market in which it operates, as well as a number of factors related to the partners' inter-firm diversity and compatibility. Nevertheless, the main contribution of the paper is the introduction and operationalization of the Expected Alliance Value (EAV) concept, which is used to denote the managers' expectations for their firm's value capture from the alliance. This is proposed to be one of the primary factors affecting decision making on strategic technology alliances' governance mode.*

**Keywords:** strategic technology alliances, expected alliance value, governance mode