# Summary

|  |  |
| --- | --- |
| Paper Title | Cooperating with external partners: The importance of diversity for innovation performance |
| Paper Author | Matthias Beck |
| Tags | Diversity in Companies, importance of alliances |
| Summary Conductor | Marius Gutzeit |

# Key Takeaways

1. External innovations are not done in a closed room – motivation for inter-firm alliances since mid 1990s
2. Seven types of cooperation partners
   1. Customers & Clients
   2. Suppliers
   3. Competitors
   4. Non-competing firms
   5. Same corporate group
   6. Universities
   7. Other research institutions
3. Firm can run four different strategies
   1. Inhouse R&D
   2. One specific partner
   3. 2-3 partner
   4. 4+ partner
4. Total dataset 65.9% conduct own R&D, 25.2% with external partners
5. Out of the 25.2% - 14.2% only 1, 45% 2-3, 40 4+ partner
6. customers (average 61.7%), suppliers (68.3%), competitors (36.9%), non-competing firms (38.7%), firms from the same corporate group (41.1%), universities (53.6%), and other research institutions (27.6%)
7. significant positive correlation between the resources invested in innovative activities and innovation output for all of our models. No impact if startup
8. **Participation in external cooperation agreements can achieve performance enhancements in innovation output. More if diverse partner but not overdiversified. Sufficient Tech potential and investment is crucial.**
9. **Small firms more effective due to right people in place. Less bureaucracy.**

# Paper Overview

* Paper form ETH Zurich using swiss economic institute datasets from the late 1990s till 2008 in four different timepoints. 2404 Observations (swiss only and firms with R&D activities)