



<input checked="" type="checkbox"/>	Master's thesis
<input type="checkbox"/>	Licentiate's thesis
<input type="checkbox"/>	Doctor's thesis

Subject	International Business	Date	15.6.2008
Author(s)	Outi Nurminen	Student number	
		Number of pages	98
Title	PARTNERSHIP FORMATION IN SMALL BIOTECHNOLOGY COMPANIES - Focus on challenges and success factors		
Supervisor(s)	Ph.D. Niina Nummela and M.Sc. Mélanie Raukko		

Abstract

Biotechnology companies commonly are highly specialised and the long and expensive product development is carried out in cooperation with other actors of the industry. Competition for the best partnership deals and the most wanted partners increases together with growing numbers of partnerships. The inability to attract partners is associated with organisational death. In addition, Finnish biotechs need international partnerships to become less dependent on public funding and to exploit their market potential. The purpose of the study was to find out how Finnish biotech companies can attract international partners. It was done by answering the following sub-questions:

- *what types of partnerships are interesting for biotechnology companies and why?*
- *what challenges do small biotechs face in finding partners?*
- *what were the critical success factors of case companies in partnership formation?*

The theoretical framework included multiple theories (e.g. organisational learning, resource dependency and resource-based view), which were linked with different stages of new product development, alliance type and main motivation. The challenges were studied in relation to the partnership formation process. The research was qualitative in nature and the empirical data was collected in theme interviews in three case companies: ArcDia Ltd, BioCis Pharma Ltd and DeISiTech Ltd.

The interest in a specific type of a partnership depends mainly on the stage of new product development (NPD) process. In the innovation stage, the focus is on learning and it shifts to risk and cost sharing in the development stage. Complimentary resources are required to commercialise the outcomes. The strategic importance of the partnership increases as the NPD process proceeds. Most of the challenges are faced in the stages of attraction and interaction of partnership formation. They derive from company internal (e.g. early stage of product development, small size), external (e.g. selection uncertainties of the partner) and relational issues (e.g. size asymmetry). Means to overcome the challenges included tradable know-how, company credibility, social embeddedness, flexibility in business concepts and time.

Key words	Partnership formation, small companies, biotechnology industry
Further information	