This research focuses on alliances in high-technology sectors that are aimed at bringing about technological innovations. Past research has highlighted the simultaneity of cooperation and competition in such settings. Using a sample of 179 alliances in the biopharmaceutical industry, we explore the mechanism through which the degree of ex ante competition between two partners relates to the level of cooperation once they ally. We also explore the importance of time to ex post competition in this relationship. We find that the degree of ex-ante competition has an inverted U-shaped relationship with the degree of co-operation and this relationship is partially moderated by the time to ex-post competition. The inverted U-shape is indicative of a tipping point beyond which the risks override the benefits of co-operation.

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