

A complex network diagram with white nodes and connecting lines on a dark background, overlaid on a diagonal split of green and teal colors.

EXECUTIVE  
SUMMARY OF  
MASTER  
THESIS

# ASYMMETRIC PARTNERSHIPS BETWEEN DUTCH TRADITIONAL MEDIA FIRMS AND TECHNOLOGY START-UPS

BY NURYA  
DOORENBOS

MASTER MEDIA &  
BUSINESS

*Erasmus University of  
Rotterdam*

IN COLLABORATION  
WITH

*MediaMatters | Media  
Perspectives*

## INTRODUCTION

The Dutch traditional media landscape has drastically changed over the past decades. Since technological developments led to changing media behaviours and new forms of competition, traditional media firms are urged to keep up with the fast-paced changes and ensure innovation in order to reach the digital consumer. Currently, the Dutch traditional media industry is exploring a new path to ensure innovation, namely partnerships with start-ups.

Partnerships with start-ups are a proven way to strengthen or improve a firm's innovative capabilities (Bannerjee, Bielli & Haley, 2015; Mocker, Bielli & Haley, 2015; Weiblen & Chesbrough, 2015; Kanbach & Stubner, 2016; Usman & Vanhaverbeke, 2016). Partnerships between established firms and start-ups are defined as *asymmetric partnerships* because of the significant differences in size and age (Freeman & Engel, 2007), but also because of the differences in resources, skills, managerial processes and culture (Blomqvist, Kylaheiko & Virolainen, 2002; Minshall, 2006; Minshall et al., 2010). Ideally, asymmetric partners benefit from each other's resources and skills while sharing the mutual objective of generating innovation (Blomqvist et al., 2002).



In reality this is however by no means an easy task because the differences between established firms and start-ups also present a set of challenges. Both academia (Minshall, 2006; Minshall et al., 2010; Weiblen & Chesbrough, 2015; Usman & Vanhaverbeke, 2016) and practitioners (Mocker, Bielli & Haley, 2015; Kanbach & Stubner, 2016) point out the difficulties of achieving success in asymmetric

partnerships. So, the question is how can start-ups and established firms make a partnership a sustained success? Researchers suggest that the development processes are crucial in the successful implementation of partnerships because it is here where the foundation of a partnership is built (Doz & Hamel, 1998; Mohr & Spekman, 1994; Kelly, Schaan & Joncas, 2002; Iyer, 2002; Langfield-Smith, 2008; Mandjak et al., 2015). This thesis examines the role of the development stages in asymmetric partnerships with the focus on partnerships between Dutch media firms and technology startups.

## RESEARCH PURPOSE

To give a more in-depth understanding of the research purpose, this section addresses both the scientific and societal research purposes of this thesis. Starting with the former, this research contributes to the scientific gap regarding the development stages of asymmetric partnerships. Researchers identified the challenges of managing asymmetric partnerships and formulated guidelines for successful management (Minshall, 2006; Minshall et al., 2010; Usman & Vanhaverbeke, 2016), but the development processes that go ahead of the partnership remain unexplored. The significant differences in size, age, resources, skills, management and organizational characteristics are likely to present specific challenges in developing a partnership (Blomqvist et al., 2002; Freeman & Engel, 2007; Minshall, 2006; Minshall et al., 2010) and therefore require a specific approach. My aim is to gain insights into how the peculiarities of established firms and start-ups play a role in partnership development.

On top of that, my research explores the concept of asymmetric partnerships in a cross-industrial context, which has so far only been done within one particular industry. Dutch media firms aspire to derive innovative solutions from the technology-based start-up community (MediaMatters, 2018), which academia refer to as *cross-industry innovation* (Enkel & Gasmann,

2010; Enkel & Heil, 2014). A potential challenge here is to overcome the *cognitive distance*, which refers to a different way of thinking and behaving, between partners from different industries (Jeppesen and Lakhani, 2010; Enkel & Gasmann, 2010; Enkel & Heil, 2014). In this sense, I argue that the cognitive distance between media companies and technology start-ups may present particular challenges for developing a partnership.

Regarding the societal relevance of this thesis, research has shown that even though asymmetric partners are motivated to work together, working together in an effective manner is by no means an easy task. Start-ups experience difficulties with approaching the right people, with differences in perception of the partnership's importance (Minshall et al., 2010), with the corporate slow decision-making (Minshall et al., 2010; Weiblen & Chesbrough, 2015; Usman & Vanhaverbeke, 2016), with the differences in organizational culture (Minshall et al., 2010; Weiblen & Chesbrough, 2015) and with the changing points of contact (Minshall, 2006). Established firms, on the contrary, encounter problems with the lack of commercial experience, the financial instability (Minshall et al., 2008; Minshall et al., 2010) and the fast pace (Minshall et al., 2008; Minshall et al., 2010; Weiblen & Chesbrough, 2015). Our study provides practitioners of valuable insights and also of recommendations to overcome potential challenges and help build strong partnership foundations by focusing on partnership development.

To summarize, this thesis addresses two scientific gaps and aspires to provide both start-ups and Dutch media firms with valuable insights on asymmetric partnership development:

1. identify the critical stages of asymmetric partnership development;
2. define the role of the cognitive distance between Dutch media firms and technology start-ups
3. formulate recommendations on developing partnerships between Dutch media firms and technology start-ups

Based on the above-mentioned reasons for conducting this research, I formulated the following research question which allows me to take a broad approach and take different aspects of partnership development into consideration:

**RQ: HOW CAN TECHNOLOGY START-UPS AND DUTCH TRADITIONAL MEDIA COMPANIES SUCCEED IN DEVELOPING ASYMMETRIC PARTNERSHIPS?**

## THEORETICAL FRAMEWORK

The theoretical framework addresses two main theoretical constructs: asymmetric partnership development and cross-industrial innovation. To answer this question, I constructed a theoretical framework suitable for asymmetric partnership development by combining the literature on partnership development and asymmetric partnerships. Taking the peculiarities of partnerships between established firms and start-ups into consideration, I divided the framework into three stages proposed by Mandjak et al. (2015): (1) awareness, (2) initiation and (3) interaction. I chose this structure because it takes the evolutionary process of developing partnerships into account: "from the cognitive (awareness) to tangible individual activity (initiation) through to collaboration (interaction); from the simple to the complex" (Mandjak et al., 2015, p. 37).

### Stage 1 - Awareness

The first step of developing a partnership is recognizing the need for it (Iyer, 2002; Dwyer, Schurr & Oh, 1987, Mandjak et al, 2015; Mandjak et al, 2016). At this stage, potential partners are unconscious of each other's existence (Mandjak et al, 2015). The consciousness arises when partners recognize the potential competitive advantage that a partnership can offer (Iyer, 2002).

### Stage 2 - Initiation

The next step is the initiation process where companies assess and select the potential partners (Wilson, 1995; Iyer, 2002; Dwyer, et al., 1987; Mandjak et al, 2015). Companies evaluate the potential value of counterparties' offerings or the new opportunities they create (Dwyer, Schurr & Oh, 1987). Cummings and Holmberg (2012) distinguish task-related selection criteria, which refer to the level of resource complementarity, and partner-related selection criteria, which reflect the relational elements. High congruence on both selection criteria increases the potential of achieving success.

### Stage 3 – Interaction

After the selection process partners enter an exploratory stage where the objective of the partnership is negotiated and defined (Dwyer et al., 1987; Ford, 1980; Wilson, 1995; Iyer, 2002). This interaction process starts with exchanging information followed by social interactions (Mandjak et al. 2015). Thus, designing the partnership occurs both on an objective and subjective level (Spekman & Mohr, 1994). Based on the literature I identified three interaction processes that are particularly important in case of asymmetric partnerships:

1. **Communication** fosters the ability to coordinate and cooperate and is an important factor of trust-building and developing social capital (Agarwal et al., 2010). Researcher suggests that when it is unclear if the product or service of a start-up will be successful on the market, clear communication with stakeholders is a must. In other words, start-ups without a track record are advised to put considerable effort in exchanging information (Zott & Huy, 2007)
2. **Trust-building** is essential in all type of business relationships. Trust is “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another” (Rousseau et al., 1998, p. 385). According to Hasche et al. (2017), start-ups identify a partner's goodwill

as a vital trust component while parties that collaborate with start-ups perceive competence as an important indicator of trust.

3. **Adaptations** are the “behavioral or organizational modifications at the individual, group or corporate level, carried out by one organization, which are designed to meet the specific needs of one other organization” (Brennan et al., 2003, p. 1638). Mutual adaptation enhances the operational performance, allows partners to create a better fit between them and fosters collaborative behavior (Hagberg-Anderson, 2006). Asymmetric partners may find themselves in a power imbalanced situation. The established company is powerful in terms of size and resource quantity while the start-up possesses power in regard to specialist knowledge (Perez & Cambra-Fierro, 2015).

### Cognitive distance in cross-industry innovation

On top of the fact that media firms and technology start-ups show asymmetries, this study also addresses the role of the cross-industrial context. The aim of cross-industry innovation is to obtain new insights from another industry (Nooteboom et al., 2007; Enkel & Heil, 2014). However, external problem solvers are less familiar with the core of the problem which implies the presence of cognitive distance (Jeppesen and Lakhani, 2010).

## METHODOLOGY

The research question is interested in hearing the perspectives of both start-ups and Dutch media firms on developing asymmetric partnerships. More specifically, I focused on start-ups and media companies who are part of the MediaMatters program. Considering that our research focus lies on a specific group of people, I opted for a purposeful sampling (Barbour, 2001; Bryman, 2012).

The **sample** comprised of an equal number of start-up and Dutch media firm representatives. The start-up participants included primarily CEO's and were located in Europe. The Dutch media firm participants varied from chief editor to managing director or head of digital department and represented publishers, broadcasters and media holdings.

After sampling our research participants, I collected the data by means of **semi-structured in-depth interviews**. This research method allowed us to address the theoretical concepts while also offering the opportunity for a dialogue or conversation. In other words, we were able to dive deeper into interesting statements or arguments. After transcribing the interviews, I identified patterns or themes or in other words conducted a **thematic analysis** (Braun & Clark, 2006).

## RESULTS

The research findings are organized according to the three stages of asymmetric partnership development that are defined in the theoretical framework (awareness, initiation and interaction) followed by the concept of cross-industry innovation.

### Stage 1 - Awareness

In the first stage of partnership development partners recognize the need for a partner. While all start-up respondents were well aware of the fact that they need media partners in order to survive, the barriers that withhold them from translating awareness into actually initiating a partnership.

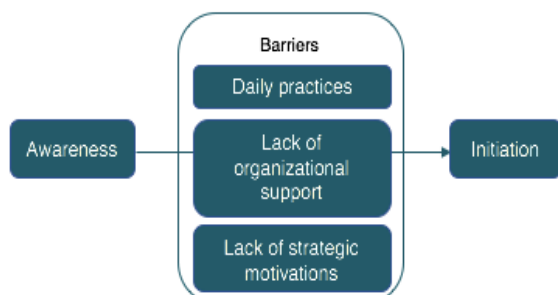


Figure 1. Three barriers media companies face to translate awareness into initiation

### 1. Struggling to fit start-up partnerships into daily practices

The media firm respondents are in charge of numerous tasks. The tasks with high priority are ultimately dealt with first, followed by the less important ones. Partnerships with start-ups face the risk of being overshadowed by the media firm's core activity: content production.

### 2. Need for organizational support

Inconsistent support from the different media firm departments or the lack of a top-down embracement of start-up partnerships can potentially be an obstacle for the further partnership development.

### 3. Need for strategic motivations as opposed to coincidence-based motivations

Partnerships are more likely to be pursued when media firms have a clear strategic objective of attracting a start-up.

### Stage 2 – Initiation

Once asymmetric partners have recognized the added value of a partnership, they enter the initiation phase where potential partners are being evaluated and selected.

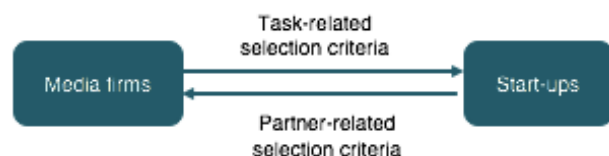


Figure 2. Partner selection process of media firms and start-ups

Media firm respondents attract start-ups primarily on task-related selection criteria while start-up respondents look mainly at partner-related aspects. Thus, media firm respondents focus on the start-up's competency to deliver and start-ups look more at the vision alignment and partner click.

### Stage 3 – Interaction

The findings confirm the importance of communication, trust-building and adaptation during the design of partnerships between media firms and start-ups.

### 1. **Clear communication to manage expectations**

Start-up respondents point out that media firms sometimes leave the decision of developing a partnership up in the air instead of specifying the chances of working together. Furthermore, both media firm and start-up representatives expressed that start-ups should always keep the media firm informed about product developments even if that information is negative.

### 2. **Importance of media firms' goodwill and start-ups' competence to build trust**

Media firms and start-ups appear to have different antecedents of trust. While media firms perceive competence as a vital element of trust, start-ups look at the media firm's goodwill.

### 3. **Discrepancy between the adaptations of media firms and start-ups**

The adaptations done by media firms in order to support the partnership development with start-ups is rather poor. From the interviews, it seems that media firms lack personnel that is fully dedicated to partnerships with start-ups, which suggests a low level of commitment to or strategically investment in the partnerships with start-ups (Schmidt & Tyler, 2007). Media firms do, however, adapt their own practices in terms of adopting the start-up's iterative approach.

### **Cross-industry innovation**

With regard to the topic of cross-industry innovation, the findings show that there is often a gap between the media firm's problem and the start-up's solution. Media firm respondents point out that start-ups are often too focused on the solution they offer without considering the problems that traditional media firms are facing. Prior experience in the media industry can possibly bridge the gap between the start-up solutions and the media firm problems.

## **Conclusion**

Our research verified the fact that partnerships between start-ups and established firms are indeed by no means easy to accomplish. The findings illustrate how each partnership development stage should carefully be taken into consideration and how potential partners cannot rush from one stage into another. For example, even though a media firm may initiate the selection process, the partnership might still be discontinued due to the presence of one of the identified barriers.

Furthermore, consistency within each stage would help potential partners to succeed in developing partnership. This means that, for example, the combination of both partner- and task-related selection criteria would be preferred as opposed to focusing on one (Cummings & Holmberg, 2012) or mutual adaptations instead of a discrepancy between the start-up's and the media firm's adaptations would be beneficial (Hagberg-Anderson, 2006, Nyaga et al., 2013).

Finally, technology start-ups and media firms are more likely to succeed in developing asymmetric partnerships when the start-up offers a relevant solution and the cognitive distance is thus not that high. The bigger the gap between problem and solution the smaller the chances of successfully developing a partnership.

## **Limitations**

The limitations of this research are the self-constructed framework, the rather small sample size and the chosen data collection method. Future research can assess whether the theoretical framework is suited for asymmetric partnerships, can sample a larger group of respondents in order to verify our findings and can opt for a case study that allows a more in-depth examination of asymmetric partnership development.

## Recommendations

### For traditional media companies

#### 1. Define a strategy

The main recommendation that I would give to media firms is to develop a clearly defined strategy for partnerships with start-ups. Having a clear strategic objective will guide media firms throughout the partnership development processes.

#### 2. Assign personnel to manage start-up projects

Currently, start-up projects are still assigned to, for example, the managing director or the head of innovation/digital department of a media firm. However, these employees have an extremely busy agenda and varied occupation, which makes it difficult to be fully dedicated and committed to the partnership.

#### 3. Share success stories

Considering that both the partner selection and trust-building scenarios are based on the start-up's competency or ability to deliver results, it may be interesting to learn from other media firms' partnerships with start-ups.

### For technology start-ups

#### 1. Get out of technological "bubble"

One of the lessons learned from this study is that there is often still a gap between the start-up's solution and the media firm's problem. To bridge this gap, I advise start-up managers to get more affinity with the struggles and challenges that the traditional media industry is facing. Make your proposal to media firms as relevant as possible!

#### 2. Start with smaller media firms

Even though start-ups are tempted to go after the big names in the media landscape, it is recommended to attract smaller companies first. Smaller media firms are less likely to have the resources for developing their own technologies and are thus more likely to search for external options. This way, the start-up can build more credibility.

#### 3. Clearly communicate

Provide media partners with accurate information about the technological developments of your product or service in order to manage expectations.

## About the author



Nurya Doorenbos

Master Media & Business  
Graduate from Erasmus University  
Rotterdam

Contact information:  
[nuryadoorenbos@outlook.com](mailto:nuryadoorenbos@outlook.com)

*Special thanks to Rick van Dijk & Bert Kok of Media Matters for guiding me throughout this master thesis project!*

## References

- Bannerjee, S., Bielli, S., and Haley, C. (2015). *Scaling together: overcoming barriers in corporate-startup collaboration*. Retrieved from [https://media.nesta.org.uk/documents/scaling\\_together\\_.pdf](https://media.nesta.org.uk/documents/scaling_together_.pdf)
- Blomqvist, K. (2002). *Partnering in the Dynamic Environment: The Role of Trust in Asymmetric Technology Partnership Formation*. doctoral thesis, Acta Universitatis Lappeenrantaensis
- Blomqvist, Kyläheiko, & Virolainen. (2002). *Filling a gap in traditional transaction cost economics:: Towards transaction benefits-based analysis*. *International Journal of Production Economics*, 79(1), 1-14.

- Doz, Y., & Hamel, G. (1998). *Alliance advantage : The art of creating value through partnering*. Boston, MA: Harvard Business School Press.
- Enkel, E., Gassmann, O., & Chesbrough, H. (2009). Open R&D and open innovation: Exploring the phenomenon. *R&D Management, 39*(4), 311-316.
- Enkel, E., & Gassmann, O. (2010). Creative imitation: exploring the case of cross-industry innovation. *R&D Management, 40*(3), 256-270.
- Enkel, E., & Heil, S. (2014). Preparing for distant collaboration: Antecedents to potential absorptive capacity in cross-industry innovation. *Technovation, 34*(4), 242-260.
- Freeman, J. & Engel, J. S. (2007). Models of innovation: startups and mature corporations. *California Management Review, 50*(1), 94-119.
- Hagberg-Andersson, &. (2006). Does adaptation pay off? *Industrial Marketing Management, 35*(2), 202-209.
- Hasche, N., Linton, G. & Öberg, C. (2017). Trust in open innovation – the case of a medtech start-ups. *European Journal of Innovation Management, 20*(1), pp.31-49.
- Iyer, K. (2002). Learning in strategic alliances: An evolutionary perspective. *Academy of Marketing Science Review, 2002*, 1-9.
- Kanbach, D. K. & Stubner, S. (2016). Corporate accelerators as recent form of Startup Engagement: The What, The Why, And The How. *The Journal of Applied Business Research, 32*(6), 1761-1776.
- Langfield-Smith, K. (2008). The relations between transactional characteristics, trust and risk in the start-up phase of a collaborative alliance. *Management Accounting Research 19*(4), p. 344–364
- Mandják, T., Szalkai, Z., Neumann-Bódi, E., Magyar, M., & Simon, J. (2015). Emerging relationships: How are they born? *Industrial Marketing Management, 49*, 32-32.
- Mandják, T., Szalkai, Z., Neumann-Bódi, E., Magyar, M., & Simon, J. (2016). Trigger issues in emerging relationships. *Industrial Marketing Management, 58*, 137-147. doi:10.1016/j.indmarman.2016.05.021
- MediaMatters (2018). Retrieved from <https://www.mediamatters.vc/>
- Minshall, T. (2006). Partnerships between technology-based start-ups and established firms: making them work. *IfM Briefing, 1*(1), 1-2.
- Minshall, T., Mortara, L., Valli, R. & Probert, D. (2010). Making “asymmetric” partnerships work. *Research-Technology Management, 53*(3), 53-63.
- Mocker, V., Bielli, S., and Haley, C. (2015). *Winning together: a guide to successful corporate-startup collaborations*. Retrieved from <https://ec.europa.eu/futurium/en/system/files/gd/43-nesta-winning-together-guidestartupcollab.pdf>
- Mohr, J., & Spekman, R. (1994). Characteristics of partnership success: Partnership attributes, communication behavior, and conflict resolution techniques. *Strategic Management Journal, 15*(2), 135-152.
- Pérez, L., & Cambra-Fierro, J. (2015). Uneven partners: Managing the power balance. *The Journal of Business Strategy, 36*(6), 13-21.
- Rousseau, D., Sitkin, S., Burt, R., & Camerer, C. (1998). Introduction to Special Topic Forum: Not so Different after All: A Cross-Discipline View of Trust. *The Academy of Management Review, 23*(3), 393-404.
- Schmidt, S., Tyler, K., & Brennan, R. (2007). Adaptation in inter-firm relationships: Classification, motivation, calculation. *Journal of Services Marketing, 21*(7), 530-537.
- Usman, M. & Vanhaverbeke, W. (2016). How start-ups successfully organize and manage open innovation with large companies. *European Journal of Innovation Management, 20*(1), 171-186.
- Weiblen, T., & Chesbrough, H. (2015). Engaging with Startups to Enhance Corporate Innovation. *California Management Review, 57*(2), 66-90.