

# CONTENTS

LIST OF CONTRIBUTORS

*ix*

## PART I: INTRODUCTION

REAL OPTIONS IN STRATEGIC MANAGEMENT

*Tony W. Tong and Jeffrey J. Reuer*

3

## PART II: ADVANCES IN REAL OPTIONS RESEARCH IN STRATEGY

REAL OPTIONS: TAKING STOCK AND LOOKING  
AHEAD

*Yong Li, Barclay E. James, Ravi Madhavan and  
Joseph T. Mahoney*

31

REAL OPTIONS THEORY AND INTERNATIONAL  
STRATEGY: A CRITICAL REVIEW

*Jing Li*

67

JOINT VENTURES AND REAL OPTIONS: AN  
INTEGRATED PERSPECTIVE

*Ilya R. P. Cuypers and Xavier Martin*

103

HOW DO REAL OPTIONS MATTER? EMPIRICAL  
RESEARCH ON STRATEGIC INVESTMENTS AND  
FIRM PERFORMANCE

*Jeffrey J. Reuer and Tony W. Tong*

145

## **PART III: REAL OPTIONS AND STRATEGIC INVESTMENT DECISIONS**

### **STRATEGIC GROWTH OPTIONS IN NETWORK INDUSTRIES**

*Lihui Lin and Nalin Kulatilaka*

177

### **MARKET VERSUS MANAGERIAL VALUATIONS OF REAL OPTIONS**

*Timothy B. Folta and Jonathan P. O'Brien*

199

### **DEFERRAL AND GROWTH OPTIONS UNDER SEQUENTIAL INNOVATION**

*Michael J. Leiblein and Arvids A. Ziedonis*

225

### **BUSINESS METHOD PATENTS AS REAL OPTIONS: VALUE AND DISCLOSURE AS DRIVERS OF LITIGATION**

*Atul Nerkar, Srikanth Paruchuri and Mukti Khaire*

247

### **MANAGING A PORTFOLIO OF REAL OPTIONS**

*Jaideep Anand, Raffaele Oriani and  
Roberto S. Vassolo*

275

## **PART IV: ORGANIZATIONAL AND MANAGERIAL DIMENSIONS OF REAL OPTIONS**

### **CAPABILITIES, REAL OPTIONS, AND THE RESOURCE ALLOCATION PROCESS**

*Catherine A. Maritan and Todd M. Alessandri*

307

### **REAL OPTIONS MEET ORGANIZATIONAL THEORY: COPING WITH PATH DEPENDENCIES, AGENCY COSTS, AND ORGANIZATIONAL FORM**

*Russell W. Coff and Kevin J. Laverty*

333

**REAL OPTIONS AND RESOURCE REALLOCATION  
PROCESSES**

*Ron Adner*

363

**WHY INVEST IN FIRM-SPECIFIC HUMAN CAPITAL?  
A REAL OPTIONS VIEW OF EMPLOYMENT  
CONTRACTS**

*Todd Fister and Anju Seth*

373

**PART V: PERFORMANCE IMPLICATIONS  
OF REAL OPTIONS**

**AN EXAMINATION OF OPTIONS EMBEDDED IN A  
FIRM'S PATENTS: THE VALUE OF DISPERSION IN  
CITATIONS**

*Tailan Chi and Edward Levitas*

405

**TECHNOLOGY SWITCHING OPTION AND THE  
MARKET VALUE OF THE FIRM: A MODEL AND  
AN EMPIRICAL TEST**

*Raffaele Oriani*

429

**STRATEGIC IMPLICATIONS OF VALUATION:  
EVIDENCE FROM VALUING GROWTH OPTIONS**

*Todd M. Alessandri, Diane M. Lander and  
Richard A. Bettis*

459

**AN EMPIRICAL EXAMINATION OF MANAGEMENT  
OF REAL OPTIONS IN THE U.S. VENTURE CAPITAL  
INDUSTRY**

*Isin Guler*

485