

BUSINESS INNOVATION SYMPOSIUM (E6)

Entrepreneurship and Investment for Innovations in Commercial Space Access Activities (1)

Author: Dr. Bertrand de Hauteclocque

Bureau d'Economie Théorique et Appliquée. Strasbourg University, France

STRATEGY OF SPACE FIRMS. APPLICATION TO THE COMMERCIAL LAUNCH BUSINESS

Abstract

Space policy of agencies and governments has produced a significant literature with debates and numerous interesting communications. But space strategy of firms remains in the shadow, debated in more private environments. However, from SMEs to multinational groups of space industry, the subject could be vital for the Entrepreneurs, as an error may put at stake the survival of their company: huge investments and remote or uncertain ROI (return on investment) often characterise this sector. Thus adapted tools to define these strategies represent a real need.

In the frame of a PhD research, a methodology has been designed to apply Industrial Economics to issues related to industry like sector analysis, government industrial policy and firms strategy. So in this paper we will present selected research results concerning the strategy of space companies, with the three following steps:

a) Selection of theories, paradigms or concepts in the two domains:

- Industrial Economics (strategic behaviour): for instance theory of the firm (Evolutionists, Transaction Costs, neo-classical), price strategies (price discrimination, price war, predatory pricing and practices, limit pricing), game theory, product differentiation, diversification, entry deterrence and retaliation, collusion and alliance.

- Economics of the firm (strategic management): for instance Michael Porter (generic strategies), Boston Consulting Group, Arthur D. Little (technological strategies), Mac Kinsey.

b) Definition of a 'strategy selection tool'.

c) Application of the tool to the Commercial launch industry. The tool is utilised on the Commercial launch operators to help selecting the most adapted strategy corresponding to their structure and environment. This will be an important part of the paper, as the validity, utility and legitimacy of a concept (the Tool in our case) derives greatly from its confrontation to reality.