ERC Adv Grant

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My Project

Bring together Organisational Economics and Industrial Organisation
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Challenges
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• Why is this pathbreaking?
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• Why now?
Challenges

- Why is this pathbreaking?
- Why now?
- Why me?
Why is it Pathbreaking?
OE (Organisation Economics)
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- Conflicts of interest, between stakeholders (owners, workers, managers)
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- Sources of imperfections are within the organisation
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IO (Industrial Organisation)
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• IO (Industrial Organisation)
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  - Sources of imperfections are outside the organisation.
Industry performance is affected by choices of integration, internal organisation even when there are no imperfections in the product market.
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- financial crisis
- corporate scandals (Enron, MCI)
- plane crashes
• Industry performance is affected by choices of integration, internal organisation even when there are no imperfections in the product market
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  - corporate scandals (Enron, MCI)
  - plane crashes

• Relationship between industry structure and prices may be reversed (what causes what)
Why now?
Previous attempts in the 60s and the 80s

- 60s: a-theoretical; replaced a paradigm (profit maximization) by another (market share maximization).

- 80s: focus on incentive compensation; hard to measure
Now
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- Ability to *measure* organisational variables
  - degree of integration
  - managerial structure
  - ...
Why me?
• I have contributed to both literatures
• Recent papers on OIO
Writing a Proposal:
To Do & Not To Do
A Previous Mistake

- Other attempt to ERC (different project): 2009
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- Spent time on B2, too little on B1
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• B1
  - Looked like a variation of previous work
  - Did not bring forth the (exciting) new directions
A Previous Mistake

- Other attempt to ERC (different project): 2009
- Spent time on B2, too little on B1
- B1
  - Looked like a variation of previous work
  - Did not bring forth the (exciting) new directions
  - Lacked concrete examples
What I Did Right This Time
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• Used outside consultants (help from ULB)
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• Had others read the proposals (B1 and B2)
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• Used outside consultants (help from ULB)
• Had others read the proposals (B1 and B2)
• Spent significant time on B1
What I May Have Done Wrong This Time
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- Used a simple example rather than a full model
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• Used a simple example rather than a full model
  - Plus: simpler to understand by readers
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  - Plus: focus
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• Used a single organisational model in the proposal
  - Plus: focus
  - Minus: focus
General Advice
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• Have many people (non-specialists, spouse) read the proposal
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• Have many people (non-specialists) look at the proposal

• Give yourself plenty of time to write the proposal
General Advice

• Have many people (non-specialists) review the proposal.

• Give yourself plenty of time to write the proposal.

• B1 should not be cut-and-paste from B2.
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• Give yourself plenty of time to write the proposal

• B1 should not be cut-and-paste from B2