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“Local Search”

“Distant Search”

Palgrave Encyclopedia of Strategic Management, Eds. David Teece and Mie Augier,
forthcoming, 2014.

local search

Local search is problem solving in the neighborhood of what is already known. In local search, organizations use knowledge that is closely related to their pre-existing knowledge base, and how the problem was solved in the past (Helfat, 1994; Katila and Ahuja, 2002). Broadly defined, local search also includes problem-finding, that is, search for new but closely related problems to which firm's existing knowledge might provide a solution (Maggitti, Smith, and Katila, 2013). Organizations that primarily engage in local search are experts at exploiting existing solutions and adapting to the current environment, but, they tend to resist change.

The origins of local search are found in human nature and the assumption that human attention span and rationality are limited. As a result, organizations typically favor local over more distant types of search, and, as Nelson and Winter (1982: 9–10) describe, are “much better at doing “more of the same” than they are at any other kind of change.” As a result, technology, most of the time, evolves in incremental steps along an established trajectory (Utterback, 1994).

There are multiple *drivers* for local search. First, local search is a natural response to environmental ambiguity, uncertainty, and scarcity such as cost or time pressures (Greve and Taylor, 2000). This is because local knowledge is salient, easy to access, and cost-efficient to use. Second, formalization of the organization such as adoption of process management practices (Benner and Tushman, 2003) drives local search. This is because formalization favors reliability and standardization that typically emerge as a result of local (rather than distant) search. Third, research has noted that shared work histories of founders and top executives, or repeat relationships with the same partners, introduce a set of beliefs, or a “dominant logic” (Beckman, 2006) that is likely to fuel local search.

Significant *outcomes* of local search include the potential inability of organizations to change. Local search typically encompasses behaviors that increase the mean of organizational activity. As a result, the returns to local search are more reliable and the outcomes more predictable than those of distant search. But local search kills variance. The classic paper by James March (March, 1991) redrew the research field's attention to such risks by noting that over-emphasis on local search may drive out distant search. Empirical research has corroborated these variance-reducing effects of local search on innovation (especially new products), market expansion, performance, and firm growth (e.g., Katila and Chen, 2008).

Much organizations and strategy research has conceptualized local search in a technology space, that is, in the landscape of technological possibilities. In such technology landscapes, search is local when it focuses on closely related technologies; e.g., repeatedly uses and builds off of the same patented technologies (Katila and Ahuja, 2002). Other research has used the concept of local search (and the related quest to break away from it) in relation to geographies (Rosenkopf and Almeida, 2003), time (Katila, 2002), acquisitions (Karim and Mitchell, 2000) and organizational designs (Levinthal, 1997).

Current and future *research directions* include re-thinking how ‘localness’ is defined. Recently, some have suggested that a more relevant conceptualization of localness is comparison to other firms, that is, similarity to what others in the industry know (Katila and Chen, 2008). Another

research direction that has gained momentum is to better understand the relationships between local search, search intensity, and search expertise (Li et al., 2013). As Katila and Ahuja (2002) note, “The search efforts of firms can vary not just in their scope (local versus distant) but also in their depth, which is the degree to which existing knowledge is reused or exploited.” The idea that there are different degrees of depth in the firm’s local search, and knowledge, opens up opportunities to rethink the value of local search, and potentially differentiate it from the related concept of exploitation. Finally, a view of search as a sequential process has emerged where local search is seen as a stepping stone for more distant searches, especially for entrepreneurial firms (Katila, Chen and Piezunka, 2012).

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See also path-dependency, inertia, refinement, exploitation, local adaptation, organizational learning, distant search.

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