

Mastering Digital Transformation with the Strategy Tandem Innovation Inside-Out/Outside-In: An Approach to Drive New Business Models, Services and Products in the Digital Age

Authors : S. N. Susenburger, D. Boecker

Abstract : In the age of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA), where digital transformation is challenging long standing traditional hardware and manufacturing companies, innovation needs a different methodology, strategy, mindset, and culture. What used to be a mindset of scaling per quantity is now shifting to orchestrating ecosystems, platform business models and service bundles. While large corporations are trying to mimic the nimbleness and versatile mindset of startups in the core of their digital strategies, they're at the frontier of facing one of the largest organizational and cultural changes in history. This paper elaborates on how a manufacturing giant transformed its Corporate Information Technology (IT) to enable digital and Internet of Things (IoT) business while establishing the mindset and the approaches of the Innovation Inside-Out/Outside-In Strategy. It gives insights into the core elements of an innovation culture and the tactics and methodologies leveraged to support the cultural shift and transformation into an IoT company. This paper also outlines the core elements for an innovation culture and how the persona 'Connected Engineer' thrives in the digital innovation environment. Further, it explores how tapping domain-focused ecosystems in vibrant innovative cities can be used as a part of the strategy to facilitate partner co-innovation. Therefore, findings from several use cases, observations and surveys led to conclusion for the strategy tandem of Innovation Inside-Out/Outside-In. The findings indicate that it's crucial in which phases and maturity level the Innovation Inside-Out/Outside-In Strategy is activated: cultural aspects of the business and the regional ecosystem need to be considered, as well as cultural readiness from management and active contributors. The 'not invented here syndrome' is a barrier of large corporations that need to be addressed and managed to successfully drive partnerships, as well as embracing co-innovation and a mindset shifting away from physical products toward new business models, services, and IoT platforms. This paper elaborates on various methodologies and approaches tested in different countries and cultures, including the U.S., Brazil, Mexico, and Germany.

Keywords : innovation management, innovation culture, innovation methodologies, digital transformation

Conference Title : ICIMKT 2019 : International Conference on Innovation Management and Knowledge Transfer

Conference Location : Kuala Lumpur, Malaysia

Conference Dates : December 05-06, 2019