

## **The Client-Supplier Relationship in Managing Innovation: Delineating Defence Industry First Mover Challenges within the Government Contract Competition**

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**Abstract :** All companies are confronted with the need to innovate in order to meet market demands. In so doing they are challenged with the dilemma of whether to aim to be first into the market with a new innovative product or to deliberately wait and learn from a pioneers' mistakes; potentially avoiding higher risks. It is therefore important to critically understand from a first-mover advantage and disadvantage perspective the decision-making implications of defence industry transformation onset by an innovative paradigm shift. This paper will argue that the type of industry characteristics matter, especially when considering what role the clients play in the innovation process and what is their level of influence. Through investigation of qualitative case study research, this inquiry will focus on first mover advantages and first mover disadvantages with a view to establish practical and value-added academic findings by focusing on specific industries where the clients play an active role in cooperation with the supplier innovation. The resulting findings will help managers to mitigate risk in innovative technology introduction. A selection from several defense industry innovations is specifically chosen because of the client-supplier relationship typically differing from traditional first-mover research. In this instance, case studies will be used referencing vertical-takeoff-and-landing defence equipment innovations.

**Keywords :** innovation, pioneer, first-mover advantage, first-mover disadvantage, risk

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