

Open Innovation Strategy (OIS) Paradigm and an OIS Capabilities Model

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Abstract : Innovation and strategy discussions do highlight open innovation as a new paradigm in business. Yet, a number of stumbling blocks in the form of closed innovation principles weaved into the fabric of a traditional business model stand in the way of the new paradigm's momentum to increase value in various business contexts. The paper argues that businesses considering an engagement with the open innovation paradigm would need to take steps to improve their multiplicative, absorptive and relational capabilities, respectively. The needed improvements would amount to a business model evolutionary transformation and eventually bring about a paradigm overhaul in business. The transformation is worth staging over time to ensure that open innovation is developed across interconnected and partnered areas of strategic importance. This article develops an open innovation strategy (OIS) capabilities model, and employs examples from different industries to briefly discuss OIS's potential to augment business value in a number of suggested areas for future research.

Keywords : close innovation, open innovation paradigm, open innovation strategy (OIS) paradigm, OIS capabilities model, multiplicative capability, absorptive capability, relational capability

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