

Open Innovation in SMEs: A Multiple Case Study of Collaboration between Start-ups and Craft Enterprises

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Abstract : Digital transformation and climate change require small and medium-sized enterprises (SME) to rethink their way of doing business. Inter-firm collaboration is recognized as helpful means of promoting innovation and competitiveness. In this context, collaborations with start-ups offer valuable opportunities through their innovative products, services, and business models. SMEs, and in particular German craft enterprises, play an important role in the country's society and economy. Companies in this heterogeneous economic sector have unique characteristics and are limited in their ability to innovate due to their small size and lack of resources. Collaborating with start-ups could help to overcome these shortcomings. To investigate how collaborations emerge and what factors are decisive to successfully drive collaboration, we apply an explorative, qualitative research design. A sample of ten case studies was selected, with the collaboration between a start-up and a craft enterprise forming the unit of analysis. Semi-structured interviews with 20 company representatives allow for a two-sided perspective on the respective collaboration. The interview data is enriched by publicly available data and three expert interviews. As a result, objectives, initiation practices, applied collaboration types, barriers, as well as key success factors could be identified. The results indicate a three-phase collaboration process comprising an initiation, concept, and partner phase (ICP). The ICP framework proposed accordingly highlights the success factors (personal fit, communication, expertise, structure, network) for craft enterprises and start-ups for each collaboration phase. The role of a mediator in the start-up company, with strong expertise in the respective craft sector, is considered an important lever for overcoming barriers such as cultural and communication differences. The ICP framework thus provides promising directions for further research and can help practitioners establish successful collaborations.

Keywords : open innovation, SME, craft businesses, startup collaboration, qualitative research

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