

How Supply Chains Can Benefit from Open Innovation: Inspiration from Toyota Production System

Authors : Sam Solaimani, Jack A. A. van der Veen, Mehdi Latifi

Abstract : Considering the increasingly VUCA (Volatile, Uncertain, Complex, Ambiguous) business market, innovation is the name of the game in contemporary business. Innovation is not solely created within the organization itself; its 'network environment' appears to be equally important for innovation. There are, at least, two streams of literature that emphasize the idea of using the extended organization to foster innovation capability, namely, Supply Chain Collaboration (SCC) (also rooted in the Lean philosophy) and Open Innovation (OI). Remarkably, these two concepts are still considered as being totally different in the sense that these appear in different streams of literature and applying different concepts in pursuing the same purposes. This paper explores the commonalities between the two concepts in order to conceptually further our understanding of how OI can effectively be applied in Supply Chain networks. Drawing on available literature in OI, SCC and Lean, the paper concludes with five principles that help firms to contextualize the implementation of OI to the peculiar setting of SC. Theoretically, the present paper aims at contributing to the relatively under-researched theme of Supply Chain Innovation. More in practical terms, the paper provides OI and SCC communities with a workable know-how to seize on and sustain OI initiatives.

Keywords : lean philosophy, open innovation, supply chain collaboration, supply chain management

Conference Title : ICSCLM 2016 : International Conference on Supply Chain and Logistics Management

Conference Location : Osaka, Japan

Conference Dates : October 10-11, 2016