

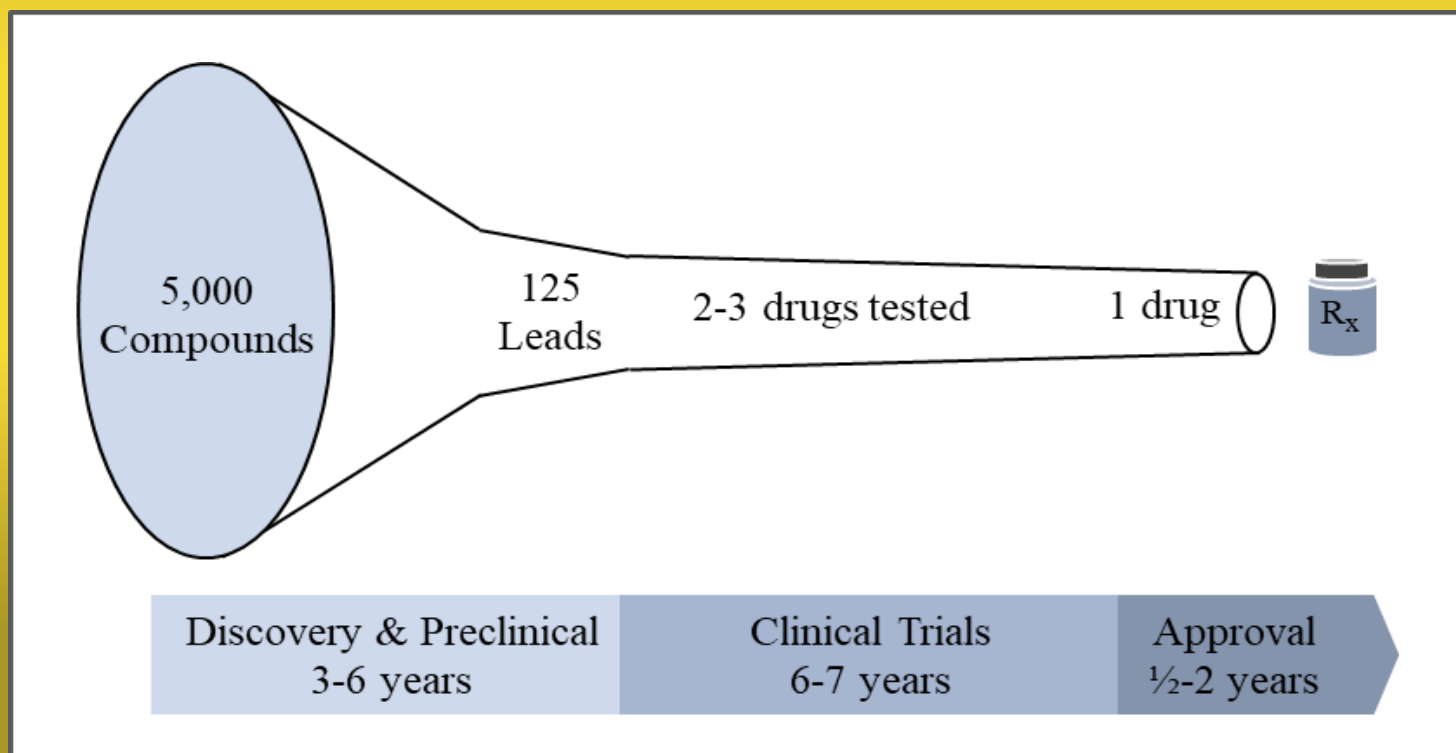


Innovation:

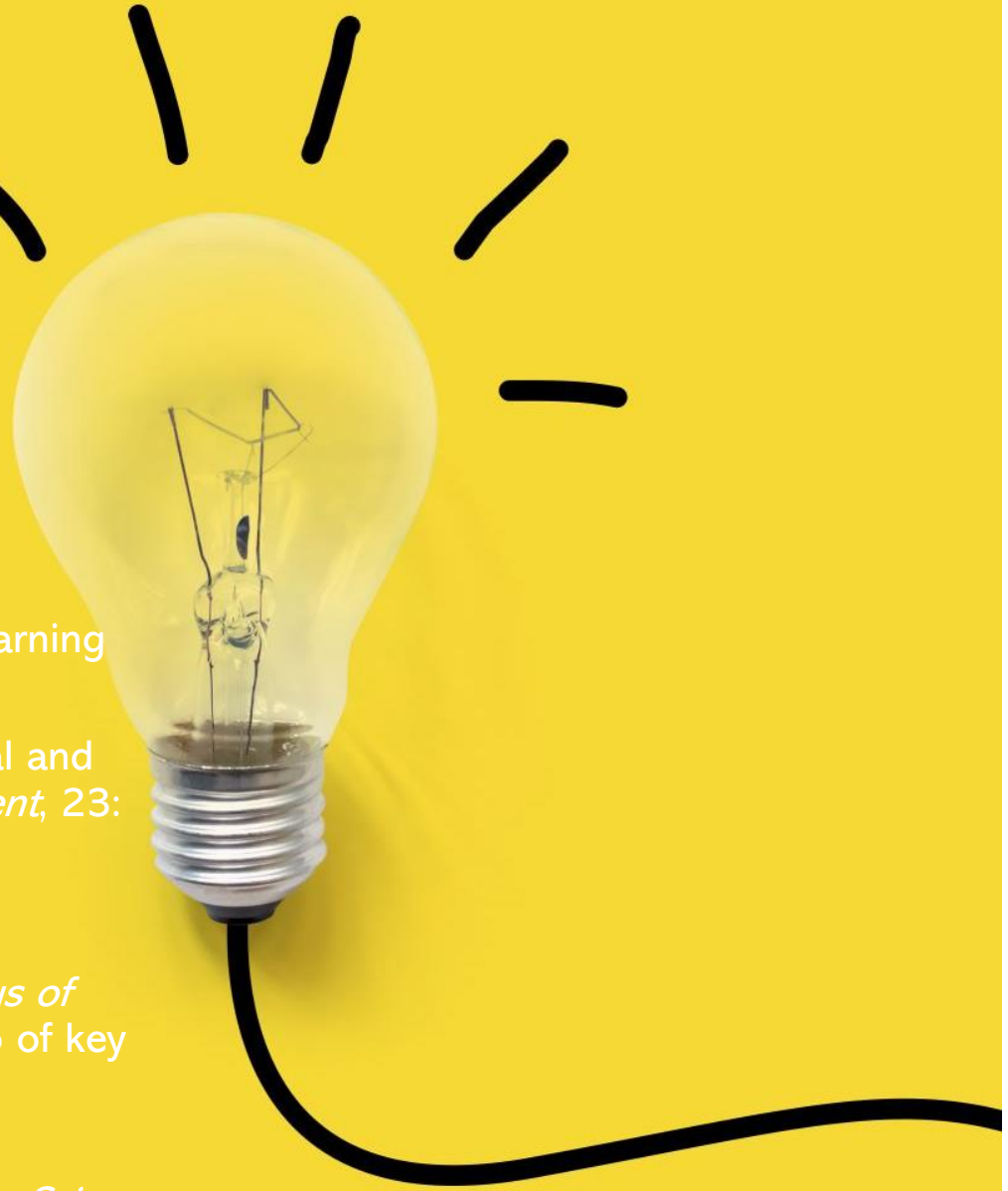
The Case for Strategy

1. The Data

We know that innovation is hard and that most fails.



1. The Data



We also know that there are systematic differences in the activity that underlies...

successful innovation and unsuccessful innovation;

Cohen, MW & Levinthal, DA. 1990. Absorptive capacity: A new perspective on learning and innovation. *ASQ*, 35:128-152;

Calantone, R.J., Di Benedetto, C.A. and Divine, R. (1993), Organisational, technical and marketing antecedents for successful new product development. *R&D Management*, 23: 337-351. <https://doi.org/10.1111/j.1467-9310.1993.tb00839.x>

...and breakthrough innovation and incremental innovation.

Schilling, MA. 2018. *Quirky: The remarkable story of the traits, foibles, and genius of breakthrough innovators who changed the world*. New York: Public Affairs. Video of key themes: <https://www.youtube.com/watch?v=qzqJSsCPSTk>;

Kneeland, M, Schilling, MA & Aharonson, B. 2020. Exploring uncharted territory: Knowledge search processes in the origination of outlier innovation. *Organization Science*, 31(3):535-55

Choosing Innovation Projects

- **Some innovation bets are better than others.**
 - Schilling, MA. 2017. What's your best innovation bet? *Harvard Business Review*.
- **There are many tools for improving R&D Portfolio selection**
 - Danneels, E & Kleinschmidt, EJ. 2003. Product innovativeness from the firm's perspective: Its dimensions and their relation with project selection and performance. *Journal of Product Innovation Management*, 357-373
 - Christensen, C. 2000/2017. Using Aggregate Project Planning to Link Strategy, Innovation, and the Resource Allocation Process. *Harvard Business School/Note*.
 - Short animated video on choosing innovation projects: <https://youtu.be/0Q0dd45aZ1o>



Organizing for Innovation

- How you structure the organization, and teams within the organization, and culture and norms all influence innovation outcomes

- Fang, C, Lee, & Schilling. M. 2010. Balancing exploration and exploitation through structural design: advantage of the semi-isolated subgroup structure in organizational learning, *Organization Science*, 21:625-642
- Diehl, M & Stroebe, W. 1987. Productivity loss in brainstorming groups: Toward the solution of a riddle, *Journal of Personality and Social Psychology*, 53: 497-509
- Stroebe, W, Nijstad, B & Rietzschel, E. 2010. Beyond productivity loss in brainstorming groups: The evolution of a question. In Zanna, MP & Olson JM (Eds). *Advances in Experimental Social Psychology*, 43: 157-203.
- Short animated video on organizing for innovation: <https://youtu.be/OsPwbcqNwEI>

New Research Questions...

- “Does structure matter?” Blech. Of course it matters. How about, “What are the new structural archetypes for different kinds of innovators?”
- “Does exploration versus exploitation matter?” *Long sigh* Yes, we know it matters. So let’s learn how to parameterize it and manage it within the firm.
- What we haven’t seen at all that we would LOVE to see:
 - The difference in innovation at a firm with a lot of **slack** (e.g., Google) versus a firm without much **slack** (e.g., Boeing)
 - The difference in innovation at a firm with a fairly **simple production function** (e.g., Starbucks) versus a firm with a **complex production function** (e.g., Microsoft, Apple)

Thanks for listening!

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<https://www.youtube.com/watch?v=u1QoucGH5CE&list=PLPUjpc1MwpfB91eZP0latwlrkQvJzfh7D>
 - Innovation Strategy:
<https://www.youtube.com/playlist?list=PLPUjpc1MwpfD3FKpU1nKPNXSJzYGzUATJ>
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