Guidelines on where to search appropriate collaboration partners

In open innovation it is important to search and find the appropriate external partner. In a two-year research project our institute analyzed cross-industry innovation projects of Henkel. As a result we were able to specify search approaches on project level and to identify three cross-industry archetypes. The results are of importance not only for research but also for practice.

Innovation is mostly grounded in the combination of existing knowledge and ideas. This knowledge and the pool of ideas within one company is however limited. For this reason, an increasing number of companies are following an open innovation approach. By doing this, external resources add new elements of knowledge for new and possibly unique recombinations. The effectivity of open innovation has been proven by research, i.e., by demonstrating the positive impact on innovation success (Laursen and Salter, 2006).

Open innovation, however, spans across a huge variety of tools and practices, starting from customer and supplier integration, over lead user innovation to cross-industry innovation. Furthermore, each individual practice provides various options of externals to be integrated. This poses a major challenge to today’s managers: not only the most appropriate practice, but also the best fitting external source needs to be activated.

In a two-year research project our institute collaborated with Henkel, an international player within the fast-moving consumer goods industry with well-known brands such as Persil, Schwarzkopf and Loctite. Henkel is known for its open innovation activities and has lately been awarded the open innovator’s award 2012. Within the scope of our research we focused on eight cross-industry innovation projects at Henkel, which we studied in depth mostly relying on semi-structured interviews. In total, we collected qualitative and quantitative data from fifteen interviews with senior R&D managers as well as with senior executives of the firm, followed by thirty-one interviews with executives engaged in the eight selected projects.

In cross-industry innovation, already existing knowledge, technologies or concepts from one industry are creatively imitated and adopted to the applying industry (Herstatt and Engel, 2006; Enkel and Gassmann, 2010). Thus, the identification and the access to the most appropriate external source are of major importance. In our research we build upon insights from the research field of search. However, existing research has largely focused on search strategy itself and revealed insights on search dimensions. The latter basically cover the parameters breadth and depth (Katila and Ahuja, 2002; Laursen and Salter, 2006), where breadth represents the diversity of knowledge sources and depth measures the intensity of search activities. Although studies indicated that firms are able to use various search approaches simultaneously (Katila and Ahuja, 2002), no one has yet elaborated search mechanisms on individual project level such as cross-industry innovation projects.

As a result from our research project we were able to transfer findings from firm level to project level. Surprisingly, our findings partly contradict with existing research on firm level. As a main contribution from our work we identified three different archetypes of cross-industry innovation reflecting different search approaches. These archetypes are shown in the figure below. The cross-industry archetypes represent different search approaches. Therefore, our findings not only support but also extend earlier findings that firms may use various search approaches (Katila and Ahuja, 2002). With our study we provide insights on how to search depending on the problem at hand. We therefore also enrich earlier views that managers selectively exploit external sources depending on their specific problem (Grimpe and Sofka, 2010). Our archetypes may also help managers to optimize their search approaches in innovation projects.
Cross-Industry Innovation

Figure 1: Archetypes of cross-industry innovation

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Further readings
Horváth, A.; Enkel, E. (2012); When general recommendations fail: how to search in cross-industry innovation (under Review in R&D Management Journal)