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SCHOOL OF MANAGEMENT

— Addressing the innovation challenge in SMEs

The role of Open Innovation

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— Agenda

- The Innovation challenge in SMEs
- The role of Open Innovation
- Strategic priorities for OI in SMEs
 - Removing cultural barriers for Open Innovation
 - Defining an Open Innovation Strategy
 - Deciding Where and How to collaborate



— The Innovation challenge in SMEs

Research provides a puzzling picture about SMEs innovation:



However, recent studies have criticized these findings, as they are limited to an internal perspective

— The role of Open Innovation

SMEs that achieve the greater innovation performance – and benefit the most from innovation – are those that have two innate capabilities:

External technology and knowledge acquisition helps SMEs complement internal knowledge bases

Leveraging internal knowledge externally can lead to new business development and monetary returns from valuable knowledge and skills



— Strategic priorities for OI in SMEs

Removing cultural barriers for Open Innovation

SMEs have unique cultural barriers that limit Open Innovation

Emotional attachment

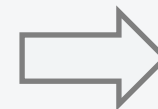
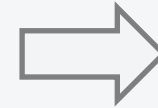
Emotional attachment is likely to alter the firm's perception of the external environment

Emotions determine which knowledge should be acquired and which should be exploited

Power concentration

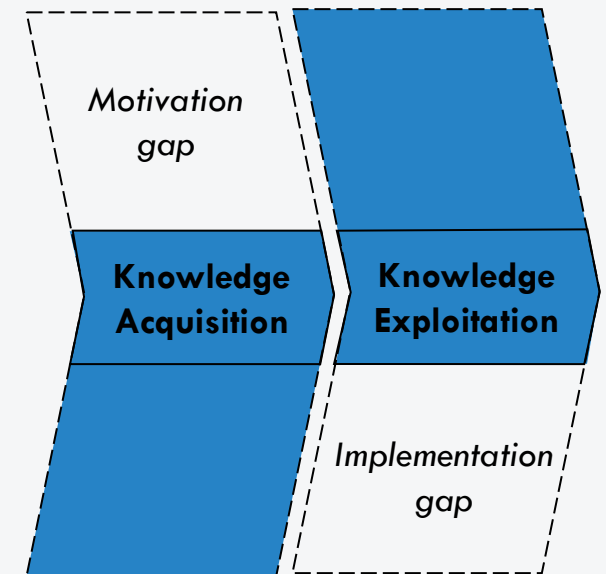
Power concentration influences the firm's hierarchical structures and social relations

Power constrains which type of knowledge can be acquired and exploited



Open Innovation Capabilities

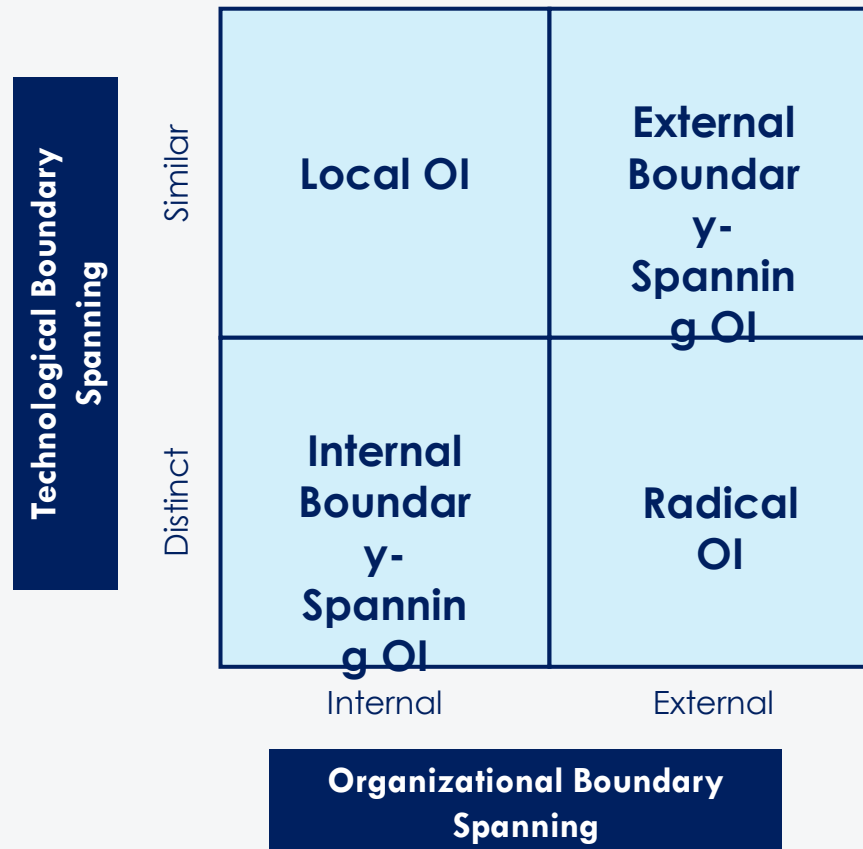
Willingness to acquire and exploit external knowledge



Ability to acquire and exploit external knowledge

— Strategic priorities for OI in SMEs

Defining an Open Innovation Strategy

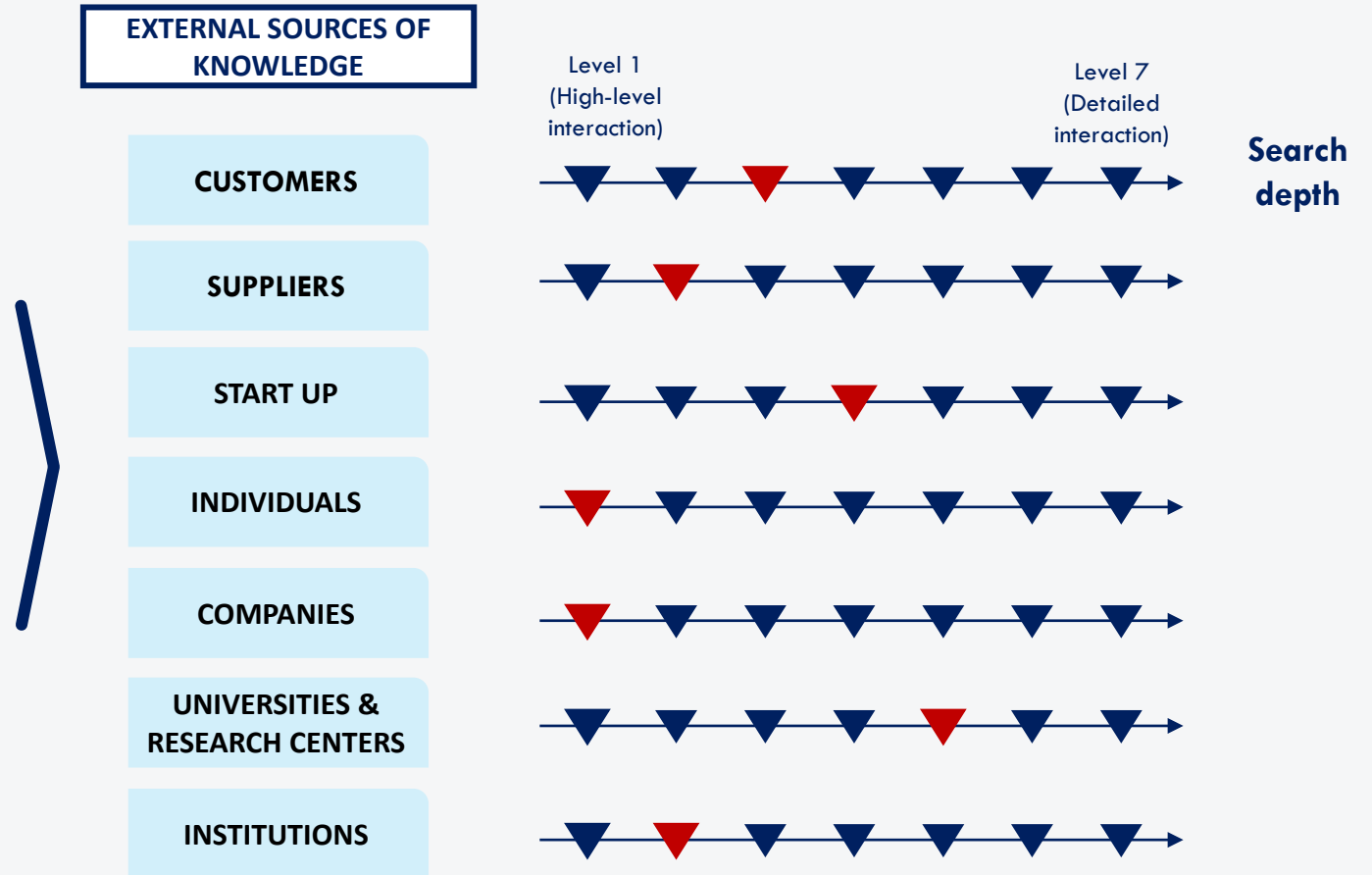


— Strategic priorities for OI in SMEs

Deciding Where and How to collaborate

An Open Innovation Strategy should define the type of stakeholders to engage with, as well as the breadth and depth of engagement:

- **Search breadth** refers to the number of diverse external stakeholders a firm seeks knowledge from.
- **Search depth** refers to how intensively a firm draws from each external stakeholder.



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— About me



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Expertise

Strategy and innovation management, focusing on family-owned businesses. My work is inspired by the experience of long-lasting family firms able to leverage non-economic values and resources to develop breakthrough new products.

Experience

- Family Business Research Group @ Politecnico di Milano
Research, education and advisory - inspiring and supporting better management of family firms globally.
- Centre for Family Business @ Lancaster University Management School (UK)
- Board Member and Director of Research, *International Family Enterprise Research Academy* (IFERA); member of the *Academy of Management*.
- Editor, *Family Business Review*