Contents

List of figures vii
List of tables ix
List of boxes xi
Preface xiii

PART I THEORY AND METHODOLOGY

1 Practical framework 3
   1.1 Innovate 3
   1.2 Harnessing the beast 10
   1.3 Achieving innovative success: organisation matters 19
   1.4 New conditions of company organisation 21

2 Theoretical framework 25
   2.1 Research on innovation success factors 25
   2.2 Levels of study 27
   2.3 Theoretical flaws 31
   2.4 Basic research question 36
   2.5 Theoretical framework 38

3 Methodology 53
   3.1 Research strategy 53
   3.2 Research design 59
   3.3 The criterion variable: innovation success 69
   3.4 Sampling 71
   3.5 Procedures and instruments 75
   3.6 The sample 81
   3.7 Discussion of research design 86

4 Sketching the model 91
   4.1 An exploratory study 91
   4.2 Case description of Chemco’s FCSP business unit 101
   4.3 Analysis 109
   4.4 Questions and hypotheses derived from exploratory study 115
PART II  EMPIRICAL FINDINGS

5  Technological competencies  123
  5.1  Theory  123
  5.2  Results  133
  5.3  Discussion  143

6  Marketing competencies  153
  6.1  Empirical findings from the literature  153
  6.2  Results  160
  6.3  Discussion: the customer as king, or the king as customer?  170

7  Organisational competencies  187
  7.1  Theory  187
  7.2  Results  202
  7.3  Discussion  218

8  The competencies triad  231
  8.1  Two remaining questions  231
  8.2  Results  238
  8.3  Discussion: triad or dyad?  248

PART III  DISCUSSION

9  Locus of control  257
  9.1  Summary of findings  257
  9.2  An internal locus of control  267
  9.3  Increasing explained variance  286
  9.4  Practical relevance of findings  288
  9.5  Issues for further research  290

APPENDICES
Appendix 1: The sectors sampled  305
Appendix 2: Overview of questionnaire contents  307
Appendix 3: Persons interviewed for the exploratory case study at Chemco  309
Appendix 4: Regression equation  310
Appendix 5: Lessons: dos and don’ts for companies  311
Appendix 6: Implications for policy makers  315

References  317
Index  345
<table>
<thead>
<tr>
<th>Figures</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Performance criteria</td>
<td>14</td>
</tr>
<tr>
<td>2.1 Innovation as a cycle race</td>
<td>37</td>
</tr>
<tr>
<td>2.2 A schematic representation of the classification of capabilities and competencies</td>
<td>48</td>
</tr>
<tr>
<td>3.1 The incorporation of the project in a research programme</td>
<td>57</td>
</tr>
<tr>
<td>3.2 The logic underlying the relationships between the projects</td>
<td>58</td>
</tr>
<tr>
<td>3.3 Turnover of 12 complete pairs (24 companies)</td>
<td>75</td>
</tr>
<tr>
<td>3.4 Composition of the random sample by product group ($n = 63$)</td>
<td>82</td>
</tr>
<tr>
<td>3.5 Gross profit as a percentage of turnover from 14 complete pairs (28 firms)</td>
<td>82</td>
</tr>
<tr>
<td>3.6 Schematic representation of our research process</td>
<td>88</td>
</tr>
<tr>
<td>4.1 The tentative theoretical framework</td>
<td>120</td>
</tr>
<tr>
<td>5.1 Technological sophistication</td>
<td>135</td>
</tr>
<tr>
<td>5.2 Breadth of range of technologies mastered</td>
<td>136</td>
</tr>
<tr>
<td>5.3 Correlations between five technology-related variables and two dependent variables</td>
<td>151</td>
</tr>
<tr>
<td>6.1 The relative importance of 12 measures for innovative success in 45 sectors (according to sectoral experts)</td>
<td>156</td>
</tr>
<tr>
<td>6.2 Graphic representation of correlations between sources of innovation and average lengths of innovation processes</td>
<td>166</td>
</tr>
<tr>
<td>6.3 The customisation paradox: a schematic representation of the hypothesised relationship between customer orientation and innovative success</td>
<td>181</td>
</tr>
<tr>
<td>7.1 Five basic ways of organising innovation projects</td>
<td>196</td>
</tr>
<tr>
<td>7.2 Overall performance</td>
<td>197</td>
</tr>
</tbody>
</table>
7.3 Responsibilities of the project manager 205
7.4 Frequency of use of multidisciplinary development teams 207
7.5 (Lack of) cultural differences between front-runners and pack members 212
8.1 Differences in timing 238
8.2 Explanation of Figure 8.1 239
9.1 Building blocks of an internal locus of control 273
## Tables

3.1 Precision of match
3.2 Correlation coefficients between the four measures of innovative success
4.1 Main characteristics of the chemical industries
4.2 Main findings from an internal SWOT analysis conducted in 1982
4.3 Resulting codes
5.1a Distribution of R&D expenditures over type of R&D
5.1b Distribution of R&D expenditures over type of innovation
5.2 Scale ‘technological leader’ constructed from individual variables
5.3 R&D expenditure in terms of full time equivalents
5.4 Average importance of internal and external sources: pack members versus front-runners
5.5 Main sources for three types of innovation
5.6 Co-operation with partners
5.7 Type of co-operation with suppliers
5.8 Scale ‘technological absorptive capacity’ constructed from individual variables
5.9 Multiple regression analysis of effect of technological competencies on innovative success
6.1 Sources of product innovations
6.2 Knowing the customer
6.3 Involving the customer
6.4 Co-operation with respect to innovation
6.5 Knowing the market
6.6 Factor analysis of environmental variables
6.7 Success characteristics of products and services
6.8 Scales constructed from individual variables
6.9 Multiple regression analysis towards innovative success on marketing competencies
7.1 Characteristics of functional structures, balanced matrices and project teams
7.2 Organisation of innovation processes
7.3 Number of responsibilities of project managers
7.4 Inter-functional relationships
7.5 Correlations with the speed of innovation
7.6 Correlations between cultural dimensions and innovative success
7.7 T-tests with respect to the specificity of planning
7.8 Correlation between goal specificity in the initial planning document and the use of that document during the innovation process
7.9 Cross-functional career patterns
7.10 Scales constructed from individual variables
7.11 Stepwise multiple regression analysis towards innovative success on organisational competencies
7.12 Correlations between problems encountered while innovating and a project-wise multidisciplinary approach
8.1 Factor-derived scales regarding company policy
8.2 Competency-related scales for business policies
8.3 Correlations between competencies and attention devoted to competency-related business issues in the 1990s
8.4 $R^2$ of the various models
8.5 Multiple regression analysis towards innovative success on all three competencies and the timing variable
8.6 Results of the standardised discriminant analysis
8.7 Group membership and number of competencies
9.1 Indication of support found for the various hypotheses
# Boxes

1.1 The right timing… 8
1.2 When stakes are high… a fierce reaction might occur 9
1.3 An adventure game as a metaphor for innovation processes 15
1.4 Resins: from alchemy to chemistry 17
1.5 A lot can be gained… 18
1.6 Front-runners 24
3.1 Compromises 54
3.2 A metaphor: the research field as a swamp 55
3.3 Vignette shown to outside informants who performed the selection 71
3.4 Triangulation 87
4.1 Knowledge is one thing, changing things another 95
5.1 Categories of links between business and technological strategy development 124
5.2 First search, then research! 131
5.3 A different world 145
5.4 Together we will find a way 146
5.5 Cruise missile technology in a low-tech industry 148
6.1 Just listening is not enough! 172
6.2 The art of asking questions 173
6.3 The customer’s customer 175
6.4 Customer orientation should not degenerate into zigzagging 177
6.5 Coping with the customisation paradox 178
6.6 Service connected with competencies 182
6.7 Convincing the customer
7.1 Promoting cross-functional communication
7.2 Project-wise working can mean different things
7.3 Anecdotes: cross-functional (non-)co-operation
7.4 A phase difference
7.5 The importance of culture
8.1 Illustrations from practice
8.2 Anticipating the future
8.3 Short-term policy to secure the long term
9.1 Belief in one’s own capacities
9.2 A pack member with an internal locus of control
9.3 Looking for knowledge that corresponds with the objectives
9.4 Disparity in organisational competencies
9.5 Differences in the path-dependency of new product development
9.6 The formation of organisational competencies as a first step towards the development of marketing competencies
9.7 A strong technological base is not enough
9.8 The profile of a typical front-runner
9.9 A leadership paradox: authoritarian and participative
9.10 A metaphor
9.11 That’s all very well in theory...
9.12 From pack member to front-runner and vice versa