## Contents

*List of figures* vii
*List of tables* viii
*Preface* ix

1. **Purpose, scope, concepts and positioning**
   - Research questions 1
   - Positioning in the literature 7
   - Research programme 18
   - Terminology 28
   - Structure of the book 32
   - Appendix 1.1: Similarities and differences with Penrose’s theory 34

2. **Embodied cognition**
   - The traditional view 37
   - Situated action 40
   - Internalized action 43
   - Neural Darwinism 50
   - Embodied cognition 53
   - Embodied meaning 57
   - Implications 66

3. **Organizational focus**
   - The need for focus 72
   - Focus and culture 90
   - Cognitive distance 95
   - Development, size and growth of the firm 109
   - Conclusions 121
   - Appendix 3.1: Economies of scale, scope and time 125

4. **Organization between organizations**
   - Boundaries of the firm 130
   - Cognitive distance 138
   - Complications 145
   - Inter-organizational collaboration 148
   - Networks 154
<table>
<thead>
<tr>
<th>Contents</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>An integrated model</td>
<td>160</td>
</tr>
<tr>
<td>Conclusions and research agenda</td>
<td>166</td>
</tr>
<tr>
<td>Appendix 4.1: Specification of the model of</td>
<td>171</td>
</tr>
<tr>
<td>optimal cognitive distance with both</td>
<td></td>
</tr>
</tbody>
</table>
Figures

3.1 Governance 80
3.2 Levels of coordination 83
3.3 Optimal cognitive distance 97
3.4 Optimal duration 99
3.5 Bridging a structural hole 99
3.6 Absorptive and collaborative capacity 103
3.7 Upward shift of ability to collaborate 105
3.8 Decreasing returns to knowledge 106
3.9 Exploitation and exploration 107
4.1 Exploitation and exploration 142
4.2 Upward shift of ability to collaborate 143
4.3 Exploration performance as a function of cognitive distance and technical capital 144
4.4 Exploration performance as a function of betweenness centrality and cognitive distance, at mean network density 165
4.5 Exploration performance as a function of network density and cognitive distance, at mean betweenness centrality 166
5.1 Cycle of discovery 189
## Tables

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Twenty research questions</td>
</tr>
<tr>
<td>1a.1</td>
<td>Points of agreement with Penrose (1995), with page references</td>
</tr>
<tr>
<td>1a.2</td>
<td>Points of difference with respect to Penrose</td>
</tr>
<tr>
<td>3.1</td>
<td>Sources of reliability</td>
</tr>
<tr>
<td>5.1</td>
<td>Organizational focus along the cycle of discovery</td>
</tr>
</tbody>
</table>