
Contents

1	Summary	1
----------	----------------------	----------

Part I Innovation Strategy

2	Benefits of an Innovation Strategy	11
2.1	What is the Benefit of an Innovation Strategy?	11
2.2	What is an Innovation Strategy?	12
2.3	Why is the Lack of an Innovation Strategy a Problem?	13
2.4	What Does an Innovation Strategy Include?	15
2.5	Conclusion, Thesis, and Research Question	16
	References	17

3	The Innovation Framework	19
3.1	Contents of an Innovation Strategy	19
3.2	Basics of an Innovation Strategy	21
3.2.1	Field 1: Present—The Current Company, Our Starting Point	21
3.2.2	Field 2: Future—The Future Company, the Ambition	22
3.3	The Actual Innovation Strategy	22
3.3.1	Field 3: Gap—The Strategic Gap, the Why	23
3.3.2	Field 4: Need—The Innovation Need, the How Much	23
3.3.3	Field 5: Focus—The Search Fields, the What	25
3.3.4	Field 6: System—The Innovation System, the How	25
3.4	Conclusion	26

4	Development of the Innovation Strategy	27
4.1	Two Strategies Are Required	28
4.2	The Strategy for Excellence	30
4.3	The Strategy for Change	31
4.4	The Present, Field 1	31
4.5	The Future, Field 2	34

4.6	The Gap, Field 3	36
4.6.1	The Quantitative Financial Strategic Gap	36
4.6.2	The Qualitative Content-Related Strategic Gap.....	38
4.7	The Need for Innovation, Field 4.....	39
4.8	The Focus, Field 5	41
4.9	The System, Field 6	42
4.10	Deepening Field 2: Future Blueprint	43
4.11	Deepening Field 6 System	50
4.11.1	The Innovation Process	51
4.11.2	The Innovation Organization	53
4.11.3	Human Resources and Finances	55
4.11.4	Suitable Rules of the Game	56
4.11.5	Leadership Aspects	56
4.11.6	Wage and Incentive Systems	59
4.12	Innovation Strategy for SMEs	60
4.13	Maturation and Release of the Innovation Strategy.....	61
4.14	Merging the Innovation Needs of the Strategy for Excellence and Strategy for Change	61
4.15	Conclusion	64
	References	64
5	The Application of the Innovation Strategy	65
5.1	General Aspects of the Application of the Innovation Strategy.....	66
5.2	Implementation of the Innovation Process.....	70
5.2.1	Content Topics	70
5.2.2	Interaction Between the Innovation Process and the Innovation Strategy	71
5.2.3	Implementation of the Early Warning System Phase.....	73
5.2.4	Implementation of the Exploration Phase	75
5.2.5	Implementation of the Phase Transfer	77
5.3	Application Aspects Regarding Organization and Leadership	78
5.4	Communication and Anchoring of the Innovation Strategy	79
5.4.1	Communication Within the Company	79
5.4.2	Anchoring in the Company	80
5.5	Application of the Innovation Strategy in Daily Business.....	81
5.6	Prototyping in the Innovation Process	82
5.7	Maintenance of the Innovation Portfolio	83
5.8	Conflicts and Blockades	86
5.9	Securing Success	88
5.9.1	Observe and Monitor	89
5.9.2	Corrective Measures	90

5.10	Special Aspects in the Application	91
5.10.1	Application Aspects Depending on the Different Initial Situation of Companies	92
5.10.2	Application in SMEs	95
5.10.3	Application in Scale-Ups	96
5.11	Conclusion	97
	References	98
6	Updating the Innovation Strategy	99
6.1	General Aspects of the Update Mechanism	99
6.2	The Process of Updating	103
6.3	Phase 1: Preparing the Update	105
6.3.1	A Dynamic Warehouse for Strategic Components	105
6.3.2	Recognizing Deviations in Development.	108
6.3.3	Collecting and Preparing for the Next Regular Strategy Review	109
6.4	Phase 2: Four Typical Cases of Updates	110
6.4.1	Case 1: Revision of the Innovation Strategy to Version 2.0 (Normal Case).	111
6.4.2	Case 2: An Event Requires an Immediate Revision with a Large Need for Change (Emergency)	113
6.4.3	Case 3: Accumulated Minor Events Only Require a Small but Immediate Revision (Minor Emergency)	114
6.4.4	Case 4: Proactive Trial Balloons for an Alternative Strategy	115
6.5	Phase 3: Creating the Updated Strategy	119
6.6	Learning Loop	119
6.7	Conclusion	120
	References	120
Part II Derivation		
7	Classic Strategy Formation	123
7.1	What is a Strategy?	123
7.2	Classic Strategy Formation	126
7.3	Strategy Deficiencies in Practice—What is Missing?	129
7.4	Conclusion	130
	References	131
8	Future-Oriented Strategy Formation	133
8.1	Introduction to the Future-Oriented Strategy	133
8.2	Method for Systematically Determining an Attractive Position for a Company in the Future	135
8.3	Conclusion	137
	Reference	137

9	The Two Stars Strategy	139
9.1	Impacts of Future-Orientation on Strategy Formation	139
9.2	Characteristics of the Two Stars Strategy	141
9.3	Development of the Two Stars Strategy	142
9.4	The Strategic Gap	142
9.4.1	The Financial Strategic Gap	144
9.4.2	The Content-Related Strategic Gap	144
9.4.3	Conclusions for the Strategy for Change	145
9.5	The Two Stars Strategy and the Innovation Strategy	145
9.5.1	Components and Scope of an Innovation Strategy	145
9.5.2	Need for an Innovation Strategy	146
9.5.3	Conclusions	146
9.6	The Two Stars Strategy	147
9.7	Conclusion	149
	References	149
10	The Innovation Strategy	151
10.1	Need for Innovation	152
10.1.1	Need for Innovation of the Strategy for Excellence	153
10.1.2	Strategy for Change	155
10.1.3	Provide Sufficient Resources	156
10.2	Search Fields and Guiding Questions	157
10.3	The Innovation Strategy in the Innovation System of the Bern Innovation Model	158
10.4	Creating the Prerequisites for Innovation	159
10.4.1	Innovation Process	159
10.4.2	Innovation Organization	160
10.4.3	Human and Financial Resources Required for Innovation	161
10.4.4	Leading Innovators	164
10.5	Conclusion	165
	References	166
11	Innovation Strategy for SMEs	167
11.1	Definition and Distinction of SME Types	167
11.2	The Innovation Needs of SMEs	169
11.3	Key Characteristics of SMEs with Regard to Innovation	170
11.4	Innovation in the Existing Business in Principle	171
11.5	Innovation in the Existing Business According to Maturity Phases	174
11.6	Leadership Responsibility for Innovation	175
11.7	Innovation Through the Establishment of a New Business	176
11.8	Innovation Strategy for SMEs	178
11.8.1	Fields 1–4	178
11.8.2	Field 5, Focus: Guiding Questions and Search Fields	179

11.8.3	Field 6, System: The Innovation Process	179
11.8.4	Field 6, System: The Innovation Organization	180
11.8.5	Field 6, System: Human Resources and Finances	180
11.8.6	Field, 6 System: Leadership Aspects	181
11.8.7	Field 6, System: Wage and Incentive Systems	181
11.9	Exploration Organization	182
11.9.1	Overall Responsibility for Innovation and Exploration at the Executive Level	183
11.9.2	Exploration Workshops	183
11.9.3	Implementation of the Innovation Strategy	184
11.10	Spinning-Off into a Start-Up	185
11.11	Conclusion	186
	References	187
12	Start-Ups, Incubators and Accelerators	189
12.1	Accelerators	190
12.2	Strategic Alignment of Start-Ups	191
12.3	Building an Independent Company	192
12.3.1	Conscious Replacement of the Leadership During the Transition to Operational Business	193
12.3.2	Capital Requirements Lead to the Influence of the Capital Provider on the Management	193
12.3.3	A Sale Causes the Restructuring of the Management	194
12.4	Dividing the Start-Up into an Explorative Part and an Operational Part	194
12.4.1	The Founding Team Already Consists of NT and SJ Types	196
12.4.2	The Founders Are “Bilingual”, Both in NT and SJ Mode	196
12.5	A Start-Up as a Vehicle in the Corporate Environment	197
12.5.1	A New Business Unit in the Corporation	197
12.5.2	Acquisition of a Start-Up	197
12.6	Conclusion	198
	References	198

Part III Context

13	Contributions of Other Authors, Which We Have Relied on	203
13.1	Types of Innovation	203
13.2	Strategic (Resource) Buckets	204
13.3	The “Traditional” Innovation Research	204
13.4	The Boston Matrix	204

13.5	Stages of Innovation in a Business Unit	207
13.5.1	Innovation Journey According to Christensen.....	208
13.5.2	Innovation Strategy of a Business Unit	209
13.5.3	Our Conclusions on the Innovation Journey According to Christensen.....	212
13.6	Rules for Innovating in Large Companies	213
	References.....	214
14	Further Well Known Contributions of Other Authors and Their Relation to Our Results	215
14.1	The Stage-Gate Innovation Process.....	215
14.2	The Life Cycle Diagram	216
14.3	Innovation in the Existing Business in the Optimization Phase	218
14.4	Effectuation	221
14.5	Ambidextrous Organisation.....	222
14.5.1	Ambidextrous Management.....	222
14.5.2	Principles of Ambidextrous Management	224
14.5.3	Our Conclusions on Ambidexterity	225
14.6	Developing New Business Models	226
14.7	The Disruptive Transformation	227
14.8	Design Thinking and Other Innovation Methods and Tools	230
14.9	The Invincible Company	231
	References.....	232
15	Comparison of Innovation Models and Business Development Models ...	233
15.1	Innovation Models	233
15.2	Business Development Models	236
15.2.1	Boston Matrix	237
15.2.2	Life Cycle Diagram According to Geoffrey Moore.....	238
15.2.3	Innovation Journey According to Christensen et al.	238
15.2.4	Innovation Horizons.....	240
15.2.5	Organizational Evolution According to O'Reilly and Tushman	241
15.3	Conclusion to Chaps. 13, 14 and 15	242
	References.....	243
16	Final Remarks	245
16.1	The Innovation Strategy and the Two Stars Strategy	245
16.2	Some Important Insights	246
16.3	Answering the Research Questions	249
16.4	Outlook	249
	Afterword: The Story of the Origin of this Book	251
	Glossary	253