

Introduction

Strategic innovation is the development of new forms of positioning that enable firms to redefine the way to do business, offering greater non-monetary value to customers and a higher level of cost effectiveness. Strategic innovators deliver their superior value proposition by developing new markets and leveraging on innovative forms of distribution and communication. Strategic innovators can remain competitive and achieve profitable growth within competitive environments that are characterised by discontinuity, instability and uncertainty. They can even change the competitive dynamics of the industry and influence its evolution process.

The aim of this book is to investigate strategic innovation through a process model that explains the dynamics of innovative strategy generation and implementation within firms.

Innovative strategies are the result of complex processes of strategy development that involve the CEO, the organization and resources. The CEO is able to change the strategy by promoting certain strategic initiatives built on leveraging firm resources and developed with the contribution of middle level and frontline managers. Strategic initiatives are innovative projects that, once implemented, can change the strategic positioning of the firm. The effectiveness of the strategic innovation process depends on the CEO's ability to introduce certain enabling actions on the organization and on resources.

Enabling actions on the organization. The CEO is able to modify the organization by introducing certain innovations to obtain the desired entrepreneurial orientation at firm level. Middle level and frontline managers will be more effective in the development of strategic initiatives if they operate in an entrepreneurial organization. Fostering entrepreneurial orientation enables stimulating autonomous entrepreneurial behaviour in frontline managers who can provide constructive feedback to middle level managers and together can play an important role in “fine tuning” innovative projects.

Enabling actions on resources. The CEO can control the strategic innovation process by implementing certain actions on resources. The development of strategic initiatives is largely influenced by the ability to combine a unique set of resources that must be developed and allocated to effectively support the strategic innovation process. The CEO is responsible for the resource development process as well as for allocation decisions.

The development of strategic initiatives requires advanced managerial systems to control and evaluate the evolution of innovative projects, which also entails the CEO's active participation in controlling the entrepreneurial orientation with an appropriate level of strategic discipline.

This book is structured in three parts. The first chapter is dedicated to the exploration of the concept of strategic innovation and its implications on industry structure and competition. In the second chapter, the focus is on the development of the model that analyses the strategic innovation process. The model, built on multiple case study analysis, investigates the relations between organizational innovations, resource dynamics and the generation and implementation of strategic innovations. The presentation of the model is integrated with short notes taken from case studies. The third chapter presents four cases adapted from empirical research, contributing valuable insight on the strategic innovation process and suggesting some managerial implication of the theory presented in the second chapter.

The book is a scientific monograph intended primarily for an academic audience and is of use - as support - in a wide range of courses, from undergraduate business and management studies through to MBA and MSc programs. As a result of the empirical content, the book may also be of interest to practitioners, particularly those operating as strategic advisors or part of the planning staff of large organizations.