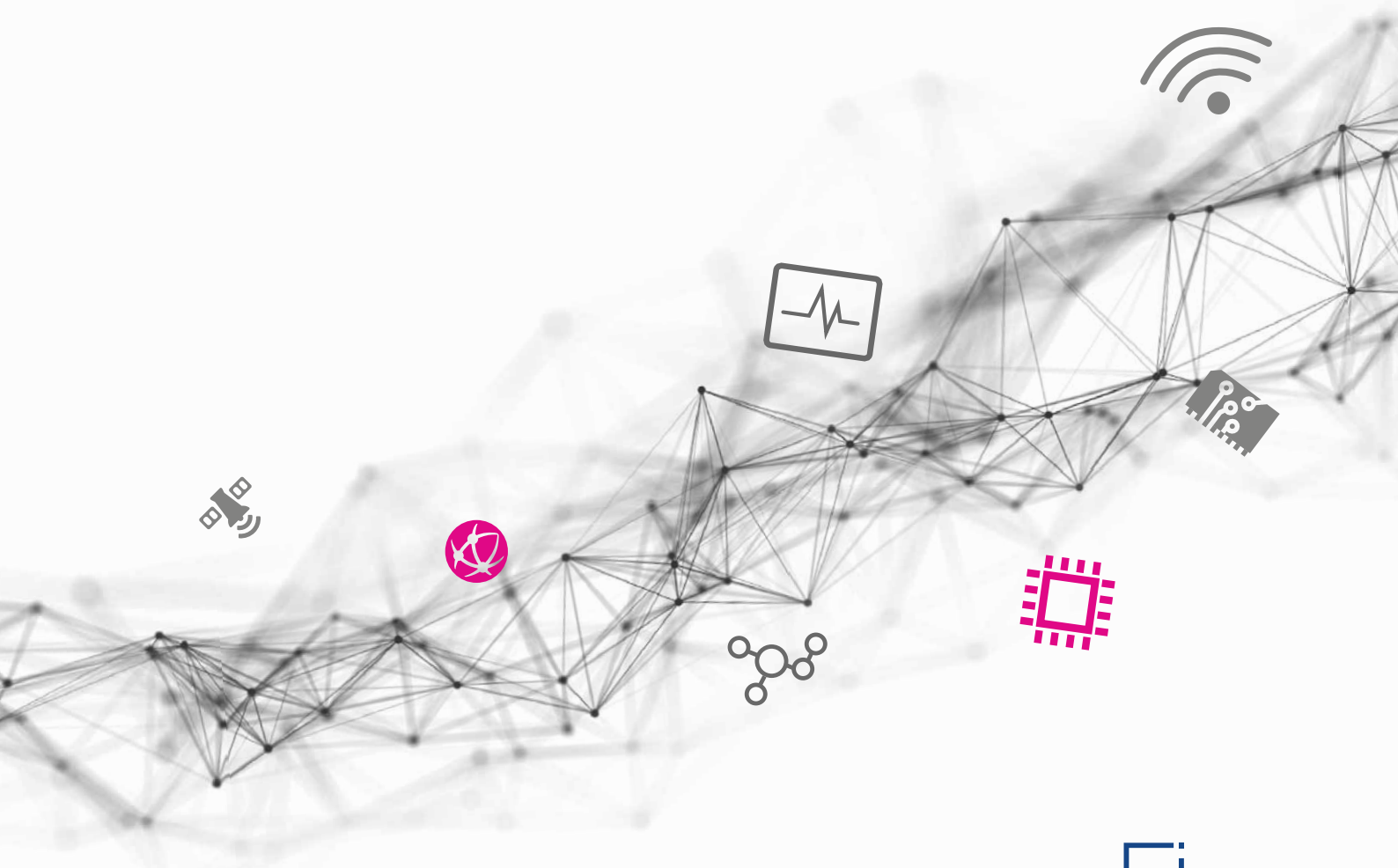


e-book

# OPEN INNOVATION

Strategic approaches for small and medium-sized enterprises



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## PREFACE FROM THE MINISTER

Baden-Württemberg is the most innovative region in all of Europe. In order for us to maintain this top position and effectively bring products from Baden-Württemberg onto the global market in the future, we have set out to further support and expand the innovative strength of enterprises in the state.

Small and medium-sized enterprises (SMEs) play an important role for Baden-Württemberg as an economic hub. The innovative potential of such companies makes a significant contribution to ensuring that Baden-Württemberg remains a strong center of economic activity and innovation to confronting the global challenges.

Open innovation provides an opportunity to optimally take advantage of external knowledge and new ideas, accelerate the process of transforming research results into added value, and to better satisfy the demands of consumers.

Small and medium-sized enterprises stand to particularly benefit from opening up processes of innovation and from new business models. Rather than confronting them alone, challenges such as globalization, global growth in knowledge and digitization can be overcome faster and more effectively by cooperating with strategic partners, even beyond state borders.

The topic of open innovation plays an important role in establishing an open culture of knowledge and innovation and it can also serve to enrich a company's own innovation strategy. For the medium-sized enterprises in our state, opening up innovation systems can prove a decisive factor for competition. This is especially true in the area of key enabling technologies and their applications, such as stronger digitization of the economy within production, planning and processes as well as for new products and services.



I would like to thank the team at Steinbeis 2i GmbH for their successful work in consulting small and medium-sized enterprises in our state in the area of open innovation processes. This handbook serves to provide a complete overview of the experiences and results that were collected in the past year and a half and it also offers recommendations for the future.

Dr. Nicole Hoffmeister-Kraut MdL

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# INTRODUCTION OPEN INNOVATION

## BACKGROUND: OPEN INNOVATION AS A TOPIC FOR LARGER ENTERPRISES

The term ‘Open Innovation’ was coined by Henry William Chesbrough in his book ‘Open Innovation: The New Imperative for Creating and Profiting from Technology’ (2006). It refers to innovations characterized by an open and interactive value-adding process.

The strategic opening up of innovation processes in enterprises in terms of actively incorporating and utilising external knowledge requires a corresponding system of innovation management. Reference books and best practices have, however, mostly drawn from the experience of larger enterprises. Even the European Commission’s **‘Open Innovation Strategy and Policy Group’ (OISPG)** is almost entirely comprised of interested parties representing market-leading companies such as Intel, SAP and Nokia.

## DEFINING THE PROBLEM

Results from open innovation research in relation to larger enterprises are only applicable for small and medium-sized enterprises (SMEs) to a limited degree. Within larger enterprises, open innovation is seen as a supplement that does not necessarily alter the company’s strategic orientation. The financial strength and positioning of market-leading companies imbues open innovation processes with a different degree of significance than among SMEs.

The acquisition of external knowledge (e.g. through the integration of start-ups) is one example of an open innovation strategy. A prerequisite of this strategy is the availability of sufficient financial resources, meaning that it is generally implemented by larger enterprises. For medium-sized enterprises, the purchase of external knowledge can bring with it a high degree of financial risk. Specific company knowledge and in-house development activities therefore still entail essential components driving a company’s competitiveness.

*Open Innovation Strategy and Policy Group (OISPG):*  
[www.ec.europa.eu/digital-single-market/en/open-innovation-strategy-and-policy-group](http://www.ec.europa.eu/digital-single-market/en/open-innovation-strategy-and-policy-group)