

Chances and Boundaries of Community Based Innovation in Small and Medium-Sized Enterprises

BASED ON THE STUDY OF WOOD-PROCESSING COMPANIES

Katharina Rodharth (author)
Rainer Hasenauer (mentoring professor)

Vienna University of Economics and Business
Department of Marketing Management – Research Area High Tech Marketing
hi-tech center
Floragasse 7 – 703
A – 1040 Vienna

3 year research project:

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Marketing Testbed (MTB)

= platform for exploring and testing marketing mix measures under realistic market conditions

Community Based Innovation (CBI)

= concept that uses the innovation potential of online communities for product innovations

Community Based Innovation I/II

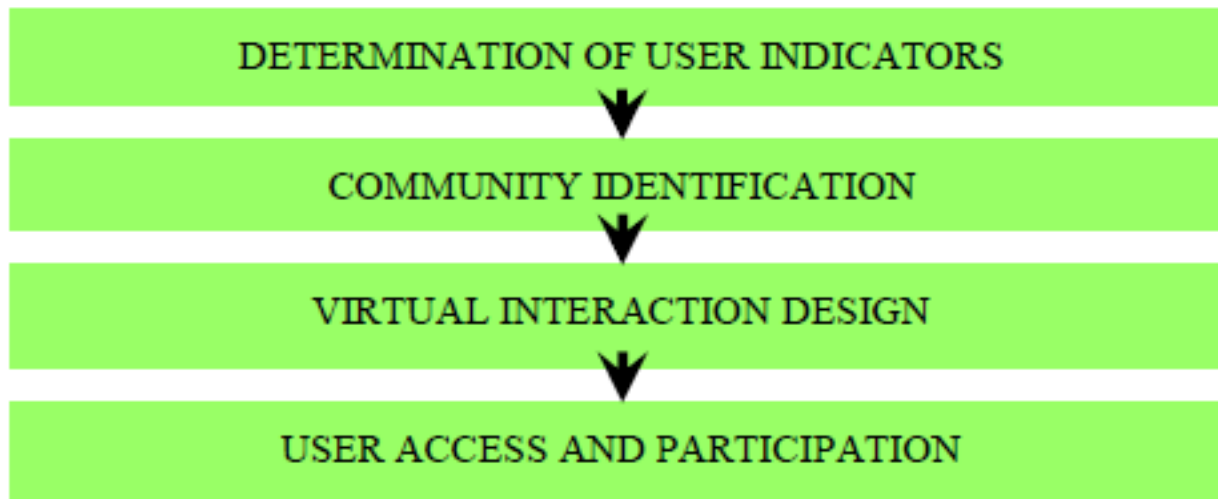


Illustration 1: Community Based Innovation Method (FÜLLER, J.; BARTL, M.; ERNST, H.; MÜHLBACHER, H.: 2004)

Community Based Innovation II/II

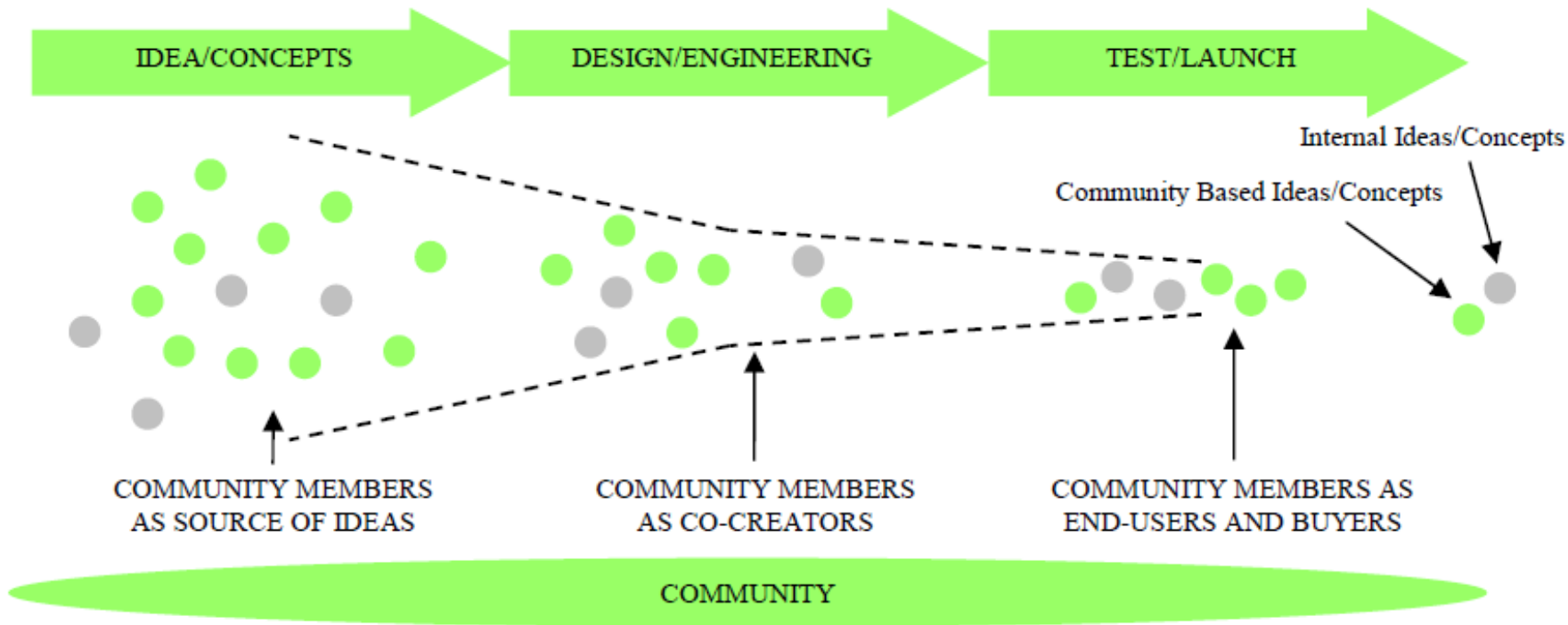


Illustration 2: Utilization of Communities in New Product Development (FÜLLER, J.; BARTL, M.; ERNST, H.; MÜHLBACHER, H.: 2006)

Research Object

- ⇒ Wood-processing companies
- ⇒ SME (< 250 headcount)
- ⇒ B2B
- ⇒ High innovation activity
- ⇒ Styria



Illustration 3: Location of Styria

Focus: Role of the customer in the innovation process

Main challenge = Application of the CBI concept to traditional Austrian woodworking B2B sector

Research Questions and Research Method

- (1) *“How does the product innovation process look like in wood-processing SME in the B2B sector in Styria?”*
- (2) *“From the wood-processing companies point of view, what are the chances and boundaries of CBI in wood-processing SME in the B2B sector in Styria?”*

PROBLEM-CENTERED INTERVIEW (Witzel, A. 2000)

Interview guideline (mind map)

8 interview partners (Styrian Wood Cluster)

Non-probability sampling

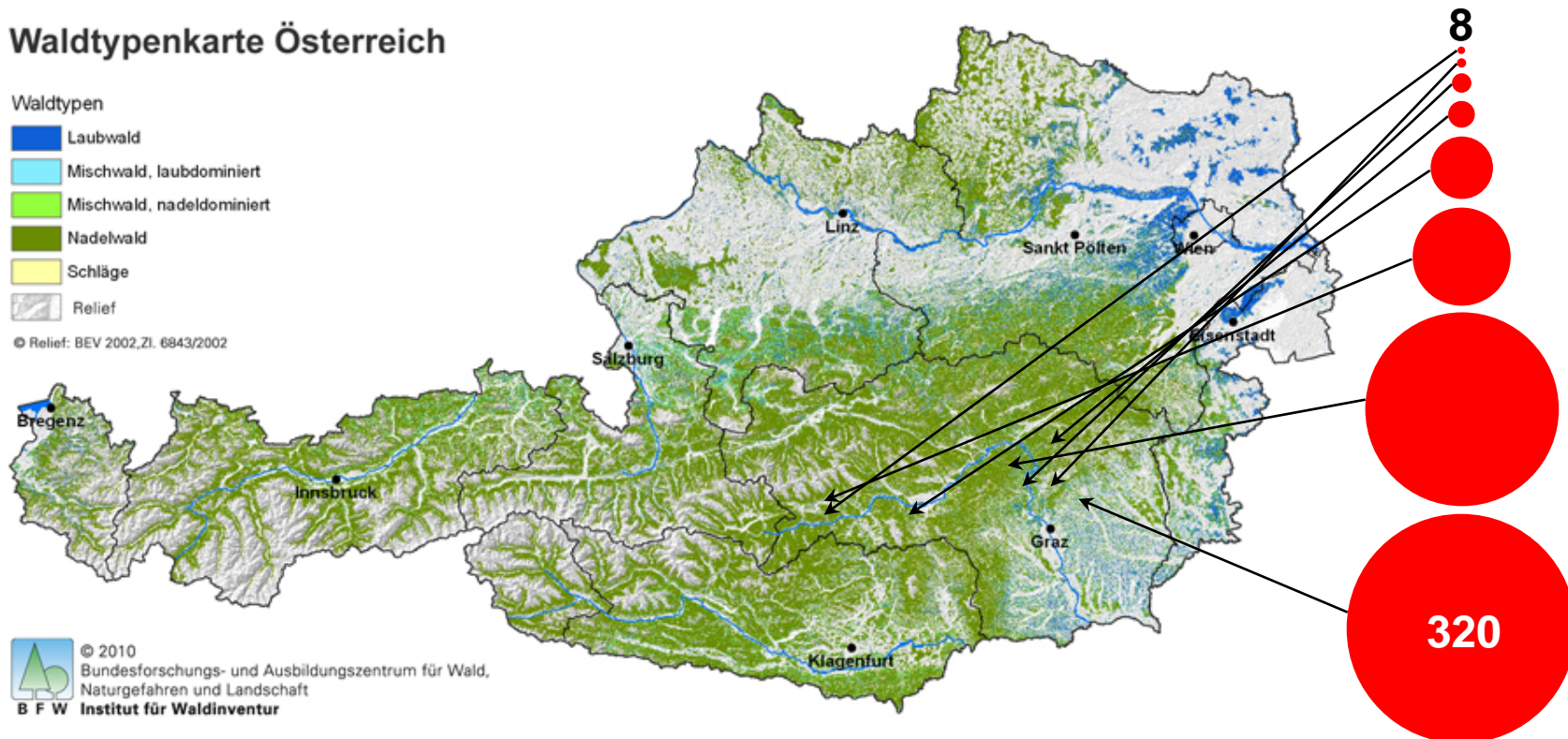
Interview Partners

Waldtypenkarte Österreich

Waldtypen

-  Laubwald
-  Mischwald, laubdominiert
-  Mischwald, nadeldominiert
-  Nadelwald
-  Schläge
-  Relief

© Relief: BEV 2002, Zl. 6943/2002



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 Naturgefahren und Landschaft
 B F W Institut für Waldinventur

Illustration 4: Map of Austria

Headcount

Realized Interviews

No	Date	Time	Duratio in min	No of pages of transcription	Headcount	Annual turnover in EUR*
1	20.09.2011	10:00	120	19	8	~ 450.000
2	21.09.2011	14:00	120	14	320	~ 60.000.000
3	26.09.2011	15:00	75	12	270	~ 80.000.000
4	27.09.2011	10:00	85	18	35	~ 2.500.000
5	27.09.2011	15:00	90	12	10	~ 400.000
6	28.09.2011	10:30	75	11	85	~ 28.000.000
7	28.09.2011	15:30	75	13	25	~ 9.000.000
8	30.09.2011	11:30	90	13	135	~ 35.000.000

*) Estimates
 (www.firmenabc.at)

Main Findings

- ⇒ High innovation potential often unused
- ⇒ Physical interaction plays most important role
- ⇒ Big mistrust within the sector
- ⇒ Members of innovation community vary throughout innovation process
- ⇒ Customers: Strong integration in first and last stages of innovation process, hardly in the R&D-stage

Answers to Research Questions

Innovation processes

- ☞ Vary greatly (often happen 'by chance')
- ☞ Ideas from inside the company
- ☞ Online platforms play no active role

Chances of CBI

- ☑ Increasing willingness to open up innovation process
- ☑ Limited resources
- ☑ Growing awareness of online community innovation potential

Boundaries of CBI

- ☞ Old-fashioned attitude of the sector
- ☞ Mistrust towards competitors
- ☞ General aversion against change

Future Aspects

Trends

- ⇒ Growing importance of alliances
- ⇒ Growing importance of community
- ⇒ Growing importance of web-based activities

Recommendations

- ⇒ Responsibility of the cluster
- ⇒ Awareness creation
- ⇒ Competitive advantage: Quality



Illustration 5: Six axes robot, HIZ
(wood innovation center), Zeltweg

Sources

Selected Bibliography (full list see publication):

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WITZEL, A.: *Das problemzentrierte Interview*. In: Forum Qualitative Sozialforschung – Theories, Methods, Applications, Vol. 1, No. 1, 2000, pp. 1-9

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FÜLLER, J.; BARTL, M.; ERNST, H.; MÜHLBACHER, H.: *Community Based Innovation: How to Integrate Members of Virtual Communities into New Product Development*. In: Electronic Commerce Research, Vol. 6, No. 1, 2006. pp. 57-73. DOI: 10.1007/s10660-006-5988-7

Location of Styria: www.olymp.at

Map Austria: www.waldschutz.at

Six axes robot (HIZ): timber-online.net

Thank you for your attention

Mag. Katharina Rodharth

+41 78 868 63 90

katharina.rodharth@gmx.at

Hon. Prof. Dkfm. Dr. Rainer Hasenauer

+43 664 160 91 06

rh@hitec.at

www.hitechcentrum.eu

www.hitec.at