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Corporate Venture Management in SMEs : evidence from the German IT consulting industry

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Citation

Gard, J. (2015, December 2). *Corporate Venture Management in SMEs : evidence from the German IT consulting industry*. SIKS Dissertation Series. Faculteit der Wiskunde en Natuurwetenschappen, Leiden. Retrieved from <https://hdl.handle.net/1887/36592>

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Author: Gard, Jérôme

Title: Corporate venture management in SMEs : evidence from the German IT consulting industry

Issue Date: 2015-12-02

CORPORATE VENTURE MANAGEMENT IN SMEs

EVIDENCE FROM THE GERMAN
IT CONSULTING INDUSTRY

JÉRÔME GARD

CORPORATE VENTURE MANAGEMENT IN SMEs

EVIDENCE FROM THE GERMAN
IT CONSULTING INDUSTRY

PROEFSCHRIFT

ter verkrijging van
de graad van Doctor aan de Universiteit Leiden,
op gezag van de Rector Magnificus prof.mr. C.J.J.M. Stolker,
volgens besluit van het College voor Promoties
te verdedigen op woensdag 2 december 2015
klokke 11:15 uur

door

Jérôme Gard
geboren te Ottweiler, Duitsland
in 1983

Samenstelling van de promotiecommissie:

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	Prof. dr. F. Miralles	La Salle Ramon Llull University
	Prof. dr. E.O. Postma	Tilburg University

The research reported in this thesis was performed at the Institut für Strategische Innovation und Technologiemanagement (IST) at the Faculty of Engineering, the University of Applied Sciences Konstanz, Germany and the Leiden Institute of Advanced Computer Science (LIACS) at the Faculty of Science, Leiden University, the Netherlands.



The research reported in this thesis has been founded by the Bundesministerium für Bildung und Forschung (BMBF) as part of the FHprofUnt program. The research is part of the larger project: Entwicklung einer Gesamtlösung für den Einsatz integrierter strategischer Planung im technologienorientierten Mittelstand, project number: 17053X10.



Dissertation Series No. 2015-32

The reported research has been carried out under the auspices of SIKS, the Dutch Research School for Information and Knowledge Systems.

Cover design by Beate Reichel

ISBN 978-94-9190-118-8

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*To my parents for their support
throughout my entire academic career*

Preface

Joseph Schumpeter (1883-1950) describes in his famous textbook “The Theory of Economic Development” the phenomenon of ‘creative destruction’ – the development of new solutions that cause significant change in whole industries. As a student, I recognized the power of creative destruction when following the downfall of global players such as Kodak and Nokia. I asked myself how these corporations should have organized innovation to adapt successfully to the technological shifts that caused their collapse. Inspired by this question, I decided to pursue a PhD study at the Leiden University with the aim to examine how corporations renew their business portfolio in anticipation of changing business conditions.

Soon, I read about a form of self-organized innovation that enables corporations to effectively renew their business portfolio – corporate ventures. The idea that corporations renew their business portfolio by continuously entering novel business domains with small entrepreneurial teams was fascinating. However, I could not find any empirically evaluated management model that would tell corporate executives how to manage corporate ventures effectively. As an engineer, I was curious to investigate corporate venture management, not knowing that my research would provide a first empirical model that reveals essential principles for effective corporate venture management.

For accomplishing my PhD research I received support from many people who I would like to acknowledge in the following. First, I had the honor to receive optimistic, motivating and thorough guidance from my first promotor Professor Bernhard Katzy and my co-promotor Professor Guido Baltes. Then the team was broadened by my second promotor Professor Jaap van den Herik. In particular, I own many thanks to Bernhard Katzy for supporting my research and providing the freedom to follow my own path. A special gratitude goes to Guido Baltes for providing a great

work environment, promoting my work, teaching me how to write scientific texts and qualifying me as a senior manager. Furthermore, I owe many thanks to Jaap van den Herik for his precise and accurate guidance throughout the final stage of my PhD. In particular, I would like to mention his enthusiasm and professional way to improve my writing skills.

Throughout the whole PhD process, I received support from the international graduate school on Networks, Information Technology & Innovation Management (NITIM). During the summer schools in Rijeka, Constance, Tampere and Munich, the faculty provided great feedback and guidance. I would like to thank particularly, Paola Bielli from the Bocconi University, Ozgur Dedehayir from the Tampere University of Technology, Peter Harland from the IHI Zittau, Stefan Klein from the University Münster, Ulrike Lechner from the University Bw Munich, Nathalie Mitev from the London School of Economics, Andras Nemeslaki from the Corvinus University, Roland Ortt from the TU Delft and Klaus Sailer from the Strascheg Center for Entrepreneurship. In particular, I had the pleasure to work with Francesc Miralles from the La Salle Ramon Llull University who provided constructive feedback on the first draft of my thesis.

Concerning my PhD exchange at the Stellenbosch University in South Africa, I would like to acknowledge, Margit Plahl and Gunter Voigt from the University of Applied Sciences Konstanz for their administrative support. Moreover, I would like to express my gratitude to Corne Schutte and Henno Gous from the Stellenbosch University for being my hosts and for their expertise on data analysis.

Over the years, I was also fortunate to be accompanied by various special people. For mental support, I would like to acknowledge Anna Schneider, Lara Hetkamp, Jan-Hendrik Schmidt, Ben Kraus, Thomas Holzmann and Christoph Stettina. I mention Thorsten Kliewe for good advice and expertise with respect to data acquisition. In gratitude for her love, encouragement and mental

support in a challenging period in my PhD research, I acknowledge Marieke Stamm. Finally, I am grateful to my parents for their unconditional support with respect to my career development.

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LIST OF ABBREVIATIONS

The list below contains the abbreviations that are used in this thesis. Normal lexical abbreviations, such as, ‘e.g.’ and ‘i.e.’, are not listed. The same applies for the names of corporations, such as SAP.

FTE	Full-time equivalent
GDP	Gross Domestic Product
HR	Human Resource
IT	Information Technology
KMO	Kaiser-Meyer-Olkin
KPI	Key Performance Indicator
NACE	Nomenclature Générale des Activités Économiques dans les Communautés Européennes
OEM	Original Equipment Manufacturer
PCA	Principal Component Analysis
PLM	Product-Lifecycle Management
PS	Problem Statement
PV	Photovoltaic
R&D	Research and Development
ROA	Return on Assets
ROE	Return on Equity
ROI	Return on Investment
RQ	Research Question
SME	Small and Medium Enterprise
SPSS	Statistical Package for Social Science
VIF	Variance Inflation Factor

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