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

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EVIDENCE FROM THE GERMAN IT CONSULTING INDUSTRY

JÉRÔME GARD

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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

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CONTENTS

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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