TECHNOLOGICAL INNOVATIONS, BUSINESS MODEL INNOVATIONS AND GROWTH POTENTIAL (SUMMARY)

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Principal Topic

Technological innovations have been long considered an important predictor of a firm’s growth potential. Recent studies of business models and innovations pointed out that successful business models do not just incorporate innovative technologies as a component, but could themselves be regarded as a subject of innovation (Zott, Amit and Massa, 2011). Thus, a company can innovate and grow in several ways: through incorporating innovative technology into its existing business model and through employing an innovative business model, i.e. an innovative way to create added value in which case the level of technological innovativeness can vary. Studies give evidence that innovative technologies can only enable successful growth and enhanced performance when they are accompanied by business model innovations (cf. Johnson and Suskewicz, 2009).

We hypothesize that innovative business models based on innovative technology would demonstrate the highest growth potential. Cognitive factors, such as the founders’ level of entrepreneurial and managerial expertise, as well as their level and area of education would substantially affect business model creation.

Method

The study involved 136 young Austrian firms, whereas 99 firms were founded by teams and 37 were sole proprietorships; all firms were founded within academic incubators and were at different stages of development. Therefore objective measures for firm growth were not appropriate; instead, growth potential and innovativeness were measured by a combination of subjective internal and external measurements. Hypotheses were tested by regression analysis. Positive significant in the model for growth potential (external measurement) is technology orientation and the degree of innovation. In the model for growth potential (internal measurement) only technology orientation is positive significant.

Results and Implications

The study has several important implications. The field of business model studies is still disjointed and fragmented; thus the present study aims at contributing to the cumulative body of research on this topic by focusing on business model innovation and its connection with growth. Second, it illuminates the effect of cognitive aspects on business model innovation, making a contribution to the research stream of entrepreneurial cognition. In this way we try incorporate business model studies within the field of entrepreneurship research.

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