
Editorial

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Biographical notes: John Bessant is a Professor of Innovation Management at Tanaka Business School, Imperial College London, South Kensington, London, UK. Prior to joining the faculty at Imperial, he was Director of Innovation Leadership Centre at Cranfield and Director of Brighton University's Centre for Research in Innovation Management. He has also held positions at Aston's Technology Policy Unit and the Science Policy Research Unit at Sussex University. He was awarded a Senior Fellowship of the Advanced Institute for Management Research in 2003, an Honorary Professorship at SPRU, Sussex University, visiting Fellowships at several UK and international universities and recently elected a Fellow of the British Academy of Management. His areas of research interest include the management of discontinuous innovation, strategies for developing high involvement innovation and enabling effective inter-company collaboration and learning in product and process innovation. He is the author of 20 books and many articles on the topic and has lectured and consulted widely around the world. He has acted as Advisor to various national governments and to international bodies including the United Nations, The World Bank and the OECD.

David (Dave) Francis is the Deputy Head and Principal Research Fellow and the Head of Business Services for the Centre for Research in Innovation Management (CENTRIM), University of Brighton. As a Sociologist and Innovation Specialist, he has focused his research on identifying those behaviours that facilitate successful innovation. He specialises in team building, innovation management and strategy development. He completed a three-year study of organisational agility and was the Lead Researcher for the Partnership with People programme for the UK government. He has conducted many studies in innovation topics.

In October 1995 a small group of researchers and practitioners gathered in the Scandic hotel near London's Gatwick airport to share ideas and experiences around the theme of continuous improvement. How could employees in manufacturing and service operations be persuaded and enabled to contribute regularly to innovative problem-solving? (As one of the managers put it the beauty of it is that with every pair of hands I get a free brain – now all I have to do is find a way of using it!). The great quality writer, W. Edwards Deming, had long ago talked about 'the gold in the mine' referring to the potential contribution each employee could make to continuous improvement and development of the processes in which they were involved. But the challenge was – and remains – how to enable and sustain it?

What drew the group together was a shared concern with this question and it involved researchers and practitioners from 10 different countries – the UK, Sweden, Norway, The Netherlands, Denmark, Germany, Ireland, Italy, Finland and Spain. The meeting was the first conference organised by what was then called EuroCINet – the European continuous improvement network – a collaborative research programme funded under the EUREKA programme in Europe. Parallel research had been going on in several countries over the preceding two years and this was a chance to take stock, share and build on others' ideas and contribute to both the theory and practise of continuous improvement.

Ten years later a somewhat larger and even more international group gathered again in Southern England to discuss issues related to innovation. Whereas in 1995 we were a small group of around 20 researchers from 10 countries, in 2005 the conference had over 100 delegates from 22 countries. It is still a forum for researchers and practitioners to meet and share ideas but the content of that discussion has widened somewhat. Although employee involvement in continuous improvement remains a core stream it was complemented by other streams looking at product innovation, the firm innovation, innovation policy and sustainability. Core themes in the conference were

- Managing discontinuous innovation.
- Inter-organisational innovation.
- Complex systems innovation.
- Lessons from the world of practise (practitioners stream).
- Future challenges for innovation management.
- Innovation and sustainability.
- Developing national, regional and local innovation systems.
- Continuous improvement and learning.
- Organising for continuous innovation – new directions.

The wider international interest reflected the way the underlying organisation – originally EuroCINet had moved in recent years and renamed itself simply CINet (the Continuous Innovation Network). (Full details of CINet and its activities can be found at www.continuous-innovation.net). Delegates at this conference came from Australia, USA, Brazil, Turkey, South Africa and China as well as across Europe, reflecting concern that managing innovation is now an issue of global concern. The theme of the 2005 conference – CI – ways of making it happen – expressed a core value of CINet as

requiring close engagement of practitioners as co-producers of research in the area. Many of the papers described experiments in the 'laboratory' of real organisations in manufacturing and services and were written or co-authored by the staff involved. This reflects a key innovation challenge of effective implementation of ideas about better ways to organise and manage the process.

One important part of the continuity in the conference has been the support of the *International Journal of Technology Management*. Papers from the first conference in 1995 were published in a Special Issue and the same has happened at every conference since then. So we are delighted to have the opportunity to edit this latest set of papers for the Journal and to continue both the association and the contribution to the field.

Inevitably our task was hard because of the problem of balancing the sheer volume of good papers with the need to select. Our choice was made easier by the efforts of the session chairman who reviewed papers in their streams and also voted on the 'best paper' awards. Their help – and that of CINet team, especially Jeannette Visser-Groeneveld – is much appreciated.

The paper by Patrick McLaughlin and colleagues (*Developing an organisation culture to facilitate radical innovation*) is a good example of the coproduction approach mentioned earlier, describing efforts to create an organisational culture across a product development organisation which are better suited to the challenges of radical and discontinuous innovation. It offers an 'insider' perspective and highlights some of the challenges in implementing what can sometimes seem a simple prescription from the theory side of the fence.

In similar fashion close industrial involvement in the research underpins the second paper which looks at the theme of employee involvement in problem-solving. Mats G. Magnusson and Emanuele Vinciguerra (*Key factors in small group improvement work – an empirical study at SKF*) explore these issues based on an investigation of small improvement groups at three SKF factories in Sweden. Based on a combination of participatory studies, interviews and a survey to the leaders of the improvement groups, they found that a key problem for improvement activities is motivation and teamwork, and that what characterises high-performing groups is their information-sharing and communication behaviours.

Implementation and gaining strategic advantage from investments in building a more innovative organisation is also a key theme in this paper by Bjarne T. Laugen and Harry Boer (*Linking continuous innovative practises with operational performance*). Using surveys and case studies this paper investigates the impact of action programmes in high performance companies, and the effects of practises leading to organisational formalisation and centralisation on the time and timeliness performance of new product development projects.

The focus on product innovation is also picked up by the next piece by Petra C. de Weerd-Nederhof and colleagues (*Assessing operational NPD effectiveness and strategic NPD flexibility for the design of new product development configurations*) who looked at balancing of short-term operational effectiveness and longer-term strategic flexibility. This paper reports on the operationalisation of these constructs based on NPD success literature, using a subdivision in product concept effectiveness and NPD process effectiveness.

The next two papers deal with aspects of the inter-organisational agenda and particularly the increasing challenges posed by globalisation in terms of outsourcing and mobility of operations. In his paper on *Outsourcing Manufacturing* Lars Bengtsson

reports on a large-scale survey of outsourcing and manufacturing practises among a representative sample of Swedish engineering firms. The results show mainly no significant effects from outsourcing manufacturing on plant operating performance or innovation capability. But the work does suggest that firms' investments in technological and organisational capabilities explain the improvements of performance at the plant level to a significantly higher extent than outsourcing does.

One reason for the lack of performance impact may be the difficulties in making effective movement across the global stage. In their piece *The extraction of manufacturing capability: a case of sophisticated transferee*, Jonathan Sapsed and Ammon Salter look at a case study of a major US computer manufacturer transferring the capability of building its most complex server product to a European site. They focus on issues of knowledge transfer and capability looking at the problem from the viewpoint of the 'transferee'; extracting the capability that it needs from a relatively passive transferor and feeding back knowledge in a mutual learning system.

Innovation is not simply a matter of technological change – and there is growing evidence of the importance of business model change as a powerful driver of competitive behaviour. This is a theme which Jose Albors and his colleagues pick up in their paper *When Technology Innovation is Not Enough. New Competitive Paradigms; Revisiting the Spanish Tile Ceramic Sector*. As a result of the development of new industrialised countries such as China and other Southern Asian economies, traditional competitive paradigms based in advantages related to costs and quality efficiencies are no longer sufficient. Using a combination of qualitative and quantitative research they look at the changing dynamics of the territorial value chain in the Spanish ceramic tile cluster and why traditional players are losing their edge as a new paradigm favours new players with a different approach.

The challenge of organising around continuous innovation needs new approaches on the part of professionals and in their paper *CI in the Work Place: Does Involving the HR Function make any Difference?* Terry Sloan, Karen Becker, Paul Hyland and Frances Joergensen look at the implications for the human resource profession. Their survey explores both the potential contribution which could be made by a group of people who 'own' the task of championing cultural change and managing aspects of training and learning, and the actual extent of their involvement and influence on the process of developing innovative organisations.

At another level there is the need to mobilise knowledge and this has led in recent years to an interest in the concept of 'communities of practise'. Mariano Corso and Andrea Giacobbe pick up this theme in their paper on *Organising for Continuous Innovation: The community of practise approach* where they use detailed case studies of seven examples to develop a model which identifies the different evolutionary path that communities follow and on the role on this dynamic of organisation commitment and people involvement.

This theme of learning is central to the development of long-term innovative capability and is explored in the context of new product development in three Brazilian case studies offered by Dário Henrique Allipradini and Marcelo Ruy. In their paper *Organisational learning in the new product development process – findings from three case studies in Brazilian Manufacturing companies* they present research on learning processes associated with successful product development. In particular they identify a number of mechanisms and sites within and across projects which can enable such learning to take place.

Conferences like the CINet annual event exist and thrive because of a shared interest in what is an evolving game in which the real challenge lies in building the capability for *sustainable* innovation. Researchers and practitioners value the opportunity to meet and explore ideas and experiences and to develop from this insights, frameworks and tools to help deal with the emerging challenges. But a paradox of innovation research is that the results are only valid up to yesterday – we may have learnt a great deal about how to manage the process but there's still plenty to learn. The puzzle keeps shifting and changing and not for nothing is innovation management often called a dynamic capability. In any organisation the activities required to innovate successfully need to be developed and managed within an evolving strategic framework. This framework helps position the rich set of decisions which firms need to make – for example, about exploring new possibilities or rejecting the continued exploitation of tried and true old ways or those concerned with whether to develop innovative capabilities internally or source more expertise externally and enter into strategic relationships. We hope that the papers in this volume – and the research and thinking behind them – contribute to our understanding of the challenges at this innovation frontier and offer some clues about how we might begin to deal with them.