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**THE ROLE OF STRATEGIC OPEN INNOVATION
CAPABILITIES IN ACHIEVING SUSTAINABLE COMPETITIVE
ADVANTAGE OF A COMPANY**

In today's data- and knowledge-intensive business environment, in the light of the trends towards globalization and digitalization of the economy, technology intensity, diffusion of knowledge, the increasing role of technology transfer, and expanding network cooperation, companies are no longer able to innovate successfully under the "closed" innovation model that emphasizes internal focus and control of the innovation process. In order to improve innovation performance and enhance competitive capacities, they have to scan the external environment, acquire ideas, technologies, and resources from the outside, develop absorptive capability, motivate the creation and contribution of external knowledge and integrate it with its innovation-related activities. Thus, modern business organizations enter a new phase of innovation development, where sources of innovation-based competitive advantages can be identified outside the internal organizational structure. Therefore, a firm's innovation capacity includes not only internal ideas, knowledge, skills, and experience within the company but also external competencies and assets outside the organization [1; 2]. By acquiring new knowledge and information from the outside and promoting new ideas inside the company, an additional potential is created that can form a basis for building a competitive advantage.

Following the logic of the open innovation concept, companies increasingly involve customers, suppliers, partners, external research organizations, and other actors of the innovation ecosystem in the innovation process. The trend towards open innovation implies that this practice can provide companies with the requisite resources and complementary strategic assets, i.e. resources required to capture benefits associated with a strategy, a technology, or an innovation [3].

The dynamic capabilities perspective provides an explanation for the interdependence between the organizational capabilities of a company, its

strategy, and potential sustainable competitive advantage in the marketplace. In the long-term perspective, the strategic competitiveness of the company is ensured by the identification of its core competencies in combination with the optimal strategy of their development. Thus, dynamic organizational capabilities and a strategy need to be combined to create a successful business model, which contributes significantly to firm performance, leads to differences in market share, as well as allows the enterprise to strengthen its long-term competitive position.

From the organizational perspective, the open innovation capabilities can be considered as a result of the interaction of interrelated organizational components, which include the innovation-oriented activities, processes, structures, intra-firm mechanisms, managerial tools, and competencies within the company. Based on a literature review of research on managerial practices for open innovation, the main determinants of the open innovation capabilities of an organization can be broadly grouped into six categories: management style and leadership competencies, strategic values-based competencies, human resources competencies, technological capabilities, knowledge management capabilities as well as cooperation and network capabilities of a company that have been identified as being of particular relevance with regard to managing open innovation projects [4]. It is our belief that the firm's open innovation capabilities are embedded in various complementary capacities: the managerial, the organizational, the knowledge management, the technological, the resource allocation, and the cooperation and network. These firm-level capabilities might offer an explanation as to organizations differ in the extent to which they adopt open innovation practice and transform it into expected business outcomes.

The open innovation capabilities are necessary for a company to scan its business environment and identify external resources that should be effectively pooled with the key internal resources, in order to set up unique combinations of resources and core competencies. The essential goal of managing the open innovation capabilities of a company is therefore to create new resource combinations to respond to changing business conditions in accordance with a well-conceived and coherent innovation strategy aimed at achieving sustainable competitive advantage.

It can be concluded that open innovation is a firm-level strategy which is designed to allow knowledge and technology transfer across organizational boundaries and enables a company to create and capture

value, thereby gaining a sustainable competitive advantage. Given the nature of the open innovation, firms should enhance specific innovation capabilities through the effective management of inflows and outflows of knowledge and technology to implement various strategies within an industry value chain. The open innovation partnerships allow firms to enrich their resource base and to provide optimal utilization of the existing resources in order to strengthen organizational capabilities and achieve competitive advantage. However, to define to what extent a firm's open innovation efforts can affect its organizational capabilities, core competencies, and competitive advantage, there is a need to verify the theoretical considerations developed in this paper empirically on the basis of available data, what may be considered as an area of future research.

References:

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