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Getting the right recipe: collaboration strategies for radical and incremental innovators in services

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Successful innovation requires both effective idea generation and commercialization. Here, we investigate the benefits of alternative collaboration strategies across the idea generation and commercialization stages of the innovation process. Does collaboration generate complementarities between stages of the innovation process? Or, as external collaboration is costly and risky, can having too many partners be detrimental for innovation performance? The evidence differs significantly for radical and incremental innovators. For radical innovators we find no evidence of complementarities. High levels of radical innovation performance are associated with a single collaboration strategy: having few partners at the idea generation stage and no partners in commercialization. Incremental innovators benefit from strong complementarities, however, and a wide range of partnerships at both stages of the innovation process. Our results reflect the higher risks and complexities of collaborating for radical innovation. The results also have important practical implications: firms can choose collaboration strategies that are most likely to increase their chances of success,

rather than incurring costs, taking on risks, and accumulating numerous partnerships in pursuit of sub-optimal collaboration strategies.