

Type of innovation dependent on choice of partner

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(Phys.org)—When companies want to innovate, they may choose to collaborate with other companies. Thijs Habets of the University of Twente's IGS research institute looked into the collaboration between complementary companies and between companies and their suppliers. Complementary companies provide different services or products to the same customers (coffee and coffee makers, for example). Habets's conclusion is as follows: when complementary businesses collaborate, innovation flourishes. However, collaboration between a company and its suppliers results in quicker innovations that can be taken to the market more rapidly.

Habets focused on graphics media companies in the Netherlands for his research. He noticed that suppliers are key to production-process optimization in this sector, in contrast to complementary companies. Collaboration with suppliers resulted in truly [innovative products](#). In his doctoral thesis, Habets discusses a printing company specialized in printing giro transfer forms. This company started working together with a dept collection agency. Together, they can provide even better service to mail order companies, their joint customers.

Close relationships

Habets also looked at the type of relationship that businesses have with each other. He focused on the closeness of the relationship and the expertise of both partners. Habets states: "A striking conclusion is that if a company has a strong relationship with a supplier, then this has a [negative impact](#) on the added value of the [innovations](#) and the number of marketable innovations. On the other hand, a close relationship with a complementary company results in higher added value and a shorter development time for innovations." Habets explains this conclusion: "Complementary companies have different sets of knowledge. In order to innovate, they need to coordinate and therefore work more closely together. This requires a close relationship. Companies that collaborate

with their suppliers tend to approach business in a similar fashion, especially if they have a strong relationship with each other. This does not benefit their ability to innovate."

Partner

Habets's doctoral thesis gives businesses insight into the role of suppliers and complementary businesses in innovation. Habets: "My research gives innovative companies the opportunity to focus more intently on finding the right partner. If companies want to market their innovations quickly, then collaboration with a supplier is the best way to go. For value creation, companies are better off seeking [collaboration](#) with complementary businesses."

Provided by University of Twente

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