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Looking at Business Model Innovation and Innovation Ecosystems and How They Are Evolving

Arvind Sahay and Arunaditya Sahay

This chapter deals with business model innovation (BMI) and innovation ecosystems. Across all countries and industries in the EU, approximately 1 out of 20 SMEs was classified as a business model innovator with CIS data (EC Research 2014). And BMI leads to higher profitability and growth. A 2006 study by IBM on Global Chief Executive Officer (CEO) suggests that that BMI had a higher correlation with operating margin growth than any other type of innovation. Evidence from the USA suggests that 40 % of the 27 companies founded in the 25 years to 2008 that grew their way into the Fortune 500 in the 10 years to 2008 did so through business model innovation (Johnson et al. 2008). Relatedly, an IBM Global Services Study suggests that business model innovators enjoy an operating margin increase that is 5 % more than that of competitors

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A. Sahay (✉)

Indian Institute of Management Ahmedabad, Vastrapur, India

A. Sahay

Birla Institute of Management Technology, Greater Noida, India

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