

Implications of Business Model Innovation Separation and Integration in Incumbent Firms

Christian V. Baccarella , Eva Budischin, Oana Buliga , Julian M. Müller , and Kai-Ingo Voigt 

Abstract—When implementing business model innovation (BMI), managers of incumbent firms can choose between two options. They can either separate BMI from the existing business, such as in a spin-off, or integrate it into existing structures, or business units. However, extant literature offers limited evidence on the nature of both options and their specific benefits. To address this research gap, in this article, we draw insights from eight cases of BMI in five large incumbent firms. This study makes several contributions to existing literature. First, it provides an in-depth account of the implementation factors employed during BMI in large incumbent organizations. Consequently, we show that factors, such as organizational climate, management support, patience, and implementation policies and practices, serve multiple purposes, ranging from providing expertise to the core implementation team to reducing widespread skepticism among the nonengaged workforce. Second, we illustrate how the cases account for the organizational assimilation of innovation (i.e., integration) or insulation from organizational influences (i.e., separation). Specifically, we illustrate the nature and benefits of integrating and separating BMI among the incumbent firms. Third, we shed light on strategies for BMI implementation, balancing separation and integration during BMI implementation, from an ambidexterity perspective.

Index Terms—Business model innovation (BMI), incumbent firms, innovation implementation, integration, separation.

I. INTRODUCTION

BUSINESS model innovation (BMI) implementation involves challenges that, if left unresolved, can stifle promising BMI ideas and strategies [1], [2]. While several studies have focused on BMI implementation, there is still limited evidence on the nature and benefits of separating a BMI from an existing business or integrating it, or balancing both strategies [3], [4].

Incumbent firms face significant challenges in adapting their existing business models while simultaneously launching new ones [5], [6]. Further, because of the many interrelated processes

and far-reaching implications, BMI involves greater organizational complexity than, for example, the launch of product innovations [7]. Thus, the existing frameworks for product or process innovation are not applicable to the complex mechanisms associated with BMI implementation.

In contrast to scholars who adopt a strategy lens for business models concerned with choices before implementing a new business model [8], [9], we adopt an implementation perspective. Therefore, our focus is not on the strategic considerations prior to implementation; rather, this study aims to better understand what aspects positively influence the implementation after the decision has already been made [10]. Adopting this perspective is important for several reasons. First, innovation scholars have pointed out that innovation failure is often caused by inadequate implementation in organizational structures [11]. Second, BMI scholars highlight organizational challenges [12], many of which relate to implementation-related activities. Third, implementation failures render the idea useless, leading to inefficiencies within the organization and disillusionment among its members [12].

Therefore, this study aims to identify the factors and patterns inherent in BMI implementation. When implementing BMI, there are two primary options regarding potential organizational structures [8]: First, integration (in existing organizational units) allows the leveraging of existing resources and compound effects, among other benefits. Second, separation (e.g., in a spin-off) allows a company to overcome internal resistance, develop a specific culture, be more flexible, and enable easier experimentation. Based on this general differentiation, this study investigates how the potential for business model separation and integration can be achieved and balanced in incumbent firms [8], thus addressing the following research question:

How can the potentials of business model separation and integration be achieved and balanced in incumbent firms?

To address this research question, we employ a multiple-case-study approach. This study examines eight cases of BMI implementation in the business units of five large incumbent companies. Thus, this study contributes to BMI research and practice in several ways. First, it seeks to further explore the nature of BMI implementation, thus providing practitioners with concrete recommendations and guidance on managing the implementation of emerging BMI by identifying the common characteristics of BMI separation and integration, and contrasting the two alternative options. Second, it examines the

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Christian V. Baccarella is with the Department of Economics and Management, Universität der Bundeswehr München, 85579 Neubiberg, Germany (e-mail: christian.baccarella@unibw.de).

Eva Budischin, Oana Buliga, and Kai-Ingo Voigt are with the Chair of Industrial Management, Friedrich-Alexander-Universität Erlangen-Nürnberg, 90403 Nuremberg, Germany (e-mail: oana.buliga@fau.de; kai-ingo.voigt@fau.de).

Julian M. Müller is with the Erfurt University of Applied Sciences, 99085 Erfurt, Germany, also with the Seeburg Castle University, 5201 Seekirchen am Wallersee, Austria, and also with the Chair of Industrial Management, Friedrich-Alexander-Universität Erlangen-Nürnberg, Nuremberg, Germany (e-mail: julian.mueller@fau.de).

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TABLE I
CHALLENGES OF BMI AND EXEMPLARY REFERENCES

Internal BMI challenges		External BMI challenges	
Strategic and operational tasks	<ul style="list-style-type: none"> Transformation of incumbent business models and fit to successful business model archetypes [18],[19],[20],[21],[22] Conflicts between the current business model, which is established for current technologies, and BMI required by upcoming technologies, strategic misalignments between the old and the new business model [23],[24],[25],[26] High BMI complexity or low initial fit between its components [24],[25] Inability to adjust existing resources to the changes; inability to develop or acquire new resources; high investments required [24],[25],[26] Difficulties in defining the right pricing model [18] Unbalanced focus on value creation vs. value capture [27] 	Competitive movement	<ul style="list-style-type: none"> Competitive imitation [32] Rising intensity of competition [33],[34] Disruptive innovations [35] Relationship to other players in the market [36]
Cognitive aspects	<ul style="list-style-type: none"> Assumption that current state of affairs on the market will continue unchanged in the future [27] Only partial understanding of the current business model regarding its strengths, limitations and interdependencies [23],[28] Current business model constrains the development of new ideas; reluctance towards BMI due to present success of the current business model [22],[23] Cognitive inertia concerning possible configurations of new assets and processes [29] Managerial cognitive inability to understand the potential of the BMI [11] Ability to fully grasp business models alternatives [30] Diverging interests within the company/ BMI viewed as danger to a comfortable status-quo [23],[31] 	Customers and value chain partners	<ul style="list-style-type: none"> Decreasing value for supplier (e.g., due to increasing costs in the value network) [32] Uncertainty and ambiguity regarding changing customer needs [27] Information uncertainty [34],[37],[38] Identify preferences and values of customers [33] Reluctance of customers to engage with the new business model (due to price or value offer availability issues in the initial stage) [31] Company misses the right time for involving customers or partners in the business model changes [23],[34]
		Technological advances	<ul style="list-style-type: none"> Uncertain and ambiguous technological developments [33],[39],[40] Reluctance of customers to buy and use new technologies (due to price/availability) [31]

individual characteristics and benefits of BMI integration or separation by deriving five important facets for integration and three for separation. Third, this study aims to shed light on balancing both forms of BMI implementation, with appropriate strategies, and explore their relationship, based on theoretical concepts such as ambidexterity.

II. THEORETICAL BACKGROUND: BMI AND ITS IMPLEMENTATION IN INCUMBENT FIRMS

While there are various definitions of business models, they have converged to emphasize three core elements: value offer, value creation mechanisms, and value capture mechanisms [13], [14]. Value creation combines strategic resources, modeling competencies, and relationships to generate a unique value offer. Finally, value capture concerns profit-creation mechanisms for profit creation [15]. Therefore, in this study, a business model encompasses a combination of value creation elements (internal resources and activities, collaboration with partners, and value offer delivery to customers) and value capture elements (revenue streams and financial performance) required to enable value offers (products and services) for customers.

Whereas a business model describes the general “logic” of delivering value to customers, a BMI develops new forms of value creation, value capture, and value offer [16]. In this study, we refer specifically to BMI because significant changes in a business model require a straightforward implementation process, which, in turn, has direct implications for separating or integrating BMI [8].

Because large companies usually have several business units, each with its own business model, we distinguish between corporate BMI, which replaces the overall business model of an organization, and BMI at the level of the business unit [17]. The latter form was chosen as the unit of analysis because of its higher frequency in corporate practice for incumbents. Owing to the multiple challenges that arise when implementing BMI, managers often have to make difficult choices [14]. To provide an overview, Table I summarizes the extant findings on the challenges in BMI implementation.

In addition to the challenges of BMI implementation presented in Table I, managers of incumbent companies must handle several competing business models. Moreover, implementing BMIs may conflict with existing business models [41], [42], [43], [44]. In response, several authors suggest means to resolve for complexity and potential contradictions [45], [46], [47], [48], including fostering “entrepreneurial” approaches for flexibility and adaptability [49], [50]. Markides and Charitou [8] generally distinguish between integration and separation (or a combination of the two) when implementing BMI. The separation strategy, resembling an entrepreneurial approach [49], [50], seeks to lessen conflicts between existing and new business models, reducing their internal competition for resources [31]. It also allows the development of a distinct culture for the new business model, thus preventing the old business model from “suffocating” [8]. Although a new business unit enjoys a high degree of autonomy [51], it is often not entirely detached from the parent company because it uses the same overhead structures (e.g., payroll systems). However, managers may not always be able to support the internal allocation of resources to a new business model. In this situation, spinning it off as an independent venture is a viable option, which aligns with some researchers’ views that BMI is an entrepreneurial act [52]. Spin-offs offer a way to respond quickly and effectively to market changes [53]. Choosing a separation strategy is recommended when:

- 1) BMI is strategically different from the old business model;
- 2) there are significant conflicts between the two models;
- 3) the likelihood of sharing resources and synergies is low [8].

Alternatively, integrating the new business model into existing structures can bring benefits, such as the efficient use of resources, creating synergies, and leveraging existing assets, skills, and infrastructure [8]. Structures must either already exist or be created to enable the smooth addition of BMI to existing processes. In addition, both the management and implementation teams must be able to “bridge the gap” [54] between the two models. An integration strategy is thus favorable if the old and new business models do not face severe conflicts but may benefit from synergies [8].

However, suppose that the two business models are initially in conflict, but target strategically similar markets. In this case, the company’s managers face a dilemma: either integrate both models to exploit synergies and risk-creating conflicts, or separate the new model and accept that resources and assets will not be utilized. In this situation, Markides and Charitou [8] suggested a phased integration approach, separating the old and new business models for some time, and then, gradually merging them to reduce conflicts. This, definitely, is not simple, as the new business model should not become incompatible with the traditional one, thus impeding the desired reintegration at a later stage [54]. In this case, a manager can oversee both business models, allowing distinct cultures to create a shared vision, and offer incentives to promote cooperation between them [51]. Alternatively, a phased separation approach is favorable when the two business models do not face significant conflicts but operate in substantially different markets. The first step is to implement a new business model within the company, to leverage resources

and experience, before creating a separate entity to focus on developing a viable business in the new market [8].

Regardless of the choice made between the separation and integration of BMI, several authors refer to a three-stage process typically starting with a sensing/awareness phase, continuing with exploration, and finishing with exploitation [55], [56], [57], [58]. Furthermore, extant literature refers to a phased or mixed form of BMI implementation regarding the separation and integration approach [59], [60], [61], [62]. Some approaches promote continuous adjustments in BMI implementation [63], a high degree of employee involvement [64], middle management as a mediator between top management and BMI implementation teams [65], integration of performance indicators [66], [67], and bridging the gap between BMI design and implementation [68].

Although the extant literature has already examined BMI implementation, there is still a lack of sufficient explanation of how managers meet the challenges of BMI implementation, based on the primary options of separation and integration, or balancing both these strategies. Thus, we aim to contribute to the research on BMI as an organizational change process. Specifically, we explore how organizational structures adapt to implement BMI [14].

III. METHOD

A. Empirical Approach and Case Selection

We chose a qualitative approach to examine the interactive relationships between factors [69] and developed an in-depth understanding of BMI implementation that cannot be summarized at one point [70]. This allowed us to study various interrelated changes when introducing BMI [26]. Therefore, we based our empirical analysis on multiple case studies [71]. Our eight cases examine the phenomena in operational detail, with more robust, generalizable, and well-founded results than a single case study would have provided [69].

The cases had to fulfill the following conditions to contribute to the objective of the study:

- 1) a globally active company with a turnover of more than one billion EUR and existing for over ten years;
- 2) a BMI implemented by one of the business units in the past few years;
- 3) the BMI being fully implemented;
- 4) the BMI being in line with the definition used in this study, and new to the company, rather than to the concerned industry.

In addition, all cases involved significant, not marginal, changes in the business model. To ensure that these conditions were met, we contacted 142 managers and experienced employees of large global companies. Individuals, meeting the precondition of having the keywords “business model innovation” or “business model development” in their profile descriptions, were contacted via commercial business networking platforms (LinkedIn and Xing). We chose this approach because determining which companies have implemented BMI is challenging. This approach resulted in 22 semistructured 30-min preinterviews with potential organizations that fulfilled condition (1)

TABLE II
CASE OVERVIEW AND PRIMARY INFORMANTS

No.	Case company	Overview of BMI	Team	Duration	Conducted interviews (length in minutes)	Integration or separation approach
(1)	Dealer Direct Services (Technology supplier)	<ul style="list-style-type: none"> • Skipping one trade level by selling directly to workshops via an online portal • Additional new pre-exchange service: immediate provision of reconditioned part while broken one is picked up and repaired • Extension of repair portfolio: increase of parts that can be repaired and thus do not have to be newly acquired by end customer at higher price 	4 core team members	1 year and 11 months	Pre-study with project leader (PL) Main study with: 1. Sponsor (upper management) (37:27) 2. PL (56:24) 3. Team member (pricing) (48:45)	Integration: (Start-up within) in business unit, project team
(2)	eBike Systems (Technology supplier)	<ul style="list-style-type: none"> • Sale of modular, standardized, and scalable e-bike systems to bike manufacturers (OE), who in turn sell e-bikes to independent bike dealers (IBD) where end customers can buy them • B2B2C relationship: direct sales to OEs (B2B); strong service relationship with IBs to create pull effect intending to make IBs exclusively order e-bike systems from the OE (B2B); direct marketing activities to end customers (B2C) 	4-5 core team members	1 year and 8 months	Pre-study with current PL Main study with: 1. Former PL (71:03) 2. Current PL (74:49) 3. Team member (product management, business development) (66:49)	Separation: Spin-off, new venture
(3)	Engineering Services (Technology supplier)	<ul style="list-style-type: none"> • Intangible engineering services to small, specialized OEMs • Use of components made by parent company and adaptation to individual needs and requirements of customers 	13 team members	6 years and 6 months	Pre-study with team member (technology) Main study with: 1. Team member (technology) (104:17) 2. Team member (controlling) (106:25) 3. Team member (marketing) (58:48)	Integration: Within business units, project teams
(4)	eMobility Solutions (OEM)	<ul style="list-style-type: none"> • Hardware product combined with consulting and installation service: complete e-installation package for private customers to charge their e-cars in their garages (aftersales), advertised by dealer during sale of new e-car (sales), installed by electrician at customer site • Open cooperation with partner (contractors with electricians) 	17-24 core team members (total project team: 45-50)	2 years and 5 months	Pre-study with team member Main study with: 1. PL (106:16) 2. Team member, later team leader (rollout management) (40:14) 3. Team member (partner management) (122:11)	Integration (initially): (Start-up within) within business unit Separation (later): Own business unit
(5)	Car Sharing (OEM)	<ul style="list-style-type: none"> • Convenient, hassle-free, and location-independent renting and returning of premium cars for flexible and spontaneous mobility in urban areas • New business model receives vehicles, technology, and marketing know-how from parent company; IT-systems, premium services, rental know-how, and extensive network of stations come from car rental company • End customers can access multiple services and offerings via an app 	5 core team members	1 year and 4 months	Pre-study with team member (strategy) Main study with: 1. Current PL (31:34) 2. Team member (strategy) (49:09) 3. Project member (technology) (50:30)	Initially: Both considered and tested Separation: Spin-off, joint venture
(6)	Tele-communication in Tourism (Tourism company)	<ul style="list-style-type: none"> • National and international phone services customers can buy in addition to their travel or separate as pre- or postpaid product • Especially cheap international roaming offers as well as high data volume 	4-5 core team members (total team: 30-50)	1 year and 1 month	Pre-study with team member Main study with: 1. Former PL (72:45) 2. Current PL (54:23) 3. Team member (strategy and development) (44:04) 4. Project member (accounting) (60:46)	Initially: Both considered and tested Integration: Within business unit, project team
(7)	Food Fortification (Chemical company)	<ul style="list-style-type: none"> • Affordable yet high-quality technical, conceptual, and product solutions for the BOP population to enrich staple food with vitamins and minerals, with the goal to improve health and increase life chances • Multi-stakeholder approach: partnering with multiple academic and public-interest organizations (e.g., UNO or UNICEF) to approach customers in developing countries in order to raise awareness of importance of vitamin supply 	4 core team members	8 years	Pre-study with PL Main study with: 1. Team and founding member (technology) (81:53) 2. Team and founding member (senior account management) (40:16) 3. Team member (strategy and development) (33:15)	Initially: Both considered and tested Integration: Within business unit, project team
(8)	Cloud Solutions (Business technology company)	<ul style="list-style-type: none"> • Cloud platform combining online shop and cloud business offering office solutions and cloud services and applications • Replacement of customers' physical devices and the involved installation • Lower entry barriers for small clients due to easy, less expensive access via cloud • Higher overall offer by bringing together products, services, solutions, and customers from all business units 	6 core team members (total: approx. 15)	2 years and 3 months	Pre-study with PL Main study with: 1. PL (71:00) 2. Team member (marketing, and quality) (64:22) 3. External partner (consulting, IT) (60:18)	Separation: Own business unit

of being large, established organizations. Of the 22 pre-studies, seven did not meet condition (4), two were in the early stages of BMI, and therefore, could not meet conditions (2) and (3). Two participants stated confidentiality concerns, and three did not have the resources to complete the main study. As a result, our data collection yielded eight case studies. All eight cases implemented their BMI, either by integrating them into existing structures or by separation. The BMI were all implemented alongside existing business models, reflecting the nature of BMI instead of business model reconfiguration that would merely resemble adapting an existing business model [17].

Our final study was based on 25 interviews, with seven cases based on three interviews each, and one on four. In addition, a pre-study interview was conducted for each case. Semistructured interviews for each case represent our primary data, while the secondary data include publicly available sources (e.g., press releases, company homepages, and articles) complemented by internal sources (e.g., internal and intranet documentation). Table II shows the primary data and Appendix A (see Table V) illustrates the secondary data sources. All interviewees were actively involved in BMI implementation and held one of the

following roles: business division and unit manager, project leader, team member working full-time on BMI implementation, or project member. By choosing these interviewees, we aimed to generate insights from different angles, both from an internal (e.g., project leaders and project members) and external (e.g., business division and unit managers) perspective. For example, project managers may have a different perspective from other team members, for example, regarding how they perceive a potential cultural change after integrating BMI. Two senior researchers pretested, evaluated, and improved the interview guideline. A test interview ensured the interview length and its effectiveness.

The interview protocol comprised an introductory section and three main blocks (see Appendix B). The interview guideline allowed us to flexibly follow unexpected themes that emerged after the prestudy. More detailed questions were provided to help guide the interviewees, but we also made sure to respond openly to the questions that arose spontaneously during the interviews [73]. After the initial questions about the interviewees' professional background and their understanding of the term implementation, the first set of questions focused on factors that are generally important for implementation. In the second step, each project leader or person with the most knowledge of the entire process was asked to draw the implementation events on an empty timeline, along with several other questions. In the third part of the interview protocol, the respondents were asked to evaluate the implementation in which they were involved. This included questions about the challenges faced, successes achieved, and activities that, in retrospect, interviewees would have done differently.

For data analysis, we followed the technique described by Gioia et al. [74]. The interviews were analyzed using qualitative content analysis, wherein codes were formed from empirical materials that were audio-recorded and transcribed [74]. Two authors independently coded the transcripts to dissect and arrange the materials into codes and concepts that allowed comparisons within and across data sources [72], [73]. Data analysis was inductive, with the authors moving back and forth between the data and emerging concepts [74]. Tables II and III present the coding process results. Referring to the interview protocol (Appendix B), we followed a structure that did not predefine categories, but remained inductive throughout the formation of first-order categories [74]. The first-order categories shown in Tables II and III were not preassigned to the second-order themes, but were inductively formed and assigned to both. Finally, after all the first-order categories were formed and grouped into second-order themes, the latter were coded as integration or separation during BMI implementation. This also followed an inductive process because we did not form second-order themes that exclusively fit separation or integration. The aim was to find a match between our data and both the strategies. This approach ensured that our results were comparable with the main options for BMI implementation [58]. To ensure intercoder reliability, the entire author team discussed discrepancies between the coders. Secondary data were used to verify statements, for example, in the case of conflicting statements between interviewees that could be clarified using internal material, but

TABLE III
DATA STRUCTURE (SEPARATION OF INCUMBENT FIRM)

Second-order themes	First-order categories	Selected evidence
Deliberately deviated entrepreneurial culture	Freedom of decision	<ul style="list-style-type: none"> The freedom that people here can come in in the morning; to think about 'what can I do so that this will have an impact' (team member, case 5). Let's put it that way, the whole implementation is trial-and-error (team member, case 4). In most cases a lot has been tried (project leader, case 6).
	Trial-and-error-culture	<ul style="list-style-type: none"> You don't care too much about the error, you rather say: "Okay, what can you do? How can we fix this?" (external partner, case 8) That is not the normal way of thinking of [name of company] in regarding the core business. The core business is totally different (project leader, case 4). Complete opposite of course. So there are lengthy processes, long-time employees who somehow do not want to break up structures and that this, of course, does not fit at all and then actually two worlds collide (team member, case 6).
	Allowed to make mistakes	
	Having an 'own' culture	
Guided flexibility and adaptability	Flexible process to be able to react	<ul style="list-style-type: none"> As already mentioned, this only works if you can react in a flexible and agile way (external partner, case 8) Because in such a volatile environment, you have to be flexible in order to be able to react to certain things, and where the structure of a large corporation does not fit to that (team member, case 4).
	Provision of a structural orientation but allowing changes and adaptations	<ul style="list-style-type: none"> There is a structure that sets the framework. But, to put it positively, everything else is in constant flux (team member, case 8) Fourthly, the process factors. In particular, from systematic to total flexibility (project leader, case 4).
	Maintaining a balance between structured and trial-and-error procedures	<ul style="list-style-type: none"> It's a balance how to do it (team member, case 7). And then, through all the experimentation, you wrote things down. Those that worked well and those that didn't and why they didn't (...) (team member, case 5).
Separated and committed project team	Heterogeneous team	<ul style="list-style-type: none"> Meanwhile, we are very, very heterogeneous, but there were all kinds of people, finance, marketing, design, automotive and strategy, so it was a diverse mix from the different corporate departments (team member, case 5). Very consciously, we made a good mix (...) (former project leader, case 2). You just have to find people who enjoy dealing with this (team member, case 8). So here, the success factors are a committed, a passionate team or respectively a community (project leader, case 7).
	Strong intrinsic motivation	

not as a primary source for second-order themes or first-order categories generation.

This study applies triangulation of data sources [75] and types [71]. To ensure that the former signifies the use of different data providers (people, places, and times to study the same phenomenon), at least three individuals with different functions and/or hierarchical levels were interviewed at different times in each case study [69]. As mentioned previously, considering three forms of data (interview transcripts, public documents, and internal documents) ensured data-type triangulation (see Table II and Appendix A).

To ensure construct validity, we used triangulation, reviews, and maintained a chain of evidence [71]. To address the internal validity of the findings, we used within-case, cross-case, and time-series techniques [71], [76]. To establish the external validity of the findings, we applied replication logic with cross-case analyses of the eight cases [76]. To address reliability concerns, we ensured transparency by creating case study protocols. Finally, to enable retrieval and facilitate replication, we developed a case study database, containing interview guidelines, documents, and tabular material [77].

B. Case Descriptions

As three of the eight cases occurred in different business units of one company, while another company provided two cases, five companies participated in the study. Table II shows the detailed descriptions, highlighting that BMI was implemented four times with an integration approach, three times with a separation approach, and once with integration, followed by separation. Three cases initially considered and partially tested both approaches, and could thus report both, separation and integration. The case companies and their respective business models of strategic business units are briefly summarized after Table II.

The technology supplier that hosts Cases 1–3 is a global leader in the automotive, energy, and consumer markets. In Case 1, the parent business unit offers the remanufacturing of broken

parts and the sale of new electronic car parts to the first trade level, which consists of the service organizations of automobile manufacturers. They sell the parts to the second trade level, free and authorized car workshops, which install the parts in the vehicles of end customers. The business unit draws on logistics partners for bulk shipment, and traditional key account managers, to deliver parts to the players at the first trade level, who then pay the business unit directly. In Case 2, the established BM of the strategic business unit produces innovative and cost-effective electronics, control units, semiconductors, and sensors. The products are delivered directly to the Original Equipment Manufacturers (OEMs), automotive component suppliers, and internal business units. In Case 3, the business unit sells hardware components to the OEMs. It develops and produces components with the assistance of both, internal and external suppliers. These products are sold directly to customers through the central sales department.

The OEM in Cases 4 and 5 is one of the world's leading premium car manufacturers. It sells premium cars through dealer networks. It collaborates with automotive suppliers and focuses its main activities on R&D, vehicle production, and marketing. The corresponding revenues are generated through the sale of premium vehicles and through leasing and financial services. In Case 4, the business unit sells aftersales hardware provided by suppliers to its dealers, who, in turn, sell the products to end customers. The direct aftersales channels used by car dealers are strictly separated from those of the sales department. The end customer pays the dealer after receiving the ordered after-sales product, which transfers the revenue to the business unit. The BMI in Case 5 was envisioned by a corporate innovation unit, and then, separated for BMI implementation.

The tourism company that hosts Case 6 has a broad portfolio, ranging from tour operators to travel agencies and online portals, hotels, cruise ships, and airlines. The business unit's value proposition comprises national and international trips and travel offerings, including hotel, flight, and destination services for end consumers. It acts within a broad network of key partners, such as tour operators and hotels. On the customer side, direct relationships are maintained with travel agents, who, in turn, build direct relationships with end customers. The latter can book their individual travel experiences via travel agency offices or travel websites, and pay the agencies directly for the acquired services.

The chemical company hosting Case 7 is a leading global player in its industry, offering products and solutions in areas such as agriculture, functional materials, oil, and gas. Traditionally, its business units have developed, produced, and sold various ingredients and solutions for the food, beverage, and dietary supplement markets. It focuses on the R&D of high-end solutions, which are mainly supported by scientific institutions. Products reach end consumers via wholesalers.

The business technology company in Case 8 provides products and solutions for the office, healthcare, and industrial markets. Traditionally, the business unit is known to offer efficient and cost-saving office hardware and related services, such as installation. It works with software partners to realize its value proposition. Traditional sales channels with sales employees

and onsite customer installations ensure the unit's direct relationships with business-to-business customers. At the end of the month, each customer receives an invoice for purchased applications and installation services.

IV. FINDINGS

In this section, we present the second-order theme results obtained from data coding. Although the impact of specific factors varied across the analyzed cases, a clear pattern of factors, attributed to either separation or integration, emerged. Table III provides an overview of the derived first-order categories and second-order themes.

In Section IV-A, we present our results regarding separation, while Section IV-B provides insights on the integration of BMI.

A. Separation

1) *Deliberately Deviated Entrepreneurial Culture*: Case informants reported that creating a project team with a high entrepreneurial spirit was a critical aspect of achieving the required entrepreneurial mindset. While building a highly motivated and proactive team is essential, it is unlikely to perform well if it cannot operate in an entrepreneurial environment. Thus, it was necessary to create a project culture that differed from process-oriented, and sometimes, cumbersome or rigid corporate culture by making speed, agility, and flexibility, its core values. Metaphorically speaking, the BMI culture needed to move away from the large "steamboat" and become a "speedboat" (former project leader, Case 6).

Our informants were generally well aware of the entrenched beliefs about value creation and capture in their parent companies, and the need to break away from rigid structures when implementing BMI. One project leader said, "Well, what we did is rather unusual. (...) This is not the normal way of thinking of [name of the company] in its core business. The core business has a completely different mentality. It is rather fixed regarding the processes, procedures, and the roles of the required partners. Thus, it is in fact an issue (...) to bring our people in such a way of thinking [fast, agile, and flexible]" (project leader, Case 4). Therefore, establishing a trial-and-error mindset was crucial: "The biggest killer of innovation is fear, the fear of getting it wrong" (project member, case 5).

However, project teams face the risk of cultural clashes with parent companies. While the spun-off telecommunication BMI of Case 6 felt that "a lot of this corporate culture flows in" (project leader, Case 6), the start-up within the parent company of Case 2 also experienced its company's cultural limits: "During the start-up phase, [we have been] very agile, very creative, and also very fast, but you always will encounter the limits of the actual hierarchical and risk-averse organization and then there are respective friction losses" (project leader, Case 2). Interviewees took several measures to address this problem. One strategy was to abandon traditional company audits and regular reporting, as this significantly hindered the acquisition of new knowledge and the establishment of unknown procedural landscapes. The project leader of Case 2 stated in this context: "I had to develop a completely new procedural landscape. That

is why the board of directors and I agreed to first defer the business processes, which means the complete automotive-derived process landscape. They wanted to overwhelm us with audits. I said we cannot do this at this current phase, we need a one-year grace period” (former project leader, Case 2). Other interviewees stressed the importance of acquiring a separate location that is sufficiently distant from the parent company for minimum interference with the entrepreneurial culture of the BMI team, but still close enough for exploitation of synergies and maintaining the necessary links to traditional structures or processes. The importance of such a separation is illustrated by a vivid customer example that the previous project leader of Case 2 experienced when the team’s premises were still on the company’s premises: “It is important to go separately from [company name] grounds, with a start-up culture environment. That is when we needed to rethink, as the culture that predominates the bike business is a completely different culture, which did not fit into the typical [name of company] picture. One example: One time, [name of customer] was here, they wanted to enter the [company name] site. And they came with shorts and t-shirts. They did not let them in. The gate called and said ‘there are some kind of savages out here’. I told them they were customers. They could not believe it. (...) They don’t fit into the [company name] picture. (...) I have to adapt to the culture of the market” (former project leader, Case 2).

2) *Guided Flexibility and Adaptability*: It became evident that flexibility and adaptability, closely related to the entrepreneurial culture discussed in the previous section, are essential for implementing a new business model. However, the cases show that providing a structured framework for the company benefited BMI implementation. Most interviewees emphasized the importance of a structured project plan with milestones. They also stressed the relevance of trial-and-error iterations during implementation to allow for changes and adjustments. To achieve this ambidextrous task, structured boundaries allowed a certain freedom to try out things to test different “working hypotheses.” Thus, maintaining a balance between structural and trial-and-error procedures is crucial when implementing BMI. While a purely structural approach is not realizable, a purely trial-and-error approach is also not feasible as “(...) even if a lot works with a trial-and-error procedure, I need a plan that I can follow” (project leader, Case 6).

The main obstacle to the thorough implementation of a preestablished project plan was related to the sheer “newness” of the BMI, which did not allow for detailed planning in advance. The dilemma of thorough planning and structuring on the one hand, and unpredictable new aspects, habits, and processes, on the other hand, was resolved by establishing learning processes throughout implementation. As one team member recalled: “(...) our learning curve is far from being at an end, which means that it goes on, but (...) what we know now about the market (...) is so much more than what we have known three years ago, and this is inestimable valuable as (...) you have to gain the experience. And also, such a company has to gain this experience, and thus, it actually gives us a very, very good advantage in connection with all the iterations. This is where all the trials-and-errors were” (team member, Case 5).

TABLE IV
DATA STRUCTURE (INTEGRATION IN INCUMBENT FIRM)

Second-order themes	First-order categories	Selected evidence
Strategic planning	Conscious establishment of planning phase before start of implementation activities	<ul style="list-style-type: none"> • Maybe not get started right away, but to have a little longer planning phase. A little more thinking, then you can save yourself some trial-and-error (project leader, case 1).
	Sufficient development of value proposition before start of implementation	<ul style="list-style-type: none"> • I think you have to define a value proposition first (team member, case 4). • So here's what I'm going to say: The value proposition was most definitely the first thing (team member, case 3).
	Well-prepared business case	<ul style="list-style-type: none"> • The company is strongly driven by business cases and a business orientation. And if you want to develop new services and business areas, you need a working business case, otherwise this will not happen (project leader, case 4). • There was a budget plan; there was a business case (project leader, case 6).
Management support	Role model function of managers	<ul style="list-style-type: none"> • Yes, sure, I mean the management, the people are here because in a way they are role models for the organization. That means in the way they act, their commitment, their negotiation skills (project leader, case 7). • The ideas and visions are actively put into practice. They are also communicated, in an excellent way to the employees and it really is very much paid attention to the fact that this body of thought is really embedded in all of us and that this is a common and shared vision (project leader, case 5).
	Strong promoter in the management that backs the project	<ul style="list-style-type: none"> • The upper management, the really top management in [name of the company] they came later to this level and brought the attention to this level (team member, case 7).
	Constant help and support from management	<ul style="list-style-type: none"> • We have a CEO who knows about mobile communications and therefore knew exactly what is possible and what is good. This has extremely helped to get ideas over and over again or to be put on the right track ultimately (former project leader, case 6). • The fact that management has made a strong contribution and has also shown that this topic is important to me. I am interested in it, I make own suggestions and I also contribute to it (project leader, case 1).
Iterative adjustments from core firm	Constant update of current status and future proceedings	<ul style="list-style-type: none"> • We really tried to develop it on the fly, as they say, iteratively (team member, case 4). • A lot face to face, but also a lot of open communication about the status of contracts, the results of meetings and so on, so we included them very deeply (project leader, case 3).
	Constant feedback	<ul style="list-style-type: none"> • Today, we are back at the point, so I have another meeting afterwards, where we are going to discuss everything from scratch, is that even the right approach? (team member, case 4).
	Mutual coordination and reciprocal interaction with partners	<ul style="list-style-type: none"> • And in this case, it is important to communicate clearly. Why are you doing this, why are you doing that. To inform the process partner so that they understand why you are doing this and that they approve that it can be done this way – also very important. (team leader, case 4). • We also work very closely, that is very important for us also, to work closely with other partners, external partners (team member, case 7).
Organizational congruence	Access to sufficient resources	<ul style="list-style-type: none"> • Now they really know and understand very well how this business works, and that they recognized (...) that you need the right resources (team member, case 5).
	Congruence with existing structures and processes	<ul style="list-style-type: none"> • That means, if [name of company] works particularly well, then we also work particularly well, and the other way around. (team member, case 5) • Nevertheless, we have seen that we, and here the experience is important in the existing ‘process worlds’, that we implement it as good as possible in order to not scare the dealer with something completely new, but to build on what he somehow knows and where he knows how it works (team leader, case 6).
Efficient communication with core firm	Strong internal lobbying activities	<ul style="list-style-type: none"> • That means I have a huge job to do: internal lobbying (team member, case 7). • This means, we have just done classical lobbying. And we really picked out the key positions, tackled them and just made clear what we do here (project leader, case 4).
	Intensive and clear communication with internal stakeholders	<ul style="list-style-type: none"> • Communication is very, very important and we take it very seriously. We make regular rounds with all interface partners, spending a lot of time and money to actually carry out this communication (team member, case 5). • Because in such a project, one of the key issues is communication. That you talk to each other (project leader, case 6).
	Constantly explaining the benefits of new BMI	<ul style="list-style-type: none"> • So it's new for the staff as well; that you have to explain it a few times, until they understand what it's all about (team member, case 5). • A big challenge here internally was to create the mindset, so to speak, to motivate the employees to accept the whole thing and to work there (project leader, case 1).

3) *Separate and Committed Project Team*: Regarding the composition of the BMI implementation teams, they were primarily organized in a project structure, implying full dedication to the project. However, the two cases followed a matrix pattern with competencies split between functions and projects. In most cases, the teams were a heterogeneous mix of different functions and internal and external employees. In particular, informants emphasized the importance of external employees, who were not “biased” by organizational routines and structures.

Regarding the individual characteristics of team members, the participants primarily described the implementation teams as highly intrinsically proactive, and sometimes even overenthusiastic. Generally, the respondents emphasized the importance of motivated, experienced, and committed employees in promoting implementation. One team member of Case 4 recalled how he felt during his work as part of the implementation team: “That was really unique at the time, so no car manufacturer has offered that to customers. And we knew that’s called a holistic approach, and this holistic approach that was, in fact, for me, and actually for the others, motivation enough; guys, we make something very special, we enter new territory; with all the advantages and disadvantages here. In other words, you get bloody noses, you may go in the wrong direction, you may realize that you can’t go any further, but you’re really a pioneer” (team member, Case 4).

B. Integration

Table IV highlights the specific factors related to integrating BMI within an incumbent firm, consisting of derived first-order categories, second-order themes, and selected evidence.

1) *Organizational Congruence*: The cases show that integrating BMI depends on the prevailing organizational structures and resources, and whether they are congruent with BMI. In particular, the following two were found to be critical:

- 1) access to organizational resources, such as the provision of sufficient financial assets;
- 2) congruence with existing experiences and processes to create a fit between the new and existing business models.

In seven out of the eight cases, the provision of resources was greatly facilitated by creating a sound business case with a budget plan before implementation. Although access to sufficient financial resources can be seen as a “hygiene factor” that does not necessarily guarantee implementation.

The project team needs to be allowed to use these resources so that it largely retains sovereignty over decision making. For example, abandoning traditional company audits and regular reporting is essential for preserving decision-making autonomy. Therefore, it is crucial that the BMI team not only exploits resource-related synergies but also has the freedom to use them efficiently and in the best possible manner. The biggest issue here was convincing the upper management to provide these resources, as illustrated by the following statement: “I could say we need more resources now. This, however, means a real fight, also with the board of directors, that you actually get those resources” (upper management, Case 1).

Next to having access to organizational resources, the fit between past experiences, existing processes and the BMI was reported to be beneficial to implementation. The project leader of Case 7 shared his approach to this aspect: “Of course, we make use of what is available here as foundation. (...) We always tried to do as little as possible stand-alone, and work within existing processes as much as possible” (project leader, Case 7). Evidently, making efficient use of “what is already there” helps to build a solid structure that enhances the likelihood of implementation. For example, the informants reported that expanding or adapting existing sales channels or building on existing customer support systems, such as customer hotlines, was a key advantage over developing such structures “from scratch.”

2) *Strategic Planning*: Although the informants consistently emphasized the experimental nature of implementing BMI, they agreed on the importance of thorough preparation in coordination with the core firm for sensemaking or conscious business model evaluation. When asked what they would have done differently in hindsight, almost all the informants would have liked an extended planning period with the core firm before starting the implementation.

Planning activities included more detailed reasoning and analysis of possible or alternative processes, partners, and the like, with the results of saving time, reducing uncertainty among employees and partners, and reducing dysphoria in the markets.

One informant recalled this as follows: “Maybe [we should not] have started right away but established a little longer planning phase. A little more thinking through could have saved some trial-and-error” (project leader, Case 1).

Most cases had to contend with a lack of experience when implementing an entirely new business model in a new market, making the thorough planning of activities challenging. For example, the telecommunications market was a completely new market for the tourism company in Case 6, while the technology supplier in Case 4 was confronted with the processes and work habits of the bike industry, which they did not know anything about: “(...) it is a completely new business model. My colleagues and I did not have any prior knowledge (...). We had to completely think our way into it” (project member, Case 6). Therefore, time constraints play a crucial role in almost all cases. One solution is to build time buffers for project plans. The novelty of the processes and procedures, with their continuous learning iterations, required considerable time and was underestimated in most cases studied. One team member explained: “It was not that we said ‘we have beaten paths and we simply have to find out which one is the right one’ - there weren’t any paths” (team member, Case 4). Another project leader similarly stated: “Of course, you develop your plan and try to estimate conscientiously how long you need for something, but then it is always, always, always the case that certain process steps take longer, function differently than you originally thought, and that is where the trial-and-error principle comes into effect. And then you hopefully included enough buffer to, in the end, not jeopardize the project plan or the project success” (project leader, case 6).

3) *Management Support*: Another prerequisite for implementation is management support. Although the results show that this factor is vital for integration, management support is particularly valuable in BMI separation. Implementing a BMI is impossible in the absence of at least one strong promoter in the senior management, who supports the project: “Top management that is behind the fact that all those things [implementation activities] are being fulfilled. In a global organization, when I have a rather complex project it is necessary to (...) act in the interest of the management, to know that it is behind it, and that it warmly welcomes the project. A top management official that says, ‘I want this project and everyone who contributes to that has our backing and is not someone who strays from the right path of business virtue but who innovatively passes forward’ (...) is indispensable” (project leader, Case 7).

Support from top management was most often expressed through strong communication efforts and active involvement, as well as through expressions of appreciation and personal interest. Interestingly, none of the eight cases received financial incentives or rewards for implementation. In six cases, the management board acted as a role model, at least on a personal basis, regarding appearance and behavior, active implementation of the company’s vision, and a low-formalization leadership style. However, due to the newness of the BM, the board was often unable to act as a role model on an operational basis, as BMI was often in a completely new field.

In this regard, it is noteworthy that almost none of the team members experienced direct support from senior management. Therefore, it appears that motivation and support from the top only affects the project leaders of the BMI implementation and not the average team member. Thus, the project leader was central to supporting the teams. The most prevalent project leader characteristics were as follows:

- 1) according team members with the freedom to act and make decisions;
- 2) intensive and clear communication;
- 3) clear goals and visions.

Therefore, the project leader represents an essential link between top management and the implementation team, representing the interests of the project team for senior management, and motivating team members.

The data confirm a high degree of managerial patience in smoothing the necessary change processes, while integrating BMI into existing structures. Informants also described a “grace period” that was beneficial as the team was “shielded” from organizational evaluation mechanisms. However, after a particular time period, the management tended to revert to old behavioral patterns and insisted on implementing “traditional” evaluation criteria.

4) *Iterative Adjustments From the Core Firm:* A commonality between all project teams was that they have iteratively “prototyped” their approaches in a very structured way, adjusting them when necessary. It has already been mentioned that a culture allowing freedom of action, albeit with “crash barriers,” facilitates BMI implementation. Similarly, the case informants reported that although team members generally worked independently, the implementation teams had a structured and goal-oriented working style with constant iterations and regular interactions to adapt their approaches. Owing to the high level of uncertainty in often unfamiliar business fields, it is essential to implement rapid feedback loops, such as fixed weekly meetings or constant consultations with project leaders and other team members. Moreover, the team members mentioned that the team leader needed to be always available to discuss future steps or reflect on actions that turned out to be “dead ends.” Thus, team members could receive guidance and new impulses, which was necessary because of the trial-and-error approach. The informants also highlighted the need to keep the team on track with the current status and future proceedings.

Decoupling the project team’s working style from the company’s regular decision-making processes was necessary for quick and efficient decisions and strategic adjustments. By not allowing endless discussions with each employee and manager, project leaders often managed to implement their plan quickly: “I don’t permit it, the discussion, because we do not have time for that. And, of course, they [employees] didn’t like it. It is not [name of the company] typical. [Name of the company] typical is rather a grassroots democracy with long discussions, finding a consensus, and striking a compromise. I turned it off on purpose. I didn’t make only friends with that but it significantly helped with the speed” (project leader, Case 4).

Moreover, the case informants highlighted the need for constant exchanges with internal and external partners to ensure

close coordination and reciprocal interactions. A lack of communication could lead to serious mistakes, which could be particularly fatal in the case of customer and market involvement, as demonstrated by Case 4: “If you lost two customers because the electrician installed the wrong wallbox or something like that, you can be sure that this dealer will never order an installation again. (...) And in this case, it is important to communicate clearly. Why are you doing this, why are you doing that. To inform the process partner so that they understand why you are doing this and that they approve that it can be done this way (...)” (team leader, Case 4). Therefore, constant interaction is essential for identifying, correcting, and preventing potential errors that are inevitable during implementation.

5) *Efficient Internal Communication:* Communication is an important factor in integrating BMI. The cases show that the aim of the communication activities was twofold. First, it was essential to promote BMI internally; second, internal marketing activities helped fight internal resistance among employees who were not directly involved. The results thus suggest that communication should not be limited to the core and project team, but should be extended to the entire workforce to convince all employees of the benefits of BMI comprehensively and sustainably, and to facilitate their adaptation to it.

Within the core and project teams, this took the form of constant and regular communication to ensure that everyone was on the same page and to let the team take part in the first successes to enhance their motivation and persuasion of the new BMI’s benefits: “When there were positive messages, I’ve always tried to communicate them [...] what also means a little bit of motivation. That you show that the turnover increases and things like that—communicate successes” (project leader, Case 1). Further, “close and open communication” (team member, Case 3) with flat hierarchies and direct addressing of problems was mentioned frequently: “Problems and challenges were addressed directly in the group and then [...] internally solved. It was not the case that (...) everyone went to his personal boss and then the bosses talked to each other” (current project leader, Case 7).

To “win fans and supporters” (project leader, Case 4) among the remaining workforce, the importance of internal marketing was often emphasized in the cases. Therefore, activities such as live demonstrations, regular updates on the BMI’s progress, or success stories at internal events are helpful to “transfer the persuasion to those who are still skeptical” (external partner, Case 8). An informant recalled, “At big events, such as a Christmas party, which is perfect as everyone comes together, we told stories about the world of Food Fortification, how we had to take the overnight train in Bangladesh because the plane wasn’t there. And then people quickly realize that it can be really tedious and that it rather requires a hundred and twenty instead of thirty percent of hard work, instead of just a nice business trip” (project leader, Case 7).

One important group that needed to be persuaded by internal communication was the uninvolved higher management group. The informants emphasized three promising strategies. The first involves communicating early successes. Second, creating a compelling story, and actively involving management, proved to be an effective approach for gaining attention and support.

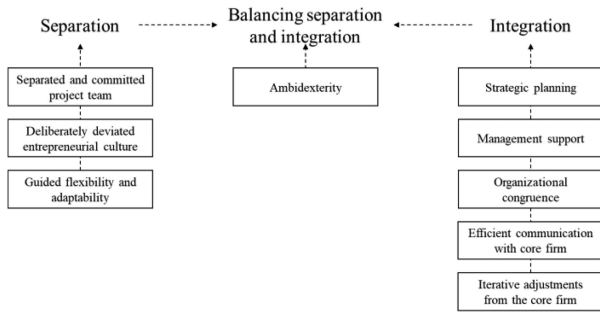


Fig. 1. Discussion summary.

Here, it was helpful to create proximity to BMI by actively involving management and allowing them to try and experience the benefits of BMI. Finally, active lobbying helped convince the upper hierarchy levels. One project leader explained his strategy: “The board of directors is diversely staffed and obtains different information and briefings on this topic. And if I cannot convince everyone, then the briefings do not have the results that I need at the end of the day. This means we engaged in classical lobbying. We looked for the key positions, canvassed them, and clarified what we do here” (project leader, Case 4).

V. DISCUSSION AND THEORETICAL CONTRIBUTION

The main contributions of our findings are threefold. First, we describe factors specific to separation during BMI implementation, consisting of a deliberately deviant entrepreneurial culture, guided flexibility and adaptability, and a separate and committed project team, relating them to theoretical concepts that support such approaches. Second, we identify the following factors in BMI integration: strategic planning, management support, iterative adjustments from the core firm, organizational congruence, and efficient communication. Third, we relate our findings to theoretical concepts, such as ambidexterity, thus providing a theoretical framework for balancing both strategies. In doing so, we depart from existing work that describes BMI implementation as the result of a mere discovery process based on, for example, a trial-and-error approach. Instead, we provide evidence that integration and separation are options with unique characteristics and benefits. Thus, our results can provide interesting insights for theory and future decision-makers.

In the following, Fig. 1 subsumes the main contents of the following sections.

A. Separation of BMI

Creating a culture in which innovation implementation can flourish has already been recognized in previous studies [for example 78]. Managers and employees must consider the need for continuous innovation in order to commit to its implementation. Several studies have emphasized that innovation implementation can only occur in an organization that promotes open communication, organizational flexibility, and the facilitation of experimentation [7], [73], [79]. Experimentation requires a climate that tolerates failure and encourages employees not to give up and try again. Organizing for implementation can

also mean creating a separate business unit and, thus, a distinct culture that provides the circumstances to introduce innovation, allowing employees to act as entrepreneurs.

Similarly, a strong, creative culture can improve strategic flexibility [59]. This is an important prerequisite for business model change [61], as confirmed by our analysis. Notably, our results show that the informants highlighted that the culture of the BMI team often differed from that of the established company. Therefore, an explicitly desired “duality” of cultures seems necessary [79]. By developing a distinct implementation unit and its specific culture, BMI can be separated from the core company’s performance goal orientation in the design phase [80], leading to a more open and design-oriented approach than performance-oriented rationales [81].

Studies have highlighted the importance of constant adjustments during the implementation phase, as more appropriate choices in value creation and capture may not be apparent at the outset, and may require several iterations [77]. These assumption-based iterations require proper risk assessment, the freedom to make frequent adjustments, and a culture that allows for trial-and-error [4], [7], [55], [60], [77].

Generally, studies agree on the influence of individual- and team-related factors on innovation implementation [78], concluding that innovation implementation requires both, managers and employees with know-how, commitment, and courage to think in new ways and take risks. Moreover, our results support the finding that a team’s functional heterogeneity promotes innovation implementation, particularly in its early stages [82]. A highly motivated team is one of the most essential implementation factors in our study. However, in contrast to extant literature recommendations [5], we found that no financial rewards were used to motivate project leaders or team members. Instead, the informants consistently stressed the presence of high intrinsic motivation fueled by a commonly shared vision and a “sense of togetherness.” Studies support this finding that a clear direction and commitment to shared team goals are positively related to creating innovations in general [83]. Specifically, we extend the perspective that an entrepreneurial orientation can benefit both, corporate ventures and BMI implementation teams [80]. This is because the structure of small organizational units also maintains flexibility during BMI implementation [36], [40]. Moreover, active employee involvement can lead to teams that are more committed team [78].

B. Integration of BMI

Several other studies have discussed management support as an influencing factor [23]. Higher management must constantly encourage innovation by acting as role models, living the company’s vision, and rewarding innovative behavior. Management support is crucial to innovation implementation theory [11]. When managers act enthusiastically by emphasizing the benefits of innovation, they create a favorable climate for implementation, leading it to be more effective [11].

Similarly, the participants confirmed the importance of management support for BMI implementation. Informants reported that the role model function of the management board, active

implementation of the company's vision, and a less formalized leadership style supported project teams in pursuing their goals of integrating BMI. Thus, this study aims to contribute to a more detailed understanding of the tasks of BMI team managers and middle managers (i.e., facilitation) while confirming the importance of top management support, which has already been emphasized in previous studies [79].

In addition to studies focusing on innovation implementation, studies in related fields have recognized the vital role of active communication in effectively fighting internal resistance [23]. For example, small-group work, subject groups, and more informal forms of communication, such as coffee breaks, create informational transparency and reduce resistance. Our results support this notion and show that intensive and constant communication, such as presenting successes, facts, positive customer feedback, physical prototypes, testing, demonstrations, and internal marketing, can fight internal resistance and ensure smooth implementation. By highlighting these factors in BMI implementation, our study contributes to better closing the gap between BMI design and implementation [29], [83].

C. Balancing Separation and Integration

Managers intending to implement BMI must avoid conflicts and ensure that synergies are efficiently exploited [40]. As mentioned by Markides and Charitou [8], it is not always possible to distinguish between separation and integration when implementing BMI. In addition, organizational and external conditions change, making it necessary to adjust previously adopted strategies. Therefore, the extracted factors that are particularly beneficial for flexibility and balance between separation and integration are briefly addressed and discussed.

The extracted factors "guided flexibility and adaptability" and "organizational congruence" seem particularly important for balancing separation and integration. Interestingly, these factors are closely related to organizational ambidexterity [36], [78]. We relate contextual ambidexterity to the ability of individuals, e.g., skills, knowledge, and communication, towards BMI implementation. We relate to the notion of structural ambidexterity in the context of separate organizational units for BMI implementation. [84], [85].

Regarding contextual ambidexterity, business unit employees were able to engage in exploitation- and exploration-oriented activities. Our results confirm the need for firms to support their employees in making their own assessments about allocating their time and attention to balancing alignment and adaptation [40]. Similarly, our study confirms the difficulty of managing two parallel business models, i.e., the tension between emerging opportunities and the operational, long-established, daily business that funds the former. Moreover, our results show that constant, decisive communication to facilitate different interests and harmonize different roles is one way to balance exploration and exploitation. Additionally, alternating between phases requiring more freedom and those needing smaller improvements proved beneficial during implementation.

Regarding structural ambidexterity, the ambidexterity lens can help guide the implementation process in managing the

timing between separation and integration. For example, smaller organizational units tend to have a higher exploration orientation towards BMI [36]; therefore, a separation approach may be beneficial in the early stages of BMI implementation. As larger organizations tend to be more successful with exploitation strategies concerning BMI [36], a later switch to organizational integration may be suitable for achieving the financial benefits of compound effects. However, this decision has not yet been made in most analyzed BMI cases.

While several publications refer to a three-stage process consisting of sensing/awareness, exploration, and exploitation [55], [56], [57], [58], we extend these findings by contributing, in particular, to how the facets of exploration and exploitation can be operationalized through the benefits of separation and integration. Finally, our study highlights changing team roles regarding the separation and integration of BMI, either as advocates for internal communication, when integrating BMI or leading separate business models, which must be balanced accordingly [48].

VI. CONCLUSION

A. Managerial Implications

The results of this study provided guidance for managers by drawing attention to specific factors of BMI implementation. In particular, delineating separation and integration approaches can help managers understand both types better. The following sections describe the overarching themes.

First, our results encouraged managers to provide a structure, through project plans and concrete implementation guidelines, while simultaneously allowing for trial-and-error on individual topics. Managers can foster a trial-and-error mindset by encouraging less formalization, increasing time buffers for well-defined activities, and eliminating regular audits during implementation. Moreover, BMI-related targets should not include financial aspects during implementation, to allow and encourage experimentation. Second, rigorous planning can help strike a balance between trial-and-error and structure. Our results showed that extensive planning during the preimplementation phase can speed up subsequent implementation steps. Third, regardless of whether the innovation is integrated or separated from corporate structures, managers should learn to build motivated BMI teams with entrepreneurial mindsets, stamina, and a high level of discipline. Therefore, managers must take time to identify BMI champions within their ranks.

Poorly chosen employees, in terms of skill or mindset, can jeopardize implementation. In addition, top management should learn to accept a project culture that may differ from that of the overall organization. Core BMI teams can develop strong momentum that may be necessary to overcome the skepticism of nonengaged employees. Having a secure position in an organization, and being confronted with the uncertainties associated with BMI, requires loyal top management advocates who provide BMI teams with the freedom to develop to their full potential. Fourth, appointing a credible mediator between the team involved in BMI and established businesses can be beneficial in increasing BMI acceptance. Identifying such BMI

gatekeepers can help communicate success stories and promote understanding of potential difficulties. Our results showed that such employees were vital to BMI implementation, and that this aspect should be addressed at the beginning of the planning phase. Finally, our findings encourage managers to make a strong case for the innovation to reduce the skepticism of uninvolved employees, and raised awareness about its importance at all levels of the organization. Success stories in company magazines or newsletters can help gain the support of regular employees, which, in turn, can help create sympathy for a BMI that may be perceived as a threat or an unwanted change. Demo days and prototypes (e.g., physical products) were promising ways to raise awareness of BMI. These small internal events, which can show early signs of success and provide a forum for discussion, had proven to be valuable in overcoming organizational barriers.

B. Limitations and Further Research

This study had several limitations that open avenues for further research. First, it included only successful BMI implementations. This led to two specific limitations. The exclusion of failed implementation cases leads to survival bias, which does not allow for a deeper understanding of the factors that hinder or delay BMI implementation. Future studies are encouraged to provide a complete implementation picture by analyzing BMI implementation efforts that ultimately fail, and by providing an understanding of the reasons for this failure. It is also important to emphasize that completed BMI implementation does not generally imply its success. It may fail in the subsequent operational phase (e.g., because a competitor quickly copies the business model, changes in market regulations, or customers do not see the value added by the new business model). Therefore, we recommend that future studies focus on assessing the quality of implementation efforts rather than BMI implementation. Finally, our study did not focus on the factors influencing the decision to separate or integrate in the first place. These factors and the subsequent results may provide a complete picture of the complex mechanisms underlying BMI implementation. We, therefore, encourage future studies to focus on the processes and mechanisms behind this decision.

Second, our study included eight cases from different industries, covering a diverse range of industrial contexts. This allowed us to lay the groundwork, but did not allow for a fine-grained comparison across industries. Focusing on specific industries would likely reveal external conditions, such as highly influential regulations and competitive circumstances that may affect BMI implementation. Thus, a specific study of BMI implementation in, for example, the automotive or chemical industries, may provide an implementation picture tailored to the specific environmental configurations of the companies in these industries. Future research could consider this by analyzing single cases or industries in greater detail.

We also recognized that the uniqueness of each business model applies to its implementation process, while acknowledging the limitations of validity and generalizability in qualitative research. This is particularly true for external validity. This study focused only on large established companies, and considered BMI primarily at the business unit level. Therefore, we believe

that the results cannot automatically be transferred to the implementation of corporate BMI, which affects organizations as a whole.

Moreover, as demonstrated by Snihur and Tarzijan [43], a more detailed differentiation between business units running multiple business models, compared with those that mainly reflect one business model, could provide additional insights. In addition, the implementation of BMI in small- or medium-sized companies is not explored in this study, which opens up further research possibilities on how company characteristics, such as size and resource flexibility, affect the implementation of a new business model. As a further aspect, the selected cases represent BMI new to the respective company, but still have a high level of “residual fit” with its environment [86]. Hence, we must note that we did not investigate BMI following disruptive innovation or rapid regulatory changes. How this affects BMI implementation is an additional interesting research avenue.

Finally, regarding internal validity, the number of cases studied, interviews conducted, and internal and external documents analyzed could have been increased to reveal more causal relationships between the changes in the business model elements of value creation, capture, and offer. Therefore, it is important to note that our research design does not allow for claims of causality. This limitation highlights the need for further quantitative research on BMI implementation.

APPENDIX

A. Public and Internal Secondary Data Sources

TABLE V
PUBLIC AND INTERNAL SECONDARY DATA SOURCES

No. Case (Company)	Secondary Data – Public Documents	Secondary Data – Internal Documents
(1) Dealer Direct Services (Technology supplier)	<ul style="list-style-type: none"> Marketing flyer on electronic services for end customers Press release on an award for innovative repair service Press release on electronic maintenance services Magazine article on automobile fair award for future technology Marketing flyer regarding company-owned online portal for electronic services 	<ul style="list-style-type: none"> Presentation slides on electronic services for second trade level in the automotive aftermarket Illustration and project management procedure of internal organizational activities for solution selling to the second trade level
(2) eBike Systems (Technology supplier)	<ul style="list-style-type: none"> Outline of corporate history of the e-bike product department on producer website Newspaper article on the success story of e-bikes by an automotive supplier 	<ul style="list-style-type: none"> Presentation concerning the development of the e-bike business from the idea to start-up to business unit Strategic guideline for the future extension of the automotive electronics business Company slides on the automotive electronics department
(3) Engineering Services (Technology supplier)	<ul style="list-style-type: none"> Marketing flyer illustrating the range of customized engineering services for specific customer needs Historic outline of the electronic services and solutions department on company website Delineation of expertise areas of the engineering department 	<ul style="list-style-type: none"> Corporate internal website on organization and staff Internal documents about implementation process, illustrating the specific activities
(4) eMobility Solutions (OEM)	<ul style="list-style-type: none"> E-mobility illustrations and descriptions on the OEM website Official catalogue on product configuration Press release on new home charging device Blog entry on providers of charging solutions for electronic cars 	<ul style="list-style-type: none"> Internal status presentation about the e-mobility project concerning partnering and piloting Illustration of stakeholder integration within the e-mobility installation services
(5) Car Sharing (OEM)	<ul style="list-style-type: none"> Press release on the starting date of car-sharing service Press announcement on launch of mobile app, which ensures parking service Press release on positive outcomes of flexible car-sharing Press release on profitability and expansion course of car-sharing service Press release on the achievement of a leading market position in car-sharing provision 	<ul style="list-style-type: none"> Company profile declaration about the successful development of the innovative mobility concept of the joint venture Internal memos to employees
(6) Telecommunication in Tourism (Tourism company)	<ul style="list-style-type: none"> Online newspaper article about the abolition of roaming charges Press release on new offerings for telecommunication and mobile data communication services Illustration of mobile telecommunication services on provider websites 	<ul style="list-style-type: none"> Email response by employee as a supplement to company information about organizational culture Portrayal of improvements in marketing initiatives for travel agencies
(7) Food Fortification (Chemical company)	<ul style="list-style-type: none"> Brochure on corporate social commitment through product provision Marketing flyer about technical assistance activities to essential staple food Marketing flyer about the role of partnerships between companies, organizations and government supporting adequate nutrition in developing nations 	<ul style="list-style-type: none"> Description of internal BMI process from idea scouting and evaluation until market boost Internal communication via intranet
(8) Cloud Solutions (Business technology company)	<ul style="list-style-type: none"> Company website information promoting cloud services as well as Conference web site Internal app store offerings on supplier's website Magazine announcement about the company's nomination for the best cloud service in horizontal markets 	<ul style="list-style-type: none"> Company presentation concerning the cloud service business and its development with a focus on the value offer of the BMI Internal BMI descriptions

B. Interview Protocol

- 1) Professional background and role of interviewee
- 2) Introduction

- a) Please clarify the implementation approach and definition (beginning, phases, and end of implementation).
- b) What were the reasons for choosing for implementation approach (integration and separation) including past experiences and tests conducted?

3) Success factors

Which were the success factors of implementation for chosen approach? (As supporting categories: organizational, value creation, financial, human, environmental, innovation, further, not identified factors)

4) Evaluation of implementation

- a) What challenges occurred during the implementation process?
- b) Which respective solution approaches were chosen and why? Were they successful? (If not, why?)
- c) Which challenges would have been handled differently in hindsight and why?
- d) Please elaborate on the sequence of factors regarding implementation success.

5) Implementation process

- a) Please describe steps, factor sequence, structured and trial-and-error activities of implementation process.
- b) Which controlling measures were implemented and by whom?
- c) Please elaborate a timeline for plotting implementation process and its stages regarding the factors discussed before.

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Christian V. Baccarella is a Professor of innovation management with the Department of Economics and Management, Universität der Bundeswehr München, Neubiberg, Germany. His research combines insights from innovation and marketing to gain a deeper understanding of attitudes and behaviors within the context of innovation. His interdisciplinary research has been published in journals including *Journal of Marketing*, *Entrepreneurship Theory and Practice* and *Journal of Product Innovation Management*. His research interests include business model innovations, and on a more general level, the impact of digitalization and sustainability on innovation activities.

Eva Budischin received the Ph.D. degree from the Chair of Industrial Management, School of Business, Economics and Society, Friedrich-Alexander-Universität Erlangen-Nürnberg, Nuremberg, Germany. Her Ph.D. dissertation investigated the topic of Business Model Innovation Implementation.

She is currently working in the automotive industry in the area of new business and innovation management.

Oana Buliga received the Ph.D. degree from the Chair of Industrial Management, School of Business, Economics and Society, Friedrich-Alexander-Universität Erlangen-Nürnberg, Nuremberg, Germany.

She is currently working in the automotive industry in the innovation management area. She has published on innovation in an industrial context in the *Journal of Business and Economics*, *European Management Journal*, and *Technological Forecasting and Social Change*. Her research interests include organizational resilience and its link to innovation processes, particularly on the business model side.

Julian M. Müller received the *venia legendia* (Habilitation) and Ph.D. degrees from the Friedrich-Alexander-Universität Erlangen-Nürnberg, Nuremberg, Germany.

He is currently a Full Professor of digital business with Seeburg Castle University, Seekirchen am Wallersee, Austria and a Professor for supply chain management with the Erfurt University of Applied Sciences, Erfurt, Germany. He is also a Private Lecturer (Privatdozent) with Friedrich-Alexander-Universität Erlangen-Nürnberg. His research interests include Industry 4.0 and Digital Transformation in the context of supply chain management, Technology and innovation management, and sustainability.

Dr. Müller has been a Board Member of the European Operations Management Association.

Kai-Ingo Voigt is a Full Professor and holds the Chair of Industrial Management with the School of Business, Economics and Society at Friedrich-Alexander-Universität Erlangen-Nürnberg, Nuremberg, Germany. He is also a visiting Professor with Tongji University Shanghai, Shanghai, China; Universidad de Alcalá, Alcalá de Henares, Spain; Babson College, Babson Park, MA, USA; Sofia University, Sofia, Bulgaria; and the University of International Business and Economics, Beijing, China. His research interests include industrial value creation, especially in the context of Industry 4.0, business model innovation, and technology, and innovation management.