

Strategies of Companies Facing Client and Resources Limitations: Innovation Patterns Analysis in the Covid-19 context

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Many companies have been able to transform themselves during the Covid-19 crisis period...

Our research aims to identify the best examples of adaptation of companies with the goal of inspiring entrepreneurs in their innovation journeys.

Sampling methodology

- Snowball Method
- Periods of observation :
 - between the 25 Mars and the 14 May 2020
 - complements taken in October 2020

Geographical origin of the firms

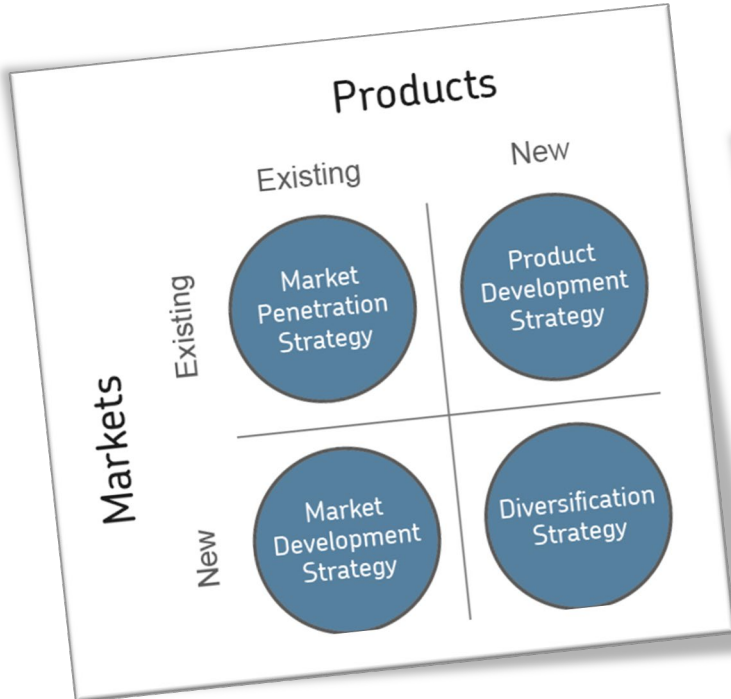
- Europe = 86 % (*Incl. Switzerland : 76%*)
- America = 12%
- Australia = 2%

Economic sectors

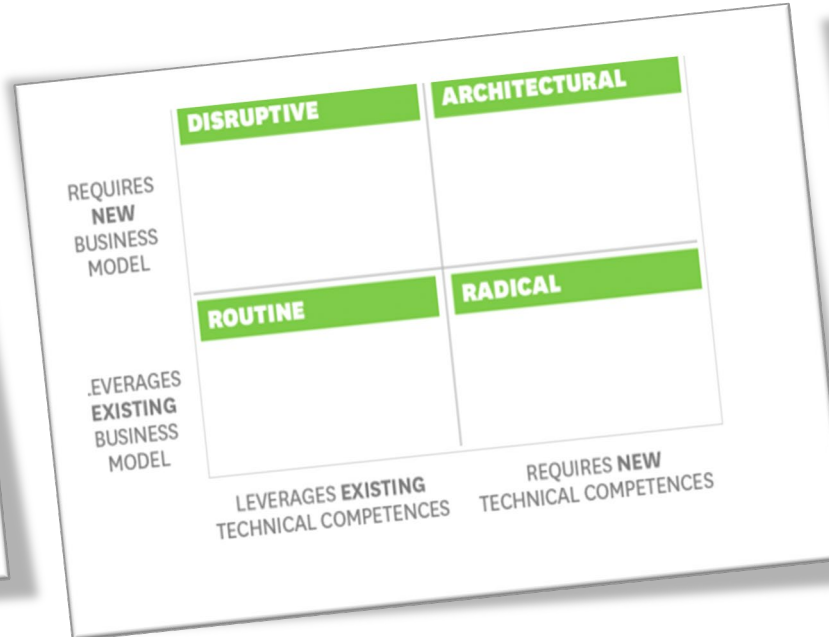
- Industry = 35%
- Services = 20%
- Tourism = 45% (*Incl. Cultural Tourism = 31%*)

A total of 51 firms observed as case studies
(inductive and qualitative approach)

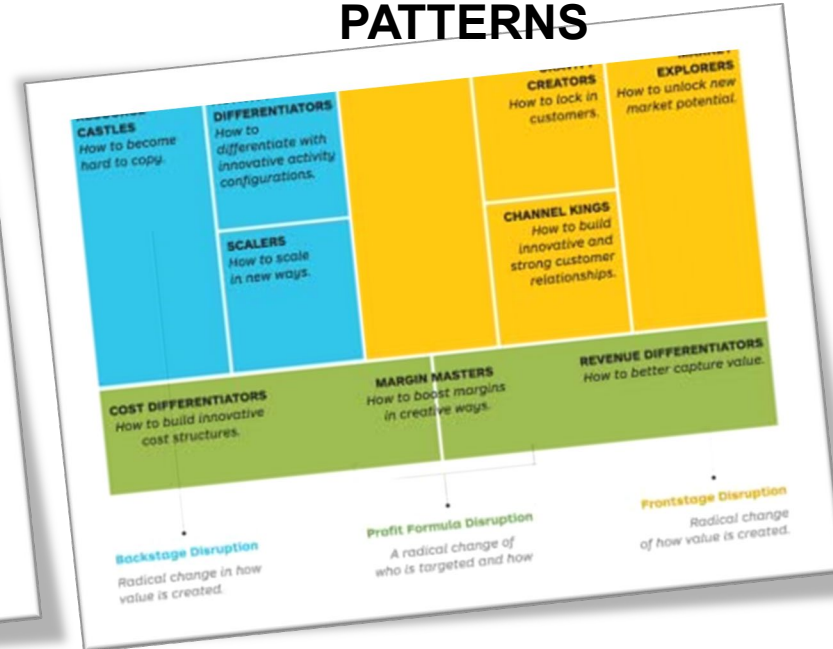
DEVELOPMENT MODALITIES



INNOVATION TYPES



BUSINESS INNOVATION PATTERNS



Ansoff, I. (1957). Strategies for diversification. *Harvard Business Review*, 35(5)

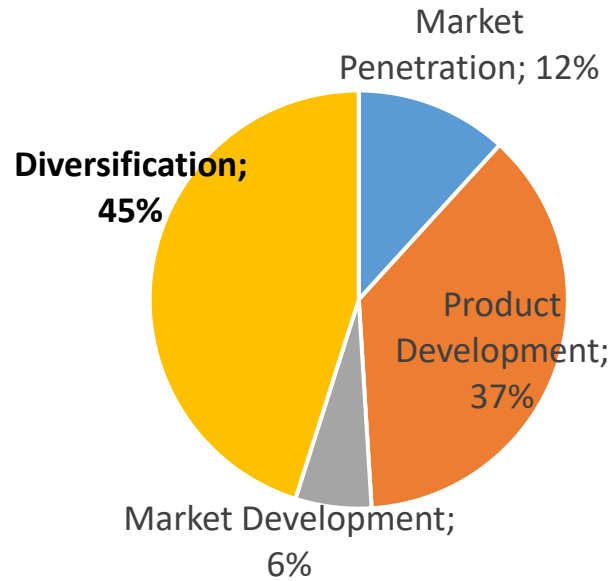
Pisano, G. P. (2015). You need an innovation Strategy. *Harvard Business Review*, 93(6): 44-54.

Osterwalder, A., Pigneur, Y., Etienneble, F. and Smith, A. (2020) *The Invincible Company*. New York: Pearson.

RESULTS : DEVELOPMENT MODALITIES (ANSOFF)



WHOLE SAMPLE



Examples

Transformation of a sewing workshop to make masks.

Creation of a a turnkey solution that allows you to quickly create an online shop for local businesses by offering them a presence in a digital shopping center.

Production of disinfectant through the free receipt of raw material.

Their machines, which knit in 3 dimensions, are being transformed into full-fledged protective masks.

Creation of transparent masks, customizable fabric masks, plexi "reception", space dividers, hygiene keys, anti-fouling mats, hand sanitizers and anti-covid pads.

Broadcasting concerts online with the creation of a streaming platform.

Development of a digital offer with a lot of online content with a virtual visit of 3/4 of the museum in 360°, and a mobile application.

"Manifesta Revisited" exhibition presents the various works from past editions taking place in Palermo, Zürich and St. Petersburg.

Jura.Intime closed interior spaces and dispersed exhibition spaces, and allowed various local artists to present their works inspired by the virus and created during the containment

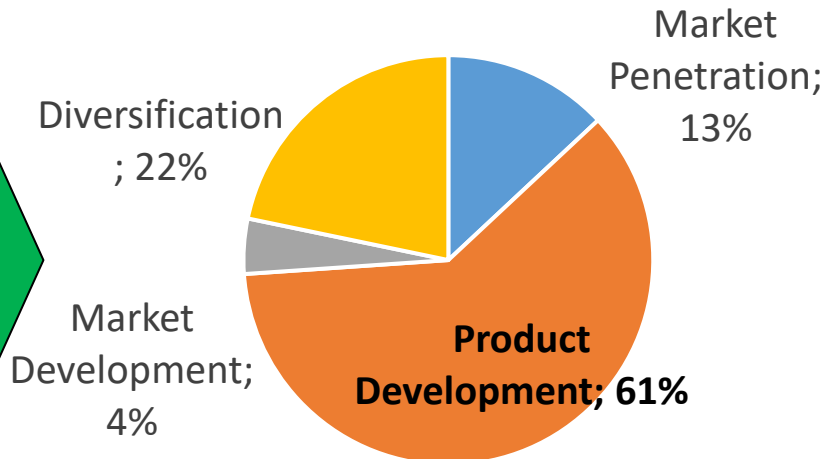
Development of a digital offer: photos of the paintings are available on the website (creation of a digital archive), as well as numerous videos with experts.

The theatre then turned to its social networks, notably Facebook, to offer several online performances available on the YouTube and Vimeo.com channels

The Théâtre du Passage offered online services to continue to bring culture into the home

The foyer of the theatre was exceptionally transformed into a performance space, offering new, more 'intimate' forms of entertainment.

TOURISM



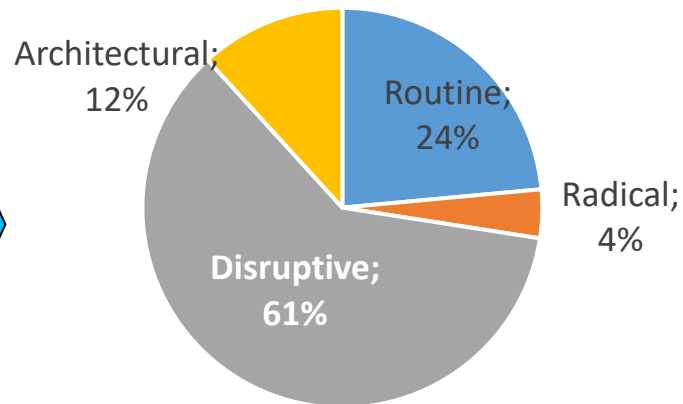
Examples



RESULTS: INNOVATION TYPES (PISANO)



WHOLE SAMPLE



Examples

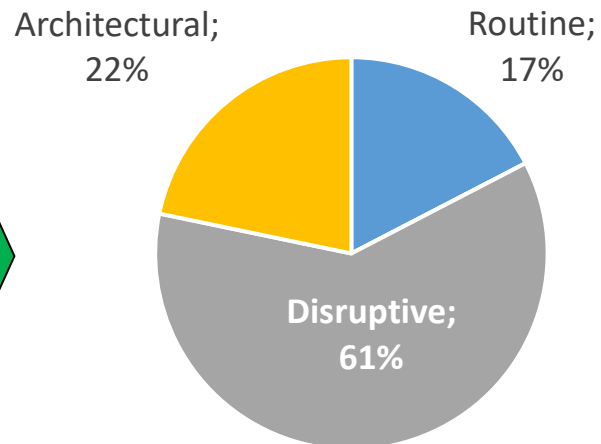
Offered the services of its employees to the founder of GoodFood to meet the latter's demand for labour.

Creation of a sharing platform for the school environment.

This shop urgently deployed an e-commerce solution and redesigned its website.

Making its application available to volunteers working to help homebound people at risk.

TOURISM



Examples

Festival and concerts online

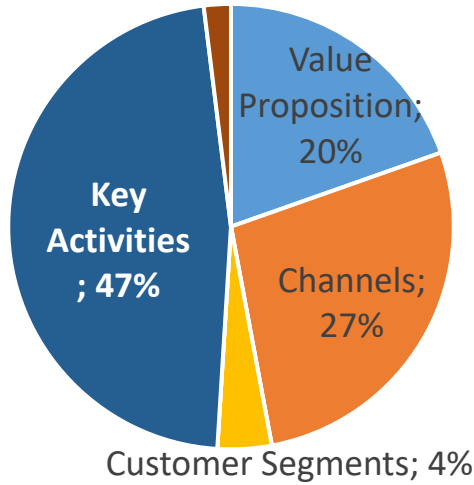
"Touch with the eyes" protection plan supported by audio guides and pocket mediators.

Online event: internet platform where artists present their projects with descriptions, videos and posters + Dispersion of physical exhibition sites

Development of a digital offer with a lot of online content with a virtual visit of 3/4 of the museum in 360° , and a mobile application.

Development of a digital offer with a 360° virtual tour and an online shop. And videos on YouTube and with Google Arts & Culture.

WHOLE SAMPLE



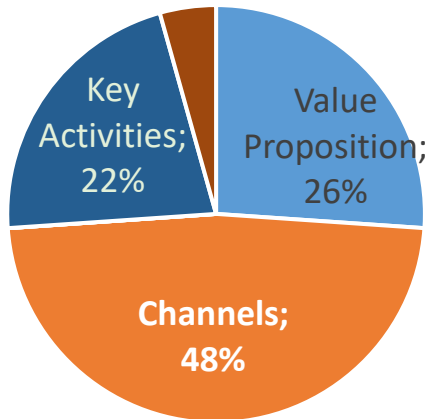
Examples

Introduction of an **online appointment system** for bicycle repairs.

Development of solutions to predict the number of emergency room admissions and a **pandemic flow management system**.

Development of a **UV disinfection box** that allows them to disinfect all the material that passes through their workshop.

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Examples

Development of several **digital offers**.

See also examples of disruptive innovation.

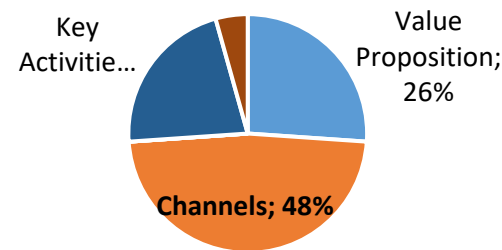
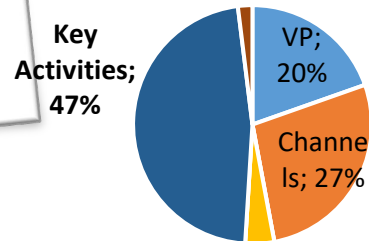
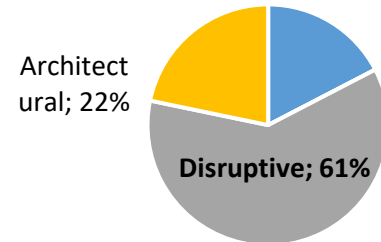
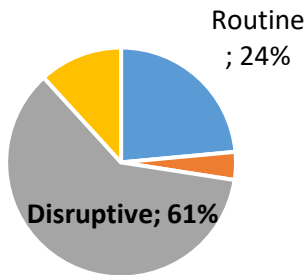
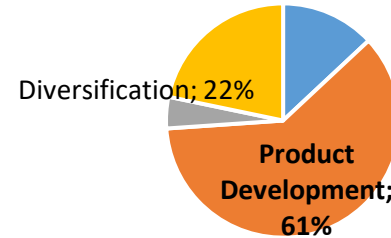
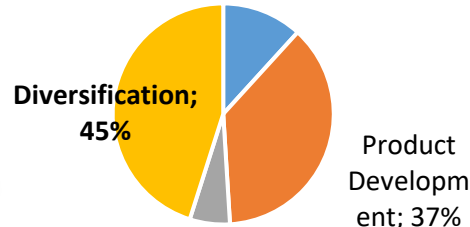
Value Proposition Pivot :

- A hotel rents three **private business rooms** from Monday to Sunday, from 8am to 6pm
- The foyer of the theatre was transformed into a performance space, offering new, more **'intimate' forms of entertainment**.

WHOLE SAMPLE

TOURISM

Discussion



→ On the one hand, the whole industry developed diversifications to respond to a specific and temporary demand : material against covid propagation. On the other hand, in the touristic industry, most of the innovation are realized without changing customer segments.

→ **Not changing customer segment** and improving market penetration and product development will allow to keep the innovations after the health crisis and deepen the links with customers. Moreover, some **minority examples** are also insightful, such as Sonoval, specialist of events management, which proposed its material to create protection panels for companies welcoming the public.

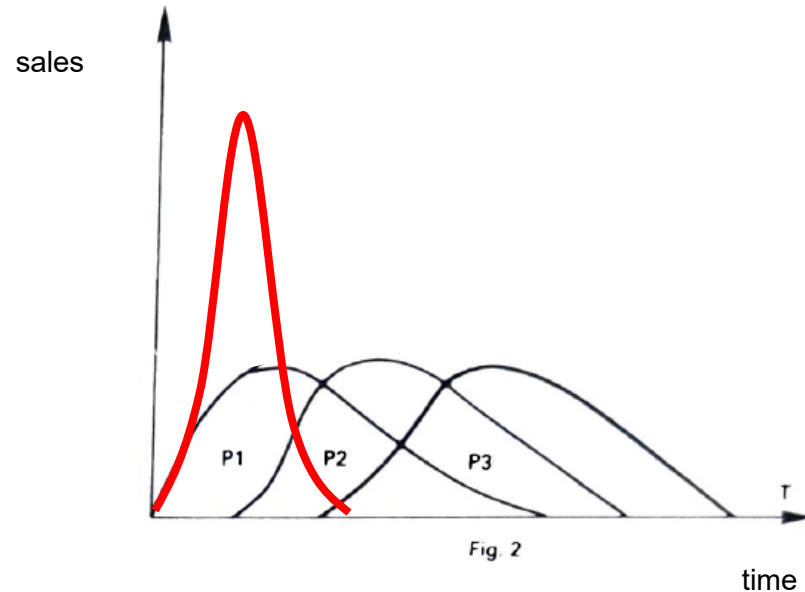
→ In the whole sample compared to the touristic class, most of the disruptive innovation are leveraging **existing capacities**. We explain that **regarding the short time they had to react** (collection of data during the 2 first month of lockdown in 2020).

→ **Minority examples** of architectural innovation are also insightful, such as the Home Theater of Manchester which proposed a new exhibition called «Homemakers» that is provided by artists at home for public at home; and the Hotel Astra that rent three private business rooms from Monday to Sunday, from 8am to 6pm.

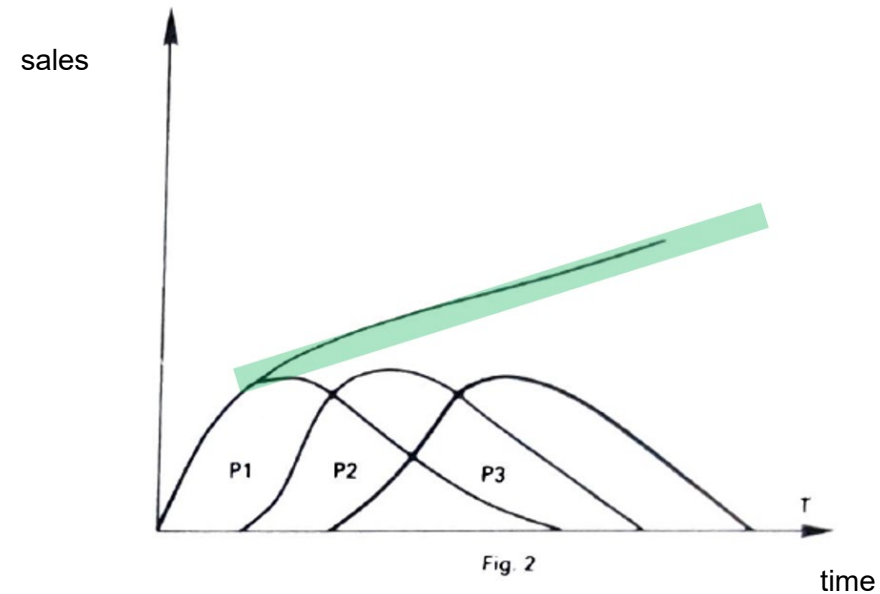
→ In the touristic industry, most of the **business model pivots** have been done on channels distribution. We can guess that those adaptations shall be maintained after the crisis, providing complementary consumption options to the visitor.

→ Moreover, some **minority examples** are inspiring such as the development of theatres' micro-spaces, or micro festivals.

About the sustainability of the innovations



Diversification for a temporary demand can generate a short-term advantage, but the revenue will cease with the crisis unless the product can be adapted for a new market (again). The revenue curve disappears quickly.



Market penetration or product development during the crisis (that was most of the touristic class of firms' strategies) allows an introduction of innovation that is more harmonious. The revenue curve shows a steady increase because the demand continues.

About the study

- We elaborated an analysis on development path, innovation types and business model pivots of 51 companies, and comparing the whole sample to the touristic class. The business model analysis brings few complementary information.
- Sometimes it was difficult to categorize and distinguish the type of innovation. To resolve this issue, we discussed with several researchers to discuss the ordering.

About the innovation patterns

- Development paths of the companies were differences between the whole industry and the touristic class: while the majority of whole sample opted for diversification, the touristic class developed new products or services. Both majorities based their innovation on existing assets. They based their pivot on key activities of distribution channels modifications.
- We identified several innovation strategies :
 - The *short term strategies* based on diversification able to capture a new demand and answer to new needs. This strategy was able to give answers to social urgent needs regarding the quick development of the pandemic.
 - The *sustainable strategies* dedicated to transform the organisation to elaborate complementary services that will be kept and maintained to sustain the further growth of the company

About the learnings

- Examples give ideas of innovation to other players, and we hope insights can also be taken from the minorities.

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