



## Responsible Innovations in Small and Medium Sized Enterprises: opportunities and "strategic architecture"

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### Abstract

A literature review at the interface between CSR and innovation and the exploration of 10 cases of SMEs that have been awarded for their responsible innovations (environmental and/or social) led to the identification of a set of common characteristics relating to the architecture of their "strategic alignment/" Our analysis suggests that these responsible innovations are – supported by a CSR- related (explicit/ implicit) Vision/mission/intent– part of the core business (product/services) and integrated – based on "distinctive" competencies ,( notably in product designs)-. They serve less served or un-served market niches - sustain specialization/ differentiation and sometimes disruptive) strategies

Key words:

CSR, Innovation, SMEs

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### 1. Introduction and background

This paper presents early findings drawn from a research aiming at investigating how Small and medium sized enterprises (SMEs) develop responsible innovations (strategies) and at identifying central dimensions in their "strategic alignment" Its theoretical background situates at the interface between four streams of literature (a) CSR (e.g Carroll, 1979, 1999; Mac Williams & Siegel, 2001) and *Social Responsiveness* (Ackerman & Bauer, 1976), their dimensions, and strategies. (b) CSR related issues that provides companies with *opportunities* (Grayson & Hodges, 2004) to develop responsible innovations (and strategies) (Nidulomu, Prahalad & Rangaswami, 2009) and sustain competitive advantages (Porter & Kramer, 2006) (c) *CSR and Innovations* (e.g. Hockerts & Morsing, 2008, MacGregor & Fontrodona, (2008)) that enable to identify their characteristics and relations, and (d) *SMEs specificities regarding CSR* (Jenkins , 2004,2009, Spence, 2007 ) and "*responsible innovations*" (Menbibil et alii, 2007).

We used the following definition as a starting point "*Responsible (Product) Innovation (strategy) is the voluntary integration of social and environmental concerns in the development, production and marketing of new products, their underlying processes and the relationships with stakeholders, leading to "superior" (social/environmental) performances and enabling to meet the needs of the present , more specifically those of " less served" or " un-served" markets, without compromising the capability for future generation to meet their own needs*" (Ingham 2011) (This definition combines dimensions drawn from definitions of innovations (OECD, Oslo Manual, 2001), CSR (EEC, 2001) and Sustainable Development (UN WCDSD "Brundtland" Report, 1987), as well as from our literature review).

This led to the development of a provisional "taxonomy/typology" of responsible innovations (and strategies) and to the identification of central dimensions relating to their "strategic alignment" (Vision/mission- (expected/actual) benefits -core activities (Products-Markets)- core competencies. Then, we tried to identify, from the literature, SMEs ' specificities regarding this alignment.