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Uncovering multiple champion roles in implementing new-technology ventures

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Abstract

This article reports the findings of a field study of a new venture electronic network enterprise from a business-to-business perspective. Network theory and the literatures of process innovation management and strategic marketing are used to generate theory about how new venture electronic network enterprises are created, and the roles champions play in their creation. Network champion roles and their relationships with other network participants are not well understood. The case study reveals how (a) network champions have both direct and indirect involvement in creating and commercializing new venture electronic networks, (b) champions within the venture rather than network champions strategically encourage or discourage supplier and buyer firms in joining, and (c) the accumulated knowledge of all champions, rather than the network champion alone, enhances successful implemented strategies. The findings provide researchers with a theoretical understanding of the role of the network champion in creating new ventures. Network champions filling multiple roles appear necessary for the successful creation of new high-tech ventures.

Keywords: Network champions; Product champions; Creation champion; Implementation champion; Creation process modeling; New venture; B2B e-market firm

This research examines the impact of the roles of multiple champions occurring naturally in new venture B2B e-market start-ups — independent firms that provide an Internet marketplace for business buyers and sellers performing marketing and logistics activities using an embedded electronic technological innovation. In particular, this study examines the roles of champions in creating innovation-based intermediaries operating in network environments.

Although the concept of business networks is not new, Achrol and Kotler (1999) argue that marketing outcomes are increasingly decided by competition between networks of firms rather than by competition amongst individual firms. In response to these changes, many organizations are attempting to transform their conventional business models to networked models (Orlikowski et al., 1995; Houston et al., 2004). Research that confirms and extends the importance of third party involvement in the business-to-business (B2B) network in the adoption of innovation suggests the need to extend the concept of networks (Woodside and Wilson, 1994).

Generally radical innovations are rare, but when they occur, the consequences for both innovator and competitors are critical (Greve and Taylor, 2000). With the advent of the Internet (which offers a platform for innovation), organizations can transform their business processes, address new marketplaces, and partner with other firms in extended networks (Zwass, 2003). Organizations use innovations, such as the Internet, to form new industries and firms, to market new products and manage process innovation, to extract rents, and to gain advantage over competitors (Burgelman and Sayles, 1986). Such Internet-based innovations are often not used by the incumbent organizations or dominant firms in an industry, but by new entrants (Tushman and Anderson, 1986). B2B e-market intermediary firms use innovations to extract rents by

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performing marketing activities in networks of buyers and seller firms. However, how such firms gain advantage over other network competitors is not well understood.

In contemporary organizations, managers must attempt to balance process and product innovations so that the correct generations of process technology are used with the right products. With the advent of B2B e-market firms, managers require new process models and theories to establish such a balance. Process models exist for advancing the understanding of the way that firms develop, manage and deploy capabilities (Montealegre, 2002), and of how key activities of players within traditional firms interlock (Burgelman, 1983b).

Burgelman (1983b) provides a grounded process model of strategic venturing decisions and behavior, explaining use of this model for obtaining insights into generative mechanisms of *one* form of entrepreneurship, and in *one* type of large business firm. Burgelman's (1983b) study focuses on: (a) activities within different levels of a single firm after it is created; (b) product and organization champions who enhance activities between the different levels within the firm; and (c) how process activities address market dynamics. However, Burgelman's (1983b) process model does not fully explain how network organizations evolve. Nor does Burgelman (1983b) adequately explain loosely networked firms of the post-industrial era.

In contrast, the present article provides a framework to explain how entrepreneurial, third party participants (such as network champions and managers of supplier and buyers firms in networks) create high-technology ventures. This paper introduces the concept of network champions who serve as catalysts in building new linkages among networked firms (Woodside and Wilson, 1994) in order to explain the role of participants in networks. Network is defined as a group of actors connected by a set of links through which they exchange information or resources or both (Borgatti and Foster, 2003). In so doing, the paper extends Burgelman's (1983b) model, as well as the concept of lead users (Hippel, 1886), and third party participants (Biemans, 1989). In adding the concept of network champions (Woodside, 1994), this paper provides an understanding of: (a) the role of champions from pre-birth to the implementation phase of a creation process; (b) the relationships among different champions in networks; and, (c) the strategic impact of champions on new venture electronic networks.

Responding to Burgelman's (1983b) suggestion that future research should map the activities of loosely coupled networks (such as in the case of B2B e-market firms) using longitudinal data, this study focuses on one independently owned and operated B2B e-market firm. Following the presentation of the conceptual framework, the research method uses a longitudinal-process approach (Pettigrew, 1979), employing unique case data in order to understand a new phenomenon (Biemans, 1989). Prior research has investigated innovation processes after the launch of the organization; here, case data tracks the innovation process from inception to launch of the product. The results identify several potentially testable propositions. The paper concludes with a discussion of managerial implications and limitations.

1. Conceptual framework

1.1. Process models

The new product development (NPD) literature is replete with models that try to capture complex processes in relatively simple structures. Biemans (1989) argues that the study of innovations requires a conceptualization of the product development process. A B2B e-market firm can be considered a product (organization) and an innovation (Gupta, 2002). To this end, the creation of such organizations suggests the need for process models that are useful for managers and scholars alike. Based on the new product development process literature, the development of such models is possible (e.g., Saren, 1984).

A body of literature describes the creation of capabilities of existing firms (Burgelman, 1983b); the influence of champions in promoting their ideas (Burgelman, 1983b; Dean, 1987); the impact of strategy on process models in intra-corporate domains (Galunic and Eisenhardt, 1996); types of championing processes that explain the innovativeness of a single firm (Day, 1994); the concept of prior alliance that facilitates new alliances and the role of direct ties over time (Gulati, 1995b); the role of management in creating new ventures over time (Kazanjian and Rao, 1999); business start-ups and generic strategies (Katz and Boland, 2002; Kisfalvi, 2002); and the way in which the adoption of e-business alters conventional business models (Srinivasan et al., 2002). All of these provide a useful foundation. However, there are limits to the way in which empirical studies can test emerging propositions (Kazanjian and Rao, 1999).

The problem with most research on process models is that (a) researchers study organizations only after they have been created (Cooper, 1983; Katz and Gartner, 1988; Kimberly and Quinn, 1984; MacMillan, 1983), and (b) the research is primarily based on independent organizations rather than networked organizations. Katz and Gartner (1988) argue that research would benefit from models that describe all stages of the creation process. Based on this literature, the present article maps the relationships of champions over time in a new venture electronic intermediary network enterprise, Bizmarket.com.

1.2. Champions and championing

Although the term "champion", first suggested by Schon (1963), is now used widely in academic literature (Higgins, 1990), there are ambiguities in both scope and coverage in this usage (Howell and Higgins, 1990; Markham et al., 1991). While Tushman and Nadler (1986) describe champions as individuals who emerge informally in organizations, and make a contribution to innovations by actively and enthusiastically promoting their progress over time, Howell and Higgins (1990) refer to them as individuals who are innovative, who are prone to take risks, and who exhibit a transformational leadership style. In contrast, Chakrabarti (1974) identifies the characteristics of champions as technical competence, knowledge about the company, knowledge about the market, drive and aggressiveness, and political astuteness. Champion characteristics