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From the Editors: On Things in Motion and Motion-Makers

The Journal of Competence-based Strategic Management (JCSM) – formerly known as 'Jahrbuch Strategisches Kompetenz-Management' – dealt in previous issues with focus topics based on articles predominantly written in German language. Actually JCSM moves to an outlet that particularly addresses strategic and organizational issues of managing resources, competences and dynamic capabilities (for the sake of terminology cf. Teece 2007; Freiling et al. 2008). Owing to a continuously rising interest in these topics, in the near future JCSM will turn from an annual publication mode to two issues each year. Some issues will be theme-centric as in the past and some are open for other contributions in these fields. Thus, we encourage scholars to submit their papers whenever they consider useful to the editor-in-chief, Jörg Freiling (freiling@uni-bremen.de). We conduct a double-blind review process for all published papers where reviewers and editors intend to support authors of in-coming manuscripts in developing their paper to a publishable state.

This seventh volume has no specific theme focus. However, the articles of this volume are highly interrelated and fit under an umbrella that we describe in more detail below.

Modern societies and economies became more and more interrelated. Sophisticated ICT solutions, logistics systems, increasing language command of people are only a few driving forces among many. Insofar, once innovative solutions undergo selection processes in markets they become perceivable by a growing audience and the perception triggers reactions to actions more often, more intensively and more widely. The metaphor of viral effects better describes the situation than snowball fighting. Insofar, renewal, volatility, complexity and uncertainty go hand in hand and challenge modern companies more than ever before. Strategic management has a hard time when finding the 'right' answers and responses in the face of these challenges. Nevertheless, the concept of dynamic capabilities (Teece 2007; Teece 2014) proves as a powerful construct to cope with these situations by pointing to permanent needs of sensing, seizing, and reconfiguring. Insofar there is a strong need to understand 'dynamic capabilities in action' – what they are, how they work in particular settings and what they help to achieve. Koprax and Konlechner (2014, in this volume) tackle this issue by illuminating managerial capabilities in high-tech ventures. These settings are useful to understand not only the real power of dynamic capabilities but also the emergence of a certain momentum in markets and industries that creates the changes we addressed above. It is often the momentum created by entrepreneurial and/or management teams that gets things in motion because, in terms of evolutionary theory (Witt 1994), these teams make first (internal) selections of variations (innovative moves) that may start at the 'grass-root level' of organizations. These teams do not simply select the moves of their companies in business environments that are desirable from their point of view. They also correct, modify, specify, reinforce and energize these impulses. Decision-making depends on the availability and maturity of dynamic capabilities. As Koprax and Konlechner (2014, in this volume) show, the diversity of management teams has considerable impact on unfolding the potential of competences and dynamic capabilities at hand.

Whereas these selection processes are more or less bound to the internal sphere, availability and maturity of dynamic capabilities also make a difference in competition. Those companies renewing successfully internal structures by these variations have an impact on industries and markets as well. Often they drive industry evolution, set new standards and, thus, act like industry architects (Jacobides et al. 2006). Insofar, dynamic capabilities in action and motion very often differ among actors as drivers and actors being driven. Even actors being driven are not necessarily on downward spirals of market share or profitability but have chances to absorb knowledge from outside and to produce new useful variations that prove in selective processes in competition and finally find the way to retention. The variation—selection—retention logic of competition on the macro level is, thus, to some extent related to sensing—seizing—reconfiguring on the micro-level of competence management in firms.

Empirically investigating these phenomena is not an easy endeavor. Particularly in old, large and complex organizations it is hard to deal with low transparency. In newly founded entities, however, formal and informal structures are more evident and, thus, much better observable. The article of Korpax and Konlechner (2014, in this volume) exactly deals with such a setting.

Whenever innovation processes and technical changes unfold, the outcome has to be framed. More recent debates show that it is from a strategic management perspective no longer sufficient to deal with product and process as well as organizational, marketing and purchasing innovations in markets and in organizations. Instead, the last two decades gave evidence that business model innovations provide these innovative moves with a frame and an edge that allows building competitive advantages more explicitly. Schumpeter's (1934) creative destruction emphasizes the rule-breaking power innovation management when novel ideas wipe out established market logics.

For research on technologically driven business model innovations within competence-based strategic management it is of utmost importance to develop a clear terminological understanding of the meaning of business models. Proff et al. (2014, in this volume) bemoan the lacking clarity of the business model concept and make further steps to advance this debate. In the light of the elements of business models, namely resource allocation, value architecture, value proposition, competitive advantage and profit model, an alignment of the elements as well as cutting edges help achieving competitive advantages that can be implemented by making use of dynamic capabilities alertly. Generally, Proff et al. (2014, in this volume) question how the decisions taken in developing business models in one-time, long-term, far-reaching technological change can be explained by employing a competence-based theoretical lens. After conceptual groundwork they present developed case studies from the automotive industry that show typical paths with combinations of decisions to change business models in this particular setting. These case studies help in developing research propositions and sharpening three technological trajectories for the given setting that depend on the preferred strategy. The need for strategic choice and seizing in connection with considerable commitments in rather uncertain and volatile settings simultaneously stresses the need for prior sensing and later reconfiguring as cornerstones of dynamic capabilities.

Similar strategic considerations apply when we turn from primarily technology-driven change to industry transformation based on strategic choices. Particularly diversification strategies very often not only connect different businesses but change the way business is done in numerous ways, particularly in terms of business models. Such changes with substantial implications for the entire industry structure on the one hand and the implemented business models on the other can be, to some extent, observed in the banking and insurance industry. Ben Selma (2014, in this volume) addresses the models of ‘bank-assurance’ and ‘insurer banking’ in the light resource-based and competence-based reasoning. The question arises why the integration of banking by insurance companies has been less successful than the integration of the insurance business by banks. Theoretically and empirically (case studies) informed, the analysis illuminates synergies in terms of resources and competences as they are common for related diversification (Farjoun 1994; Markides/Williamson 1994). However, these potential benefits can often not be tapped due to specific obstacles of the insurance sector. Obviously, the role of relatedness plays a significant role.

Strategic management of resources and competences – even in turbulent times – often follows a rational understanding of strategic moves resulting from intentional fair decision-making of firms. However, competitive dynamics frequently bring to light that companies are also directly or indirectly attacked by rivals or other actors on markets below the belt. Brand and product piracy are two prominent examples among a long list of actions. Understanding what these competitive attacks are about, is one strategic cornerstone in order to maintain the value of corporate assets and resources. However, developing a ‘protective belt’ is another issue. Kessler and Schneider (2014, in this volume) point out that besides conventional means of protection the role of services in this regard is rather under-estimated and under-researched. It may be so that products and brands are easy victims of piracy. Services, however, can make offerings less prone to any kind of piracy in competition as services are due to their very nature hardly imitable. Their high level of customization, their interactive character, the role of tacit knowledge in providing services and the close collaboration of customer and supplier are basic protectors. When services become meaningful elements of product bundles or product systems, important parts of the solution are not well understood from an external point of view. Thus, any kind of imitation can be useless when it is not entirely clear what is to be copied. In this vein, sophisticated service concepts have a reactive and a proactive component in competition. They keep rivals away from the company's 'crown jewels' and, often simultaneously, they help outpacing rivals in competition.

All in all, competence-based strategic management is very much about competence building and leveraging. To date, research has not yet devoted much effort on communicating available skills, competences and dynamic capabilities. There are, as pointed out above, good arguments to restrict signaling in markets to 'let sleeping dogs lie' – like copycats or pirates. Nevertheless, there are at least from a marketing perspective reasons to communicate available competences. At least in capital markets or product markets those signals can be rather valuable. Ackermann et al. (2014, in this volume) deal with this issue in the realm of innovation management. Particularly, the relationship between innovation-related competences and communicating innovations via external reporting systems of companies stands at the forefront of their article. The authors present a causal model that considers both the input of the development of innovation-related consequences and the outcome. Emphasis is laid on patterns and ways of communicating innovation and how far good or bad communication are honored on capital markets. Based on empirical fieldwork the findings show no direct relationship of statistical significance. Obviously, innovation-based activities are rather 'sticky' factors (Szulanski 2003) and front-of-the-pipe indicators of performance that do not go along with 'hard facts' capital markets acknowledge.

Managing competences and dynamic capabilities is an endeavor with many different faces. The articles of this volume deal more with the much more neglected 'downstream' rather than 'upstream' side of competences in action and – related to this – in motion and refinement. Insofar, they contribute to a deeper understanding of competence-based strategic management in turbulent times and settings.

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