

## **When a Collaborative Open Innovation Strategy Works: the Case of Korean SMEs (small and medium-sized enterprises)**

**Jongchul Choi<sup>1\*</sup>, Daesik Hur<sup>2</sup>**

**1 Yonsei University Business School, Seoul, Korea**

**2 Kee Young Kim, Kwangwoon University, Seoul, Korea**

**\*EMAIL: dhk48@hanmail.net**

**Abstract:** Unrelenting speed of innovation has been a central issue among global enterprises in recent times. Open innovation in collaboration with various external partners has attained popular attention because internal R&D (dubbed as closed innovation) alone has become insufficient to cope with fast-changing markets. This is particularly true to small and medium-sized enterprises (SME) that are oftentimes lack of internal technological resources. External innovation partners could include buying firms, suppliers, competitors, public research institutions, and universities.

We hypothesize internal managerial capability and readiness that enables successful integration of external innovation partners. Secondary data from the Korea Federation of Small and Medium Business will be used to test the proposed research model using hierarchical regressions.

**Keywords:** Small and Medium-sized Enterprises, Open Innovation Strategy