

Business Models Innovations as Indispensable part of Entrepreneurial Innovation Environment – Czech Case Study

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Abstract

Recently, researches have shown that innovation systems in individual European countries or regions represent a dynamic (often entropic) system of relations between economic players (different stakeholders) from public and private sector. Entrepreneurs, as key stakeholders within these systems, implement innovations to gain and maintain their competitive advantage in the international globalized markets. Prior research proved that entrepreneurs often behave in certain patterns that can be described using business model innovations in various forms of Entrepreneurial Innovation Environments (EIEs). Basically, these business models have originated in Western European economies and were created (or innovated) under specific conditions that are crucial and inherent to these countries. However, business models created and modified in this way may not always be transferable, for example to the countries of Central and Eastern Europe (CEE). For this reason, it is necessary to systematically examine the conditions (determinants) of EIEs building and functioning (from a macroeconomic point of view), as well as their penetration into business models, which are applied in the practice of individual entrepreneurs at micro level. Due to the non-transferability of input determinants it is seems to be necessary to examine selected types of determinants such as financing or the influence of resources based on cooperation in individual CEE countries. The aim of this paper is therefore to analyze the importance and impact of various determinants, such as research and development and public funding, on innovation performance of Czech enterprises. Moreover, we aim to reveal the impact of knowledge and cooperative inputs into production processes of Czech firms. For this research, regression models were designed, which were used to process data from Community Innovation Survey. The results of this study enabled us to support the hypothesis that cooperation with various partners is a fundamental input that determines the results of Czech firm's innovation activities. Surprisingly, we also show that public funding has proven to be often inefficient in this area. These results allow us to propose specific practical implications both for firms innovating their business models as well as for policy makers supporting creation of EIEs. Moreover, due to the proximity of the Czech economy to other Visegrad economies, it can be argued that the results of this research provide some insight into the applied innovation models in the economies of neighboring countries.

Keywords: Business Models Innovations; Entrepreneurial Innovation Environment; Case Study; Czech Republic