

The Relationship of Sustained Innovation and Sustainable Competitive Advantage

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Abstract

Across the most recent three years (2019-2021) of the Boston Consulting Group's most innovative companies only 21 out of 50 companies have remained on the list for all three years. This sustained innovative performance indicates core competencies in these firms for innovative activity. The question is if their sustained innovative activity translates as a sustainable competitive advantage with related financial success. To investigate this, the current study will assess financial performance of the firms across the three-year period and test that performance against an index fund to assess if sustained innovative performance generates a statistically significant advantage in financial performance.

Keywords: Innovation, Competitive Advantage, Financial Performance