

The Use of Innovation: A Source of Competitive Advantage for Companies: Bearing Point Case Study

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Abstract. *This thesis explored the topic of “innovation as a competitive advantage” and how this factor contributed to the success of BearingPoint. It seems that innovation will be a matter of concern for all market participants who intend to maintain effective competition over a long period in the complex and volatile business environments. Initially the “innovation as a competitive advantage” was generally introduced and then an overview of existing studies on this topic was presented. It became evident that innovation was a factor that distinguished if companies remained successful for a long time on the market or not. Finally, an example from BearingPoint was described and discussed: a purely typology of innovation carried out from them with the help of qualitative research. For this purpose, an interview with the company’s executives was conducted in semi-structured format for flexibility and more likelihood of new input. Moreover, it was more beneficial to see various viewpoints and receive the maximum amount of data, so instead of one respondent, five BearingPoint executive managers from different departments were interviewed. The main topics that were addressed were: the flow of innovation from idea to implementation, obstacles and success factors. This case study provided an in-depth analysis on how innovation can create a competitive edge. One objective was to examine thoroughly how these innovations impact company success and demonstrate that they indeed enhance their competitiveness. In the final section there is concluded that innovation is indeed one of the key success factors that help companies achieve a better competitiveness and maintain a powerful market position for a long time. This study reveals relevant findings for companies that work in highly competitive market environments.*

Keywords: innovation, competitive advantage, business success, challenges, BearingPoint

Introduction

In today’s world, due to the rapid development of technologies and changes in the market structure of the global economy, innovation is becoming the only necessary factor for companies to strengthen their competitive platform and expand it. This study reveals that if innovation is correctly perceived by the companies and integrated into their culture, it can lead to massive competitive advantages through the generated synergetic effects. In this case, the main goal is not only to demonstrate the multi-element significance of innovation in organizing and maintaining competitiveness but to consider the strategic use of the innovation initiative from BearingPoint company’s experience. Nowadays, the bulk of evidence of encompassing use of innovation as a competitor is growing, indicating the extent to which innovation practice integrated with the corporate approach affects the company’s market situation, operating performance, and prospective success.

This paper will contribute to understanding of innovation as a sustainable tool for achieving long-term success through the exploration of one of the most successful companies that use innovations as a main differentiation method. While exploring the concept of business model innovation as a key strategic tool for sustainable competitiveness, this work discusses the need for companies to be adaptive and proactive in the challenging modern competitive environment. (Saqib & Satar, 2021; Sondhi et al., 2024) The secondary research shows historical, practical cases of

successful application of innovation as a strategic method and constitutes the theoretical pillar. This is complemented by the primary research by examination of the issue and revealing insights from BearingPoint business.

This study analyzes the following three research questions and through this tries to shed more light on the matter of innovation and its lifecycle and effects:

Research question 1) Can innovation, properly aligned with the strategy and corporate mission and market needs, constitutes a significant growth and differentiating mixture?

Research question 2) Do BearingPoint innovative endeavors, covering the process of identification, selection, and refinement of useful ideas into practical solutions, are significantly contributing to the development of competitive mixture?

Research question 3) How the culturally and structurally supportive external environment of BearingPoint firms have helped reduce the resistance to innovation and how important this support is for innovation excellence?

Literature review

There is an agreement among studies that innovation is a key factor that enables companies destroying their competitors and maintaining a leading position in global competitive business environments. Two aspects in particular, business model innovation and open innovation, have become the focus of many research papers, since they are the factors that can demote other companies in the market or truly revolutionize a certain domain. Business model innovation means re-design the basic principles on which a company creates, delivers and captures value. It often involves adopting new technologies. Business model innovation creates new positions for firms in a variety of markets rather than just strengthening their existing positions. The research notes business model innovation through the adoption of new technologies changes the way firms create, deliver and capture value, but also influences their market positioning and performance. (Dymitrowski & Mielcarek, 2021)

Subsequent research extends the discussion to open innovation. Open Innovation refers to the systematic use of external and internal ideas and internal and external pathways to commercialization to accelerate and expand the innovation process. (Camilleri et al., 2023; Zhang et al.,) These approaches, which rely heavily on external knowledge flows and collaborations, are critical in increasing the competitiveness of companies. Organizational learning, particularly through explorative and exploitative learning, is identified as the central mediating variable that can turn open innovation into sustainable competitive advantage.

The theoretical frameworks that contribute to understanding how the abovementioned relationships between innovation and competitive advantages can be defined are the resource-based view and the concept of absorptive capacity. According to the resource-based view, competitive advantages can be achieved by novel combinations of resources and capabilities. It is crucial that concept of absorptive capacity is directly associated with a corporation's capability to innovate and consequently to the development of competitive advantages. (Algarni, 2023) This notion is additionally supported by the results of other research that analyzed the moderating effect of absorptive capacity on the relationship of innovation orientation and sustainable competitive advantage. (Tian et al., 2024)

Yet, even with plenty of studies on these matters, the analysis has revealed a crucial missing piece in the research puzzle. Most of the research focused on the general tendency without regard to the specifics of the internal corporate processes and strategic choices. In other words, there are very few studies that took a focused look at the operationalization and effects of innovations at the

corporate level specifically. This study bridges this gap, offering a thorough look at the phenomena under scrutiny. Besides, its unique contribution comes from the use of the inductive approach that was enabled by the research methods. This study gave more insight into the difficulties and prospects management faced when devising an innovative project. It also pinpointed the practicality of organizational-level analysis since it was discussed how the innovation track can affect the firm.

This work emerged from a careful review of the current writings on how innovation can give an edge over the competition. Having studied vast amounts of research dedicated to the transformational power of business models innovation and open innovation, the realization was, that an innovation had to be aligned strategically with the business and the market to be effective in today's business reality. As a result, the first research question was formulated, aimed at studying the prospects for contributing to the company's growth and maximizing differentiation through innovation. The second question naturally arises from the theoretical background; given the unsolved aspects addressed above, additional issues ensue in the implementation and impact of innovations on the company level. The following two studies will be targeted at defining the specific processes of innovation at BearingPoint to speak about its implications for the creation of competitive advantage. At the same time, the selection and picking of innovative ideas, as well as the translation of this ideas into actionable projects, were understood to be one of the core processes that had the largest influence on the company's success. The discussion about the significance of organizational and structural framework conditions to innovation, in turn, has led to formulating the third research question. This issue will cover the cultural and structural framework conditions of support provided at BearingPoint and how this has helped to support the successful implementation of innovation attempts and to address and eliminate innovation barriers.

Thus, the formulated research questions may be considered as having been drawn directly from the literature review and mirroring the aspiration to decrypt the intricate relationships between innovation, corporate strategy and market success. Hence, the development over time of the question formulation as proposed for each stage is likewise a realization of both that the theoretical component of research and the research questions are intertwined, while making an effort to respond to the questions regarding how the sector comprehends and excels in innovation for BearingPoint, and what the sector outcomes in terms of market penetration and success.

Methodology

To analyze the role of innovation as a competitive advantage from the perspective of BearingPoint, the qualitative research approach was selected. This method was chosen because it allowed an exploration of the whole range of factors and outcomes regarding BearingPoint's innovation approach. The research aimed to assess and understand the economic value and strategic importance of innovation. The qualitative component presupposed a set of semi-structured interviews with five BearingPoint executives. This method helped to gain deep

understanding of the company's innovation strategies and hear different views from the organization's representatives.

The interview asked about the innovation methods, problems, and the key factors for success that make BearingPoint stand out in the relevant markets. The guide was framed according to the following structure: an introduction, five sections and a conclusion.

Introduction: The introduction of the researcher, as well as the sheer aim of the interview, was provided at first. The utmost attention was paid to the peculiarities of questionnaires' anonymity to secure confidential answers.

Section 1: The innovation context. This section explained how BearingPoint understood the concept of innovation. Moreover, it asked the innovation fields of the company.

Section 2: Innovation processes. This part involved finding and evaluating innovation opportunities in the company and turning them into actual projects. The participants were given the chance to talk about their project experience.

Section 3: Challenges and possible solutions. In this section, the participants explained how the risks in implementing and approving processes of the new ideas are dealt with.

Section 4: Success factors. The processes that determined the successful integration of the innovation approach and the linkage of innovation with overall organization's effort were discussed in this section.

Section 5: Innovation impact. This category explored how BearingPoint's innovation boosted organizational outcomes. The participants were asked about the kind of measures the company uses to analyze this factor.

Interview ended with the conclusive question if the respondents have any other comments or visions about the innovation process at BearingPoint.

Table 1. Structured survey: Interview questions on the role of innovation at BearingPoint

Section	Question no.	Interview question
Section 1: Context and role of innovation	1	How do you define innovation in the context of BearingPoint?
	2	What are the main directions of innovation that the company is pursuing?
Section 2: Innovation processes	3	How are innovative ideas identified and selected within the company?
	4	What processes are in place to turn innovative ideas into viable projects?
	5	Are there examples of innovative ideas that have had a significant impact on the company's success?
Section 3: Challenges and solutions	6	What challenges does the company face when implementing innovations?
	7	How are these challenges overcome?
Section 4: Success factors	8	What are the key factors that contribute to the success of innovation efforts at BearingPoint?
	9	How is the culture of innovation supported within the organization?
Section 5: Influence of innovation	10	How has innovation impacted organizational performance at BearingPoint?
	11	Are measures or indicators used to evaluate the success of innovation initiatives?

Source: Author's own research

Table 2. Demographic and professional characteristics of respondents in BearingPoint's innovation environment

Gender	Age (years)	Educational level	Position	Professional experience (years)
Male	35	Bachelor's degree	Manager	14
Male	38	Master	Business Advisor	16
Male	48	Master	Director	18
Female	35	Ph.D.	Deputy Manager	16
Female	33	Master	Business Advisor	10

Source: Author's own research.

The interview guide was a tool that provided flexibility to meet individual needs and preferences and also take advantage of in-depth and comprehensive discussions over various topics. This enabled a series of insights of how the employees of BearingPoint perceive innovation and its impact on the company's success.

While comparing the methodology under this study and other studies already existing, it was evident that this was a new perspective through which the same or a similar issue had been investigated. Indeed, a qualitative kind of interview was a genuine supplement to the quantitative type of research that had been evident in the past studies and came out feeling harmonious, observing that the essential drivers in question were the perceptions of successful leaders. The past studies had some topics similar or closely related to the subjects of innovation, organizational learning, and open business model innovation in the competitive advantage front.

In addition to the other studies, this paper shows how BearingPoint includes innovation in the day-to-day work of its employees and how by making it a mission to find good ideas creates the opportunity of building an upper hand. Drawing from the findings, structuring innovation consideration encompasses internal and external knowledge sourcing to craft competitive advantages where regulators need to view the complex innovation as investible to creating a better future.

Results and discussions

The example of innovation in the organization BearingPoint which is considered in this paper is one of those vivid examples of exclusive effects the innovations produce on the organization; the role of innovation in the organization as a competitor is truly immense. Under the thorough degree of involvement in which most enterprises operate now, given frequent technological changes and unstable market conditions, innovation becomes a necessary condition both for maintaining mobility and economic stability and competitiveness.

From problem to solution: BearingPoint's customer-oriented innovations

The innovation strategy of BearingPoint was properly structured, extensive and developed around a systematic approach to the continuous development of the innovative solutions that could deliver substantial value to the clients.

Initially, the potential for innovation was identified in a manner that was drawn from the needs and challenges that the client was facing. Such client-centered innovation is well represented by the Data Quality Navigator because it was all about the consultants' experience and industry know-how that would help to create immediate value for the companies. The tool provided the ability to transform data into trustworthy and valid information, improved the quality of the database, and rebuilt confidence in the data. Additionally, it enhanced the digital processes

considerably, which ensured better operational performance and lowered the risks of bottlenecks for digitization projects. The tool had standard checks, such as a validation rules repository and possibility to adapt the data quality checks as needed. Also, a dashboard was available for data quality monitoring and improved quality process.

There was a customer, who claimed that Data Quality Navigator “has significantly increased the efficiency of our S/4 transformation”. Another example is the industrial equipment manufacturer, who enjoyed the reliability of the data that is provided for the production in the production process. This example shows that by listening to the client and trying to find a solution to his problem, you can find market gaps and profit from them. The executives said that the Data Quality Navigator solved the most common problem of spending too much time on data cleaning before ERP migration. The created tool helps in cleansing old data, reduces manual labor and ensures a high data quality. Thus, companies get data that they require and use while BearingPoint gains knowledge about the real issues they face. Hence, every new tool or solution that BearingPoint is creating is always the smaller component of a bigger spectrum of data management and the digitization process.

Another indicator of innovation for the company’s history was the Carbon Footprint Calculator, which was developed in collaboration with SAP, whose capacity was measurement and optimization of the climate impact of the product across the whole value creation chain. This was a tool developed for businesses that recognize the trend and importance of sustainability and want to be able to stay ahead of their competitors by monitoring and controlling their environmental impact. The Carbon Footprint Calculator reportedly became a part of many companies’ solution while they were at the point of the digital transformation and is one of BearingPoint’s most appreciated products.

Every idea counts: BearingPoint's secret to success

One of BearingPoint’s core innovation platforms is the “Your Ways” and “Hub of Innovation”. The platforms are key to the organization’s innovation framework because they enable gathering and assessing innovations. In this case, every employee has the right to propose their innovation, which fosters a democratic culture of innovation where the best ideas are the winners regardless of where the person who proposed them seats in the organization’s hierarchy. Such an offering also appears vital as all the subjects raised the two platforms during the interview.

Firstly, “Your Ways” is an organization-wide approach to improving operations at BearingPoint. However, the platform provides the employees with motivation to address the peculiar challenge with innovative solutions. The purpose is to create tailored solutions for dedicated challenges, having analyzed what current trends are and what will define the future. Notably, this means that the requirements of the organization’s clients are the same when they want to utilize SAP systems before they may explore additional customization. It has been applied to develop a facility that creates your own data structure and repository to reduce the time and number of developers on projects, which reduces cost and increases flexibility.

In the meantime, the “Hub of Innovation” consolidates disruptive thought and innovation to create client-centric strategies and effective operations, which are needed in the digital era, ensuring outstanding user experiences and business models. Other aspects are business using ecosystems and platform economy to drive growth and ensuring that BearingPoint is a trustworthy advisor. This is based on strategic communities to expand products via the platform economy. Others harvest philosophy and scale of innovation and agile techniques to fuel co-innovation via

the implementation of its ecosystem, leading the team to excellence. The final part is to transition from present to future economy through IP assets, innovation maturity models, and design thinking.

Innovation under pressure: BearingPoint's challenge mastery

While having a structured innovation process and a favorable environment, BearingPoint does not escape the typical problems of being a big established company. One of the major concerns identified by every respondent is the balance between the operational business and innovation activities. There is a permanent need for a careful equilibrium of chargeable and non-chargeable hours to be used on the day-to-day operations and development. An obstacle of finding a balance was noted by all respondents.

The problem of technology change that is too fast was also mentioned by all the managers, particularly in the form of concerns over AI and automation. BearingPoint compensated these drawbacks by putting effort into educating their employees and striving to stay ahead. This approach relies on Copilot, which is a cutting-edge technology. Copilot is an artificial intelligence embedded in Office 365 that offered smart recommendations, simplified common tasks, and enabled creative content for BearingPoint's consultants. Using imposed productivity and Google Analytics to identify opportunities, it allowed the consultants to return to higher work. Copilot was a treasure trove of knowledge, with insights from various sectors, industry standards, and current events that enriched the consultants' understanding. Not only did Copilot store every relevant topic that was searched using it but also helped the consultants prepare for the next meeting and crafted original content that boosted BearingPoint's ability to connect with customers and stakeholders. Research and analysis were also carried out by Copilot, browsing the Internet, brief descriptions, and publishing relevant data, which allowed the consultants to stay up to date on market changes, rivals and new technologies. Copilot has made teamwork more accessible among BearingPoint colleagues improved the interaction among them, which is essential for generating new ideas and enriching solutions through the diversity of the viewpoints. Copilot adjusted its tasks depending on BearingPoint's demands, created personalized reports, interpreted and created documents, and sorted out customer communication. Copilot has had a huge impact and has enhanced productivity, innovation, and strategic thinking in BearingPoint's day to day business.

All interviewees mentioned about the mechanisms of an innovative culture at BearingPoint. In summary, there are many ways to encourage creative thinking, such as frequent workshops, regular programs, and a flat hierarchy that fosters a culture that allows generating and sharing ideas without fear. There are also "Sharks Tank like " competitions, which not only increase the visibility of innovative projects, but also provide a fun incentive to actively participate in the culture of innovation through gamification techniques.

Strategy, process, culture: BearingPoint's confirmed success factors

Strategy, process, culture: confirmed success factors of BearingPoint. The analysis of BearingPoint's innovation processes, strategies, and cultures shows how the company stays ahead by innovating constantly. The interviews indicated that innovation should be layered by following a clear pattern and keeping a strong culture that fosters creativity and employee participation.

Therefore, Research question 1 – whether innovation in areas relevant to corporate objectives and market demands can be a powerful growth and differentiation factor – was answered. The analysis revealed that BearingPoint's emphasis on market-oriented innovation types, as evidenced by the Data Quality Navigator and the Carbon Footprint Calculator, has greatly enhanced the business growth and distinction. This answer to Research question 1 is consistent

with the results of Sondhi et al. (2024) that seemed to imply that innovation at the operational and market level is strategic and important.

Concerning Research question 2 – whether allowing innovative management to include the identification and selection of innovative ideas and their transformation into new Projects will lead to the creation of a core competence – the interviews revealed that the identification, selection, and conversion of innovation ideas into feasible projects are indeed central to the creation of a core competence. Therefore, Research question 2 is confirmed in that respect and aligns with the research on innovation culture and absorption capacity.

Research question 3 – whether the cultural and structural support mechanisms established by BearingPoint can effectively mitigate the roadblocks to innovation and are synonymously critical for its success – was also answered. The Case Study shows that filing Continues “long-term” training and the rapid adoption of successful technologies, such as Copilot AI mitigate the negative effects of the fast-paced changing environment and can create an advantage for those who are up for the challenge. Therefore, Research question 3 shows how structural and cultural Selection support help achieve better innovation outcomes, as also confirmed in the studies of Algarni (2023) and Tian et al. (2024).

From theory to practice: BearingPoint's innovation strategies in focus

This study shows that innovativeness is a key factor for gaining competitive advantage in BearingPoint, and this agrees with the results of Sondhi et al. (2024), as it emphasizes the strategic importance of innovation to the firm in terms of alignment and market placement. It has also often innovated solutions that directly address the needs and issues of its clients, a practice similar to Business Model Innovation as articulated by Dymitrowski & Mielcarek (2021).

BearingPoint innovates its business model with technology, using tools like the Data Quality Navigator and the Carbon Footprint Calculator. The Business Model Innovation through Technology is developed in open innovation, as discussed by Camilleri et al. (2023) and Zhang et al. (2023).

Open innovation is about mixing and matching ideas and approaches from inside and outside to make innovation happen faster and better. This principle is exemplified by the “Your Ways” and “Hub of Innovation” concepts at BearingPoint. The aspects of innovativeness culture and absorptive capacity are also clearly elaborated in studies by Algarni (2023) and Tian et al. (2024).

The studies of Saqib & Satar's (2021) on the Business Model Innovation in emerging markets, claims that the complexity and rapid changes in the business shift bring the need for change and adaptive action. BearingPoint has responded to this call through the assessable innovativeness model, whereby businesses have to adapt to changing business requirements hence strengthening its competitive edge through innovation.

To sum up, this case study shows that BearingPoint’s organization and culture are not only backed by prior research but also quite practical. By tapping into both inside and outside sources of innovation and turning them into doable projects and solutions, BearingPoint is a pioneer in making innovative edge for winning success.

Conclusion

This paper explored the question of "Innovation as a competitive edge" thoroughly and examined its significance. It arose that innovation was not just a word but a firm basis for a company's sustainability and a marked arm for growth.

A close look at BearingPoint's innovation methods revealed that the company used these practices to gain an edge over the competition and profit from a leading position on the market. Finally, the interviews with corporate executives created a number of semantically filled cultural shifts at BearingPoint innovation and represented one who might discern the opportunity as a problem and react creatively. As the Data Quality Navigator and the Carbon Footprint Calculator prove, the example of the technique showed that the company may turn through methods that are unmatched in the industry and handle both concerns and sustainability.

Even though this conclusion is clear, it is important to point out some limitations of this study, such as the fact that the number of interviews was restricted and not all relevant factors could be analyzed. A future study could choose to broaden the methodology or explore different industries and areas. This research highlighted the importance of integrating innovation as an enhancing factor that contributes to businesses growth, ensuring continued levels of progress.

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