

Solution Business Fitness: Measuring and Managing Across Business Logics and Functions

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Abstract

Firms transforming from a product supplier into a solution provider need to develop entirely new organizational capabilities, or re-configure existing ones. This paper conceptualizes Solution Business Fitness (SBF) as a construct that captures comprehensively the capabilities necessary for a firm to operate successfully in solution business. The study investigates how the construct can be measured, and how the influence of certain solution business-specific capabilities on SBF is moderated by a firm's business logic, that is its operational approach, as well as different perceptions depending on employees' departmental affiliation. The study develops a valid measurement model for SBF and shows that the needed capabilities are dependent on the firm's business logic. It further illustrates that that employees assess their firm's solution business-specific capabilities differently depending on the business function they are engaged in. From these results, managerial implications on how to increase SBF and to run solution businesses more successfully can be derived.

Keywords: *Solution business; Capabilities; Business logic*

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