

Developing Dynamic Capabilities in Organizations: A Pathway to Corporate Renewal

Swarup Kumar Dutta*

Cisco's growth strategy has been so successful that it is now able to offer telecommunications carriers of many products and technologies that were once developed by other companies. Cisco sees itself as the provider of technologies that will allow people to communicate with each other in any medium—voice, video, data—over a single secure network that possesses its own intelligence and capability to change whenever needed. Cisco's meteoric rise to technological preeminence over the past decade is due in part to the company's leading edge technologies and its ability to acquire new capabilities.

This is an illustration of how distinct dynamic capabilities are made real and used to help the company succeed in both existing and new businesses. It is a lesson in how theory and practice combine to develop new insights that are useful for business and generate new thinking about strategy execution by promoting intrapreneurship in different ways within the organization through exploitation and exploration. What are the challenges that face established organizations in achieving breakthroughs when they

* Faculty, Institute of Management, Nirma University, Ahmedabad

attempt to pursue innovations that lie beyond their current products or markets? What type of capabilities do they use to get the best results?