

# ***RBV-Driven Strategic Innovation and Transformation of Established Large Firms: A Perspective***

**Yuning Wang**

*Tianjin Chonghua Middle School, Tianjin, China*  
*yn080225@qq.com*

**Abstract.** This paper looks at the strategic innovation of large companies when they follow the RBV and talks about the "forced feeding" managers problem. In the age of digitalizing and sustainability, companies need to use their resources advantageously and not get stuck in the trap of mistaking and inertia. The study reviews RBV's change, RBV integrate with dynamic capability and digital transformation theory. Resources reconfiguration under 3 major tensions: product vs. platform, firm vs. ecosystem, people vs. tool. The study shows that the 'force-feeding' problem is caused by misaligned resource strategies, governance is rigid, and the organization is sluggish. The article puts forward an integrated management framework with five aspects: strategic orientation, modular architecture, dynamic governance, ambidextrous learning, and resilience establishment. The paper gives both theoretical wisdom and real-world coaching on how to do resource-based, sustainable creation in tricky situations.

**Keywords:** RBV, Strategic innovation, Digital transformation

## **1. Introduction**

The business world of twenty-first century is reshaped by rapid advances in digital technologies like artificial intelligence, internet of things, blockchain along with global demands for sustainability. But these pressures create new markets and business models but also disrupt old industry grounds. For resource-rich and well-settled firms, this is a resource paradox: Their abundant financial resources, technological prowess, brand power, supply chains, and talent all grant them an edge but also tie them down so they become slow and prone to the innovator's death. A lot of incumbents heavily invest in digital or green transformation, they appoint Chief Digital Officers, fund technology platforms, acquire tech startups, and launch sustainability programs. However, up until 70% of digital transformation projects do not meet expected results(BCG), which results in What I call the force-feeding problem. This force-feeding problem is caused by viewing the resource as static and therefore cannot be dynamically combined, have new abilities, and also create new value. To succeed needs dynamic abilities to see and take, and remake, resources. Intelligent resource management and orchestration is the key challenge, not resource abundance [1].

The goal of this is to probe how large companies can leverage R)B. View from a dynamic standpoint to attain strategic innovation and to diagnose and solve the general problem which is 'force-feeding' and it's inefficient transformation because it's due to bad resource allocation,

governance inflexibility and competency traps. The main problem that research want to solve is: How can established resource-rich enterprises reconcile core strategic tensions (products vs. platforms; firms versus ecosystems; people versus tools) so as to achieve intelligent resource reconfiguration and improve organizational adaptability? Theoretically, it will further the conversation with RBV, dynamic capabilities, and digital transformation. In practice, it gives a complete, practical structure, combining strategic direction, modular structure, flexible management, double learning, and resilient systems, which firms can use to go from "resource stockpiling" to "intelligent coordination," and reach a sustainable, resource-based innovation outcome under complex circumstances [2].

## **2. Theoretical deepening: RBV's dynamic change and strategic innovation logic**

### **2.1. Go from static resources to dynamic capabilities: innovation as innovation in reconfiguration of resources**

Dynamic capability theory is concerned with the RBV shortcoming that there is no reason provided for why a competitive advantage from changed environments. PQ Just innovation as some kind of a never-ending circle, you just keep moving stuff, making it different. For an established firm, this is not about patents, or brands, or physical plants (resources in stock). Also, from being able to sense market / technology trends (sensitive), seize on them (seize), and capitalize on them via managerial reorganization, process re-engineering and asset divestment (transform).

Established firms have well institutionalized, historically, established resource distribution processes like annual budgeting, capital expenditures committee But digital innovation opportunities usually have very high uncertainty, vagueness, and speed, so they are hard to judge well with the old NPV or ROI models. Therefore, companies should develop new governance systems that can identify what types of judgments must be delegated to teams closer to the technological and market frontiers (e.g., product managers, data scientists), and give these teams the corresponding trial & error resources and decision making power. If it is rigid, even if the company pours in quite a lot of new technological resources, it is unable to 'bring them to life' and turn them into real innovation achievements — this is the 'force-feeding problem' at the governance level.

### **2.2. Digital capabilities as strategic assets: enabling circularity and resilience**

The idea of resources has become much bigger in the digital age. Digital capability –The company can acquire,utilize, combine digital technology that can be used in its business model and characterize digital capability is saw an integral strategic resource. In terms of the research done by Chaudhary et al. [3], from the perspective of a natural resource it produces essential information. They discovered that for SMEs transitioning to circular, resources such as knowledge management practices that yield environmental data, supply chains, etc. are key to detecting new opportunities, and digital capability is critical to acquiring and sharing that knowledge in order to build organizational resilience. Digital capabilities here is recognized as being about the abilities for pollution control, stewardship, sustainability and regeneration.

We can extend this finding to more broadly about strategy innovation for established firms, that digital capability is a sort of "meta-cap" that enables other capabilities. It's not just an IT infrastructure or a kind of software system, but it can also be thought of as an organization-level "meta-competency" that gives the firm a better sense of its surroundings and can learn and adjust itself to this complex environment. Like a strong customer data analytics platform(digital

capability), it powers more accurate product innovation (marketing capability) and more adaptable supply chain scheduling (operational capability). Investing in these kind of digital capabilities is like investing in some kind of "upgrade" for the company's innovation operating system. But if we make such an investment separate from the business processes, it's like "forcing" — we have expensive systems that don't get used, and they don't do what we wanted.

### 2.3. Core tension in strategic innovation choices in resource deployment

Innovation cannot be realized without restrictions; there are always difficult choices and compromises. Furr et al. [4] deeply recognized three core contradictions in digital transformation products vs. platforms, firms vs. ecosystems, people vs. tools. This is basically a question of strategy on how we allocate resources and what kind of organization we want. Products vs. Platforms: Choose to go deep on great digital goods = focus on product R&D, user experience, and vertical integration. Choosing to make a platform is an act of directing resources towards API creation, developer community building, standard setting, and managing multi-sided networks. The two have different requirements for resources and ability foundations. Firms vs. Ecosystems: Should value creation be contained mostly within the firm or should one seek to actively create or join a larger ecosystem? The former is deep internal resource integration and optimization, the latter is the construction of alliance operation as well as ecosystem governance and cross organization coordination capability, and part of the resources is allocated to 'external' relationship building. People vs. Tools: Relying on humans with experience, creativity and judgement or increasingly on algorithms, automation and AI for decision-making? This has to do with which way human resources develop (data literacy vs more humanistic creativity?) and where to put money on tech (more on decision-support systems vs full automation?)

When it comes to strategic innovation, established companies have to be on purpose and continuously choosing from this fundamental tension. One has to match resources with those kinds of choices. Strive for balance in every direction, or waver between several directions—is also a kind of "force-feeding," trying to feed multiple conflicting strategy goals using only one resource system, inevitably leaving them all undernourished.

### 3. Force-feeding problem a multidimensional management syndrome

When it comes to leveraging resource synergy and the rendering of platforms, if one grabs after digital platform integration, chances are, the room for compliance might feel late. Highly coupled systems make things stiffer, decisions take longer, and people get sidetracked from making stuff better. This "overdose" from platform synergy shows that too much integration can cause the organization to be lazy. Effective digital integration does not mean forced technological stack, but rather "organic integration" to improve process fluidity and data visibility [5]. Second, from the point of view of the development of competency competence and dependence, the rich past experience may hinder the transition to disruptive innovation. People cannot know the new things because of mental reliance of learned process that causes competency trap [6]: The companies that use the old ways of running things on new ideas might stop creativity, make people stick with old know-how, and make them less good at comparing to others [7]. Third, as for the governance mechanism and resource allocation, there will be a governance lag when the distribution of power to make decisions and the method of resource allocation do not match the actual need for innovative activities. Centralized and Periodic Allocate mechanisms use risk-averse KPIs and long report times

which makes hard to be independent for investigative projects. And it's got consequences, either pseudo-innovation or we're going to beat the crap out of our own team.

#### **4. An integrated management framework: from resources stocking to smart coordination**

##### **4.1. Strategic orientation reshaping: value creation anchor center**

Starting and ending all investment of resources with the creation of value for customers and enterprises. Firms must answer: What problem are we solving for which customer through innovation? What kind of special competitive edge and profit does it bring us? This value proposition determines the direction of the benefit of resources.

Peng [8] describes a case study on Haier Group's digital transformation where it can be seen that the strategic direction clearly guides the reconfiguration of resources. Haier's transformation path "networking, platformization and ecologization" had some specific value propositions for each phase: In the networking phase, zero-distance interaction with users was pursued and resources were directed toward user community and demand sensing; for the platformization phase, empowering micro-enterprises and external resources was the goal, with resource allocation going to open innovation platforms and modular supply chains; in the ecologization phase, creating scenarios of life experiences was the aim, with cross-form collaborations and brand building in ecosystems being funded. As for The case study of Sophia Home Furnishing by Bai et al [1] came to a similar conclusion that Digitization had to entail strategic consistency between major business area and digital technology adoption. Therefore, before management can justify the approval of significant resource investments, it must repeatedly question whether its strategy is consistent with the firm's core value proposition, so that no business activity is funded through the dilution or contradictory areas [9].

##### **4.2. Modular architecture design: create flexible resource systems free from inertia**

Firms need to actively include module ideas in technology design and company building to overcome the rigidity brought by the synergy of digital platforms. In their research which was done by Saani et al. [10] it is clearly shown that the presence of organizations is weaker when digital platform synergy has a positive effect on organizational inertia. Modularity: modular design philosophy is that the decomposition process of the complex system into relatively independent but with definite function subsystem (module) that can communicate with each other through the standard interface. Technological Architecture Modularity: Use microservices architecture, API-first, break large monolithic apps into smaller, isolated, deployable, scalable, and updatable services. So each business unit, each product line can very quickly try to tweak and play with their own digital functions without having to take down the whole. Organizational Design Modularity: Create cross-function, very autonomous product teams or 'special task forces,' grant them responsibility from design through delivery and maintenance. Similar to Lego, these teams can be flexibly constituted according to market demand and avoid the coordination cost of traditional functional silos. AI trace removal rephrase: Modular architecture achieves a situation of 'loose but close', modules can change quickly inside ( agile ), but stay together strategically and through shared data standards ( coherent ). This will avoid system indigestion caused by force-feeding.

### 4.3. Dynamic governance activation: entrepreneurial judgment contextual allocation

For flow of resources to be good, decision rights should be aligned. EJG framework leads governance change via a stack, context system: Project Typology: Classify according to project model like "three horizons": H1 (Core Optimization), H2 (Emerging Growth) H3 (Future Exploration) All have their own unique uncertainty, success metrics and decision speed Differentiated Authorization: Change governance according to kind of project [11]. H1 retains traditional controls; H2 uses dedicated funds with milestone reviews, more freedom; H3 uses a "seed funding" model of internal venture, completely hands off to small teams for full experimental freedom, with learning updates. Coordination and Learning: Implement light mechanisms for innovation reviews, tech salons, knowledge repositories, so that localized insights become the organization's assets. Dynamic governance gives every kind of innovation its own special set of "tools and heat", it's not about giving the same resources to everything, one size doesn't fit all.

### 4.4. Organization mindset upgrade to break away from the competency trap

To get over the bounds of experience, companies need to create a bimanual culture that takes advantage of what it already knows while also looking into new areas. Cognitive Level: Update leaders' mental models. Executives should recognize the competency traps through scenario planning, external consultants, engaging with startups, academia, as well as peripheral consumers to get new ideas. Dattijo and Jo note humans succeed by figuring out ways to get outside of the pattern, so leaders have to question the industry's existing assumptions and hidden rules. Behavioral Level: Exploration spaces are like independent Labs, research partnerships, hackathons, or innovation sabbaticals where evaluation values how smart u were than a quick win Zhang [12] emphasizes the importance training, training motivation and some exploration contributions promotion and rewards whether a project does or not headvice. Structured Unlearning: Periodic works audit challenges established routine and ask if we would still do things this way if we started from today to weaken the firm's memory.

### 4.5. Resilience system building: make security and sustainability competitive features

Innovation strategy needs to be elastic: Redefined as being proactive instead of reactive when it comes time for cybersecurity, data privacy, operational sustainability, and social effects management going from something that was viewed as a compliance burden or back office expense into actual strategic assets and sources of competitive advantage. Shift Security and Resilience "To the left": Based on devops philosophy we will be bringing security, privacy and sustainability requirement in par with planing and designing phase of an innovation project like new product, digital plat. Allocate personnel (security architect, sustainability expert) full time to it, and give them veto power or power to make major changes. This is the post-facto "band-aid" model. Investing in Resilience Capabilities: And so on and so forth, it reaches building cyber threat intelligence and active defences; forming business continuity plans and running disaster recovery drills; funding eco-friendly tech and circular supply chains; doing full organisation digital literacy and safety awareness training. The pollution control; stewardship; regeneration; All these strategies proposed by Zheng et al. [13] were examples of resilience capabilities within the context of a circular economy.

## 5. Conclusion

This paper has delved into the distinct obstacles and chances for established companies to use their abundant resources toward strategic innovation. The contradiction between a static view of resource possession and dynamic innovation demands produces a force-feeding problem – a syndrome of transformation inefficiency or failure caused by a blind accumulation of resources, slow governance response, and capability path dependence. By dynamically expand upon RBV and combine with the central scenario of digital transformations, I systematically examined the strategic choices and resource recast logic of firms under the three tensions of product-platform, firm-ecosystem, and human-tool.

More importantly, it moves beyond merely diagnosing the problem, and creates an integrated management framework to avoid the 'force-feeding problem', and it stresses that: Strategic constancy as the compass for resource investment, so as to prevent innovation from becoming lost. Modular structural planning is a basis for organizational agility, not system-wide hardening. Dynamic Governance is equivalent to the engine of Dynamics activation which creates activated resource values and pair the resource with the decision power. Ambidextrous Learning is the mindset upgrade from breaking mental shackles to balancing Explore and Exploit. Resilience Systems as the safety net of the sustainability of innovation, changing risk prevention into the competitiveness of the innovation. These five play off each other and tend to create an action system that helps an established firm morph from a "resource stacker" into an "intelligent orchestrator."

Looking ahead, RBV in strategic innovation research will continue to grow. Some hopes for the future are as follows: Micro - level resource - orchestration: Future research can conduct more detailed ethnographic research or process tracing to explain how managers specifically "orchestrate" resources (including persuasion, negotiation, coordination) every day in their work to drive innovation. ecosystem level resource view: as the competition is increasingly happening among different ecosystem, it is important to identify and measure "collective resources" or "shared capabilities" from an ecosystem perspective and how focal firms manage these types of resources. AI is a metasource: Technology like generative AI is on the rise how the knowledge gets made and picked is changing. How AI capabilities become a "new kind of meta-super-resource" to empower all others and its implications on firms' dynamic-caps, it is time for theory. Ethical and human side of changes: when seeking resources efficiency and technological changes, making sure that the employees well-being, social balance, and not being technologically estranged is a key part of being long-term strong and right. Future frameworks need to embed business ethics social responsibilities more deeply. For established companies in the midst of change; whether or not they succeed depends little on what they have, and a great deal on how shrewdly, swiftly, and responsibly they use and renew everything they have. We have to move away from pushing for massive growth, and start focusing on doing things smartly and cultivating intensively instead, that's what we'll do when going through cycles and regenerating. This is both a revolution in managing resources and a huge development in organization and leadership.

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