

## SUMMARY OF MASTER'S DISSERTATION

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<p>Title</p> <p style="text-align: center; font-size: 1.2em;">A Case Study of Exploration and Exploitation in Enterprises</p>			
<p>Abstract</p> <p>Despite the low quality of existing products, services and technologies, what is the reason for the success of the business? A central concern of studies of adaptive processes is the relation between the exploration of new possibilities and the exploitation of old certainties (March, 1991). The exploration referred to here means that enterprises explore new possibilities outside, and exploitation refers to improving knowledge and similar knowledge owned by the enterprise and developing and utilizing them. Schumpeter proposed a concept of combination as "new combination", and new knowledge is combination of knowledge. In 1991, March insisted that it is necessarily for enterprises to keep balance between exploration and exploitation to adapt market and continue their business in the long term. Since then, even though there are many case studies in some industries, studies related contents, patterns, required factors of the balance are rare.</p> <p>Therefore, this research aims to clarify the reason for success in business through case study of 62 enterprises. Specifically, the key to balance is the number of combinations, combination patterns in the supply chain, and existing a combination of both exploration and exploitation.</p> <p>First, as a result of interview survey to three enterprises, I confirmed the combination of outside knowledge by their exploration. Therefore, I made a hypothesis that more combinations lead to better performance and defined exploration and exploitation to seven items. Regarding the combination of items, I analyzed the results of the interview survey for the founders, presidents or project managers of 62 enterprises in Japan and overseas who launched new businesses with existing technologies and services. As a result, the following was found out and it was consistent with the hypothesis.</p> <ol style="list-style-type: none"> <li>① The more the combination of items, the higher the value of business evaluation.</li> <li>② The fewer the combination of items, the lower the value of business evaluation.</li> <li>③ The value of business evaluation was low even if there were combinations within a single item.</li> <li>④ There was a correlation between the number of combinations and the value of business evaluation in 62 enterprises (correlation coefficient 0.828).</li> </ol> <p>However, even if there are many combinations of items, the value of business evaluation was low at only one of exploration or exploitation, and which did not coincide with the hypothesis. Therefore, I modified the hypothesis that both items of exploration and exploitation are necessary for the combination. After comparative analysis of extreme cases, it was consistent with the hypothesis, and the following patterns were found.</p> <ol style="list-style-type: none"> <li>(1) Based on the items of exploitation, the enterprise diversified their business by changing the combination items of exploration.</li> <li>(2) Even though there is only one combination item, there is a combination of enterprises between exploration type and exploitation type in the supply chain, and the enterprise of exploitation type did not need to explore.</li> </ol>			
<p>Key Word (5 words)</p> <p>Exploration, Exploitation, New combination, Schumpeter, March</p>			