Open and Closed Innovation and Enhanced Performance of SMEs Hospitals – A Conceptual Model

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Abstract

Small and medium hospitals account for 70 per cent of private hospitals in India. They account for some 40 per cent of the total number of beds and cater to both rural and urban populations. However, despite its prevalence, the performance of small private hospitals is sub-standard leading to many questions regarding the efficiency of its operations. Despite having operated for a long time, there is a dearth of literature regarding the performance of small and medium hospitals in India. Recent innovation practices such as open innovation have been used successfully in small and medium enterprises in the manufacturing and service industries and are regarded as a useful tool for improving firm performance. However, after a thorough review of the literature, and upon considering the uniqueness of the medical care industry, authors argue that closed innovation practices would also play an important role in improving the performance of small and medium hospitals. This research conceptualised a model based on principles of open and closed innovation that could be used to enhance the performance of small and medium hospitals.

Keywords: Open innovation, closed innovation, SMEs hospitals, enhanced performance, India

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