



Strategic Foresight and Business Model Innovation: A Comparative Case Study of Kodak and Fujifilm

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Abstract

This thesis examines legacy firms' responses to technological disruption by contrasting the capabilities of Kodak and Fujifilm to adapt during their transition from analog to digital imaging. Although both companies shared a leading role in photographic film technologies, they ended up with starkly different futures—Kodak went bankrupt in 2012, while Fujifilm reinvented itself as a diversified technology and healthcare company.

Using a comparative case study method and drawing on interviews with executives and industry experts, as well as archival sources and financial reports, the study explored each firm's strategic trajectory through four strategic perspectives—Strategic Foresight, Resource-Based View, Dynamic Capabilities, and Business Model Innovation—to deconstruct the internal factors that shaped each firm's ability to adapt. Fujifilm's transformative capacity benefited from its ability to institutionalize foresight, particularly in two ways: leveraging its core technological capabilities and steadily reconfiguring its business model. Kodak showed strategic inertia, weak foresight integration, and failed to move beyond superficial change in the form of symbolic transformation.

This thesis contributes to the strategic management literature by showing that adapting successfully in an age of uncertainty is not just about recognizing technological shifts—it requires effective transformation through coherent leadership, governance, and internal systems. It provides real-world implications for firms operating in volatile, uncertain, complex, and ambiguous (VUCA) environments, especially those facing structural decline. Ultimately, it suggests that disruption can be a mechanism for strategic renewal—but only if organizations respond preemptively and decisively.

Title: Strategic Foresight and Business Model Innovation: A Comparative Case Study of Kodak and Fujifilm

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Keywords: Strategic Foresight, Business Model Innovation, Dynamic Capabilities, Resource-Based View, Scenario Planning, Organizational Resilience, Leadership Alignment, Strategic Transformation, VUCA, TUNA, Kodak and Fujifilm.

Resumo

Esta dissertação analisa como empresas tradicionais respondem à disrupção tecnológica, comparando a capacidade de adaptação da Eastman Kodak e da Fujifilm durante a transição da fotografia analógica para a digital. Embora ambas tenham sido líderes mundiais na indústria de filmes fotográficos, os seus percursos divergiram de forma marcante: a Kodak declarou falência em 2012, enquanto a Fujifilm diversificou o negócio nas áreas da tecnologia e da saúde, reinventando-se com sucesso.

Recorrendo a um estudo de caso comparativo, baseado em entrevistas com executivos, especialistas do setor e na análise de dados documentais e financeiros, esta tese examina a trajetória estratégica de cada empresa através de quatro perspetivas teóricas: Antecipação Estratégica (Strategic Foresight), Visão Baseada em Recursos (Resource-Based View), Capacidades Dinâmicas (Dynamic Capabilities) e Inovação no Modelo de Negócio (Business Model Innovation). A transformação da Fujifilm resultou da sua capacidade de institucionalizar o foresight, alavancar competências tecnológicas centrais e reconfigurar progressivamente o seu modelo de negócio. Em contraste, a Kodak demonstrou inércia estratégica, fraca integração do foresight e dificuldade em adaptar-se para além de mudanças simbólicas.

Esta dissertação contribui para a literatura de gestão estratégica ao demonstrar que a adaptação bem-sucedida, em contextos voláteis, incertos, complexos e ambíguos (VUCA), exige mais do que o reconhecimento das mudanças tecnológicas—implica liderança coerente, alinhamento de responsabilidades e renovação dos sistemas internos. As conclusões oferecem lições práticas para empresas em declínio estrutural e demonstram que as disrupções podem servir como catalisadores de renovação estratégica, mas apenas quando as organizações respondem de forma proativa e decisiva.

Título: Antecipação Estratégica e Inovação no Modelo de Negócio: Um Estudo Comparativo da Kodak e da Fujifilm

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Palavras-chave: Antecipação Estratégica, Inovação no Modelo de Negócio, Capacidades Dinâmicas, Visão Baseada em Recursos, Planeamento por Cenários, Resiliência Organizacional, Alinhamento da Liderança, Transformação Estratégica, VUCA, TUNA, Kodak e Fujifilm.

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Table of Contents

1. Introduction and Research Design	8
1.1 Context and Relevance	8
1.2 Problem Statement.....	8
1.3 Research Questions.....	9
1.4 Methodology.....	10
2. Theoretical Framework	11
2.1 Strategic Foresight	11
2.2 Resource-Based View.....	12
2.3 Dynamic Capabilities.....	13
2.4 Business Model Innovation	14
3. Case Study	16
3.1 Industry Evolution and Disruption Drivers	16
3.2 Kodak: Missed Opportunities in the Digital Transition.....	19
3.2.1 Limits to Strategic Foresight Execution.....	20
3.2.2 Organizational Resistance and Cultural Lock-In.....	21
3.2.3 Underutilized Technological Assets	22
3.2.4 Business Model Constraints and Strategic Rigidity.....	23
3.2.5 Financial Constraints and Strategic Inflexibility	24
3.3 Fujifilm: Strategic Reinvention and Transformation.....	26
3.3.1 Strategic Foresight Integration at Fujifilm.....	27
3.3.2 Vision 75 and Strategic Governance.....	28
3.3.3 Capability Redeployment and R&D Innovation.....	29
3.3.4 Organizational Design and Leadership as Enablers of Agility	30
3.3.5 Financial Resilience and Strategic Reallocation.....	31
3.4 Comparative Analysis: Interpreting Divergence in Strategic Response.....	33
3.5 Strategic Implications for Managers.....	35
4. Teaching Notes	37

4.1 Case Synopsis	37
4.2 Suggested Answers to the Research Questions	37
4.3 Strategic Divergence Between Kodak and Fujifilm: A Comparative Synthesis	41
4.4 Limitations and Suggestions for Future Research	42
4.5 Final Pedagogical Note	43
5. Conclusion	44
5.1 Summary of Key Findings	44
5.2 Implications for Practice	45
5.3 Contributions to Literature and Future Research	46
5.4 Final Reflection	47
6. Appendices	49
Appendix A – Interview Participants Overview	49
Appendix B – Interview Guide	50
Appendix C – Summary of Theoretical Frameworks	54
Appendix D – Diverging Financial Trajectories: Kodak and Fujifilm (2013–2023)	55
7. References	57

List of Exhibits

Figures

- Figure 3.1 – Global Photographic Film Sales (Indexed, 2000–2010)
- Figure 3.2 – Global Film vs. Digital Imaging Revenue (2000–2010, selected years, nominal USD)
- Figure 3.3 – Kodak Financial Performance (FY2000–FY2012, selected years, values in constant 2020 USD)
- Figure 3.4 – Kodak Stock Price Evolution (2000–2012, nominal USD)
- Figure 3.5 – Fujifilm Financial Performance (FY2000–FY2012, selected years, values in constant 2020 JPY)
- Figure 3.6 – Fujifilm Revenue Breakdown by Segment (FY2002 vs. FY2012, %)

- Figure D.1 – Kodak Post-Bankruptcy Financial Performance (FY2013–FY2023, selected years, values in constant 2020 USD)
- Figure D.2 – Fujifilm Financial Trends (FY2013–FY2023, selected years, values in constant 2020 JPY)
- Figure E.1 – Strategic Response Pathways: Kodak vs. Fujifilm

Tables

- Table 3.1 – Strategic Shift in Value Creation: Analog vs. Digital Era
- Table 3.2 – Foresight Breakdown at Kodak: A Multi-Level Diagnostic
- Table 3.3 – Institutionalizing Strategic Foresight at Fujifilm
- Table 3.4 – Strategic Redeployment of Fujifilm’s Core Capabilities
- Table 3.5 – Organizational Enablers of Agility at Fujifilm
- Table 3.6 – Strategic Response Matrix: Kodak vs. Fujifilm (Case Analysis)
- Table 4.1 – Strategic Divergence Summary: Teaching Comparison

List of Abbreviations and Acronyms

Acronym	Meaning
AI	Artificial Intelligence
BMI	Business Model Innovation
CEO	Chief Executive Officer
DC	Dynamic Capabilities
ESG	Environmental, Social, and Governance
FY	Fiscal Year
HBS	Harvard Business School
IMF	International Monetary Fund
IT	Information Technology
KPI	Key Performance Indicators
M&A	Mergers and Acquisitions
PEST	Political, Economic, Social, and Technological
RBV	Resource-Based View
R&D	Research and Development
SMEs	Small and Medium-Sized Enterprises
SWOT	Strengths, Weaknesses, Opportunities, Threats
TUNA	Turbulent, Uncertain, Novel, and Ambiguous
USD	United States Dollar
VUCA	Volatile, Uncertain, Complex, and Ambiguous

1. Introduction and Research Design

1.1 Context and Relevance

During a time of rapid technological disruption, a legacy firm must adapt in so many ways. The imaging industry has demonstrated how transformation can play out differently for incumbents. Kodak and Fujifilm started from comparable starting points. They had similar market share, similar expertise in imaging science, and both operated vertically integrated analog businesses. Yet, the digital transition disrupted each of their business models and led incumbents to rethink how competent they were in their markets. While Kodak filed for Chapter 11 bankruptcy in 2012, Fujifilm successfully diversified into healthcare, electronics, and imaging systems. These relatively disparate outcomes present essential questions about how firms interpret the same disruption, and based on four main theoretical lenses, we can provide the analytical structure to this thesis and an integrated picture of corporate renewal amid uncertainty.

Despite facing the same external shock, the digital revolution—their internal responses diverged based on differences in foresight, resource orchestration, dynamic capabilities, and business model innovation. These four theoretical lenses provide the analytical foundation for this thesis and together frame an integrated perspective on corporate renewal under uncertainty.

The case has broader relevance beyond imaging. In today's volatile context—shaped by platform competition, AI experimentation, ESG pressures, and disruptions such as COVID-19—firms must develop foresight and strategic adaptability. Kodak and Fujifilm offer a comparative lens for understanding how organizations can proactively evolve their business models, capabilities, and strategic identity before disruption becomes existential. This also exemplifies the VUCA (Volatility, Uncertainty, Complexity, Ambiguity) environment that defines modern strategy (Bennett & Lemoine, 2014).

This thesis contributes to the literature through a theory-driven, dual-case comparative analysis of adaptation in a legacy industry. It addresses a gap in research: few studies have explored why similarly positioned incumbents can respond so differently to the same disruption.

1.2 Problem Statement

Kodak and Fujifilm responded dramatically differently to the same technological disruption. This presents a fundamental question for strategic management: why do similar firms, with similar resources, operating in the same environment, respond so differently to change?

Kodak's failure was not due to lack of information, or foresight. The company's first prototype for the digital camera and their scenario analysis, forecasting the decline of film, occurred in 1975. However, none of this information was acted upon. Their organizational rigidity, governance silos, and deeply entrenched business model were inhibiting sectors of meaningful change. Kodak's strategic initiatives were categorically separated, and any innovative endeavor was subordinate to annual performance measures of their legacy business.

Fujifilm, conversely, faced disruption, but both foresaw and acted upon it. In the late 1990s, Fujifilm's actions gathered into a coordinated transformation program, reallocating its technological capabilities to adjacent markets of healthcare and electronics. Fujifilm accepted structural reform by investing in cross-functional integration, reskilling internally and exploring new business models. By the early 2010s, Fujifilm not only survived the move to digital, but it also completely reinvented itself.

While much of the literature has focused on digital-native firms, or isolated cases of strategic failure, few studies examine how similarly situated incumbents respond differently to the same disruptive shock. This thesis contributes to filling that gap through a comparative, theory-informed analysis of Kodak and Fujifilm.

The central issue is not whether disruption was foreseeable, but how internal factors—such as leadership framing, strategic architecture, and institutional flexibility—shaped each firm's ability to respond. The findings aim to generate insight into both academic theory and managerial practice in high-uncertainty environments.

1.3 Research Questions

This research is designed to explore how legacy firms with comparable situations can demonstrate such different strategic outcomes in relation to the same exogenous disruption. The parallel case cases of Kodak and Fujifilm provide an interesting opportunity to develop insights into the influence of internal capabilities, strategic foresight, and logic of the business model on a firm's ability to adapt in the face of uncertainty.

The research will specifically focus on several questions:

- 1. What explains the divergent strategic responses of Kodak and Fujifilm to digital disruption?**
- 2. What internal capabilities and organizational mechanisms enabled Fujifilm to adapt while constraining Kodak?**

3. What role did business model innovation play in shaping each firm's strategic transformation?

We will investigate these questions through the synergistic application of four different theoretical approaches: Strategic Foresight, RBV, Dynamic Capabilities, and Business Model Innovation. Each of the four approaches offers a distinct and complementary lens of how organizations sense, interpret, and respond to strategic discontinuities. Taken together, these four companies provide a sound framework for examining the internal factors that contribute to resilience and transformation in legacy firms within turbulent environments.

1.4 Methodology

The research follows a qualitative comparative case study design (Yin, 2018) suitable for examining contemporary strategic events in a real-world context. The purpose of this qualitative comparative case study is to understand how Kodak and Fujifilm, two legacy firms who both started at the same position, responded differently when the disruptive force of digital imaging came to the market.

A case study approach enables a nuanced understanding of internal mechanisms such as governance, foresight, and capability deployment—factors often inaccessible through purely quantitative methods. Comparative design enhances analytical leverage by controlling external variation. Both companies operated in the same industry, were exposed to the same technological shifts, and held similar capabilities in imaging science. This allows internal organizational differences to be treated as the primary explanatory factor, supporting theory-building through contrastive analysis.

Primary data were collected through ten semi-structured interview sessions with senior and strategic leaders at Kodak, senior and strategic leaders at Fujifilm, and strategic scholars with specialized knowledge of the imaging industry. The interview participants included former executives, business unit heads, R&D strategists, foresight practitioners, and academic researchers. The sampling process followed purposive logic, with an emphasis on participants based on degree of relevance, experience, and nearness to important strategic decisions. As such, the study followed a process of conditional thematic saturation (Creswell, 2013).

Appendix A summarizes the interview participants' affiliations and roles, and Appendix B presents the interview guide aligned with the four theoretical frameworks.

I analyzed the interview data using a hybrid coding scheme. Deductive codes were derived from my theoretical frames, while inductive codes pertained to emergent themes like the framing of leadership or resistance within an organizational culture. A coded matrix served to

formalize analytic rigor and provide a baseline to compare across cases.

In the interest of robustness, for each interview conducted significant amounts of secondary data was triangulated with the interview material. These secondary data evaluation resources included annual reports, investor presentations, internal documentation for the development of strategy, media/press sharing on corporate developments, or academic case studies. Secondary data was effective for confirming timelines, verifying interpretations made by the participants when making recollections and filling gaps from retroactive recall.

Ethical protocols were followed throughout. All interviewees provided informed consent, and anonymization procedures were implemented to ensure confidentiality and role-based identification without disclosing names or personal information.

This research follows the logic of replication (Yin, 2018), treating Kodak and Fujifilm as two distinct yet comparable cases. Rather than aiming for statistical generalization, the goal is analytic generalization: to deepen understanding of how internal strategic processes shape corporate adaptability under disruption. The insights developed may inform both theory and practice for firms operating in similarly turbulent and high-uncertainty environments. While the core case analysis focuses on the 2000–2012 period, Appendix D includes post-2012 financial data from both Kodak and Fujifilm to offer additional context on the long-term outcomes of each firm's trajectory.

2. Theoretical Framework

This chapter provides the theoretical basis for analysis of Kodak and the way they responded to digital disruption versus Fujifilm. It introduces four complementary frameworks—Strategic Foresight, Resource-Based View (RBV), Dynamic Capabilities, and Business Model Innovation (BMI) which give a multi-dimensional view on strategic renewal. These perspectives shape the comparative case study and direct the analysis of the firms' ability to foresee change, reconfigure internal resources (competencies, capabilities), and adapt their business models under conditions of uncertainty.

2.1 Strategic Foresight

Strategic foresight enables organizations to picture potential futures and generate useful knowledge for strategy making. Strategic foresight differs from forecasting as it is less about predicting the future and more about agility, resilience, and transforming organizations to be future ready.

Common foresight methods include horizon scanning, scenario planning, Delphi panels, back

casting, and road mapping (Sarpong, Maclean, & Davies, 2013; Rohrbeck & Schwarz, 2013). These methods challenge assumptions, support creative thinking, and guide long-term strategic intent, especially for organizations with complex organizational structures where foresight practices have become imbedded within their planning systems (Hiltunen, 2013). Researchers distinguish between predictive foresight which projects forward based on current realities, and exploratory foresight which develops multiple alternative futures (Miles, Keenan, & Saritas, 2008). Predictive approaches develop bounded approaches to decision making and exploratory approaches to becoming future-ready, agile, and resilient in dynamic contexts.

Foresight creates strategic value by surfacing discontinuities and enabling adaptive experimentation (Vecchiato, 2015; Battistella, 2014). Its impact is greatest when aligned with governance structures and investment models (Rhisiart, Miller, & Brooks, 2015).

Nonetheless, foresight will only achieve the impact it needs with leadership support from the start through institutionalization, community of practice and cross-functional division integration. Otherwise, foresight can be symbolic, or a siloed approach and impact is diminished. Institutions' structural, and potential bureaucratic, considerations require institutionalization and routines for foresight, collaboration across divisions, and future oriented practices (Rohrbeck & Kum, 2018).

Foresight maturity varies widely. Low-maturity firms rely on isolated efforts, while high-maturity firms embed foresight into innovation cycles and strategic investment processes (Rohrbeck & Schwarz, 2013). Digital foresight—leveraging analytics and AI to detect weak signals—is becoming increasingly important (Rohrbeck & Kum, 2018).

Daheim and Uerz (2006) propose a maturity model ranging from ad hoc foresight to full institutionalization, where foresight is systematically integrated into strategy, investment decisions, and innovation governance.

Furthermore, the TUNA framework represents a modern extension of the old VUCA concept; turbulence, uncertainty, novelty, and ambiguity, reiterating the interactive well-being of foresight and adaptive capacity as key variables when existing in an unpredictable environment (Bennett & Lemoine, 2014).

2.2 Resource-Based View

The Resource-Based View (RBV) is premised on the idea that internal resources and capabilities form the foundation of a firm's sustained competitive advantage. In Barney's (1991) formulation, resources are valuable when they possess VRIN characteristics, which

refer to Valuable, Rare, Inimitable, and Non—substitutable resources which can be tangible (e.g., proprietary technology) or intangible (e.g., organizational routines, intellectual property or brand equity).

In terms of the orientation of certain frameworks, RBV implies an internal orientation while frameworks such as Porter's Five Forces (1979) emphasize external influences. Specifically, RBV suggests a position is taken that differences in firm performance arise from the distribution and combination of firms' internal resources (Wernerfelt, 1984; Peteraf & Barney, 2003).

A key assumption is that resources are immobile, that is, strategic assets are embedded in the organization's routines, culture and social context. The immobility of resources can derive from, and results from, tacit knowledge, social complexity and history or path.

RBV has been critiqued for offering a relatively static view of competitive advantage. In rapidly changing environments, resources that were once valuable may lose relevance—a condition known as core rigidity (Leonard-Barton, 1992). Over-specialized capabilities may constrain adaptation if firms lack mechanisms to reconfigure or renew them.

To address this, the literature has introduced resource orchestration—a managerial approach that emphasizes how resources are structured, bundled, and leveraged in dynamic settings (Sirmon et al., 2007). This embeds a more process-based and adaptive view into the RBV framework.

RBV also connects to theories of organizational learning and knowledge integration. Grant (1996) argued that firms build capability through the coordinated use of distributed expertise. Amit and Schoemaker (1993) described strategic assets as resource bundles positioned to capture emerging opportunities.

Recent developments highlight the growing importance of relational resources—such as alliances, ecosystems, and trust-based partnerships—which help firms access complementary capabilities and co-develop innovation platforms (Dyer & Singh, 1998).

Finally, RBV incorporates the notion of resource slack—underutilized capacity that enables experimentation, buffers external shocks, and supports strategic flexibility (George, 2005).

RBV remains a foundational theory in strategic management. Its explanatory power is often enhanced when combined with dynamic frameworks that account for how resources are developed, adapted, and reconfigured over time.

2.3 Dynamic Capabilities

Dynamic capabilities are an extension of the Resource-Based View that utilizes the idea of

resource reconfiguration and highlights how organizations can be reactive or proactive when environments change. Dynamic capabilities consist of three connected processes: the sensing of opportunities and threats, the strategic investment to seize opportunities, and the transformation of the organization (Zollo & Winter, 2002).

These capabilities emerge because of iterative learning and through feedback loops and absorptive capacity, the ability of the firm to assimilate new knowledge (Cohen & Levinthal, 1990). They develop over time through experience and experimentation, shaped by organizational routines, culture, and leadership cognition (Peteraf, Di Stefano, & Verona, 2013). Recent literature emphasizes the micro foundations of dynamic capabilities, including managerial behaviors and strategic cognition that enable adaptation (Felin, Foss, & Ployhart, 2015; Teece, 2018). Top management is pivotal to enable reconfiguration by building a vision of shared purpose and getting the balance of exploration and exploitation correct.

Dynamic capabilities help firms develop and gain strategic agility, that allows firms to pivot and act quickly to opportunities and threats in turbulent environments. This is critical for firms functioning in environments with technological disruption and changing markets where strategic agility is essential.

Dynamic capabilities allow organizations to change and evolve, while operational capabilities primarily focus on improving efficiency and stability (Helfat & Peteraf, 2003). Dynamic capabilities allow organizations to disengage from previous arrangements that are no longer appropriate, while finding new ways to deliver value and manage organizational learning and memory. Zollo and Winter (2002) highlight the importance of deliberate learning, as it relates to learning through codification and internalization, to development in capabilities. The combination of experiential learning and formalized routines enables adaptability.

There is a latent relationship between dynamic capabilities, and ambidexterity - exploitation and exploration (O'Reilly & Tushman, 2013). Teece's (2018) orchestration approach integrates assets, capabilities, and strategic processes that allow organizations to align environmental sensing with long-term strategic goals. While dynamic capabilities help explain how organizations manage change when transforming or reinventing their business model, dynamic capabilities also provide a lens to explore key concepts of Business Model Innovation.

2.4 Business Model Innovation

Business Model Innovation (BMI) is the way a firm reconceptualizes how it creates, delivers, and captures value (Teece, 2010). BMI differs from product or process innovation by

addressing existing frameworks and challenging the firm's architecture and strategic intent from its core assumptions.

A business model structures customer relationships, revenue logic, cost architecture, and value propositions. BMI may involve targeted refinements or full-scale redesign. Zott, Amit, and Massa (2011) describe it as the reconfiguration of activity systems and partner linkages, extending innovation into the strategic domain.

In dynamic and disruptive environments, BMI enables firms to experiment with new monetization models, enter adjacent markets, or shift from product-based to service-based logic (Foss & Saebi, 2017).

Digital transformation can be a key enabler. Technologies such as artificial intelligence, data analysis, and cloud computing help firms personalize offerings, scale operations, and co-create value within ecosystems (Bharadwaj et al., 2013; Vial, 2019).

Successful BMI depends on leadership support and organizational readiness. Tools such as the Business Model Canvas (Osterwalder & Pigneur, 2010) and design thinking methods allow for iteration and prototyping. Nevertheless, BMI must be embedded in core strategy—not relegated to isolated innovation labs (Chesbrough, 2010).

Organizational ambidexterity also supports BMI. Structural ambidexterity separates exploration and exploitation into distinct units, while contextual ambidexterity empowers individuals to do both (O'Reilly & Tushman, 2013).

Despite its promise, BMI faces organizational barriers. Identity conflicts, sunk costs, and cultural inertia often derail change. These challenges require aligned incentives, clear communication, and restructured decision-making rights.

In today's networked economy, BMI increasingly involves ecosystem orchestration. Adner (2017) highlights the strategic value of ecosystem design, while Jacobides, Cennamo, and Gawer (2018) stress the importance of aligning roles, rules, and value flows.

BMI can be evolutionary—gradual adjustments—or revolutionary—fundamental shifts in how value is created and captured (Foss & Saebi, 2017). Both forms require experimentation and risk tolerance.

To retain conceptual clarity, Foss and Saebi (2018) recommend linking BMI to specific changes in value logic and their organizational drivers.

Together with Strategic Foresight, the Resource-Based View, and Dynamic Capabilities, BMI contributes to understanding Strategic Renewal. Digital transformation reinforces foresight through analytics, supports reallocation of resources, and enables new paths for value creation. These new pathways do not replace the business model—they reinforce it as a tool

for sustainable competitive advantage.

A summary of the four frameworks is provided in Appendix C to support the case analysis that follows.

3. Case Study

3.1 Industry Evolution and Disruption Drivers

Both Kodak and Fujifilm were dominant forces in the field of analog photography throughout the 20th century. The companies established vertically integrated business models based on proprietary development in chemistry, optics, and manufacturing along with recognized brands in both consumer and professional markets. Founded by George Eastman in 1888, Kodak led the way for consumer photography by developing roll films and the Brownie camera that made photography accessible even to consumers of modest means. The company formalized the motto “You press the button, we do the rest” to help define an era of more accessible imaging (Gavetti, Henderson, & Giorgi, 2005). In the following decades, Kodak grew its chemical competencies, developed processing laboratory facilities around the globe, and created one of the world’s largest imaging ecosystems.

Fujifilm was founded in 1934 with political backing to reduce Japanese import dependency on photographic products. Fujifilm focused on self-sufficiency, but its growth initially lagged Kodak’s in breadth and depth. By the 1970s, Fujifilm was a credible competitor beyond its home territory (Gavetti, Tripsas, & Aoshima, 2007). Fujifilm invested in R&D and gradually depleted Kodak’s technology gap, while establishing itself in various parts of Asia and in emerging markets globally. The industry’s business model was based on razor-and-blade economics—affordable cameras tied to high-margin consumables such as film, paper, and chemicals (Christensen, 1997). By the 1980s, Kodak held ~90% of U.S. film and 85% of camera sales (Gavetti et al., 2005), while Fujifilm had become a key global competitor. Both operated in an oligopoly marked by high entry barriers due to capital intensity and proprietary chemical know-how.

This balance began to crumble in the 1990s as digital imaging emerged (Christensen, 1997; Gavetti & Henderson, 2005). With advances in digital image sensors, processing facilities, compression methods, and editing tools, analog substitutes became increasingly possible. As quality rose and prices fell, electronics firms like Sony and Canon entered the arena.

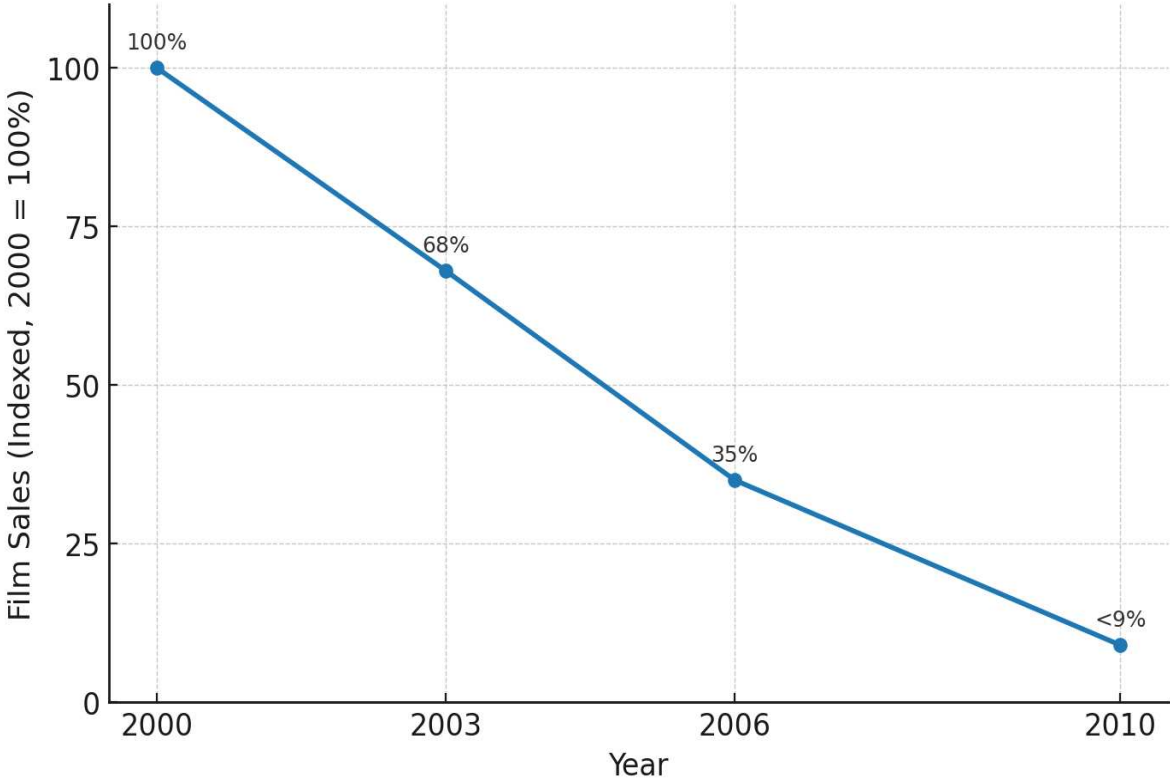
Unhindered by the legacy operations that affected most of the photographic industry and operating on much shorter innovation cycles, these new players readily availed themselves of

the shift in all imaging to a software convenience.

At the same time, consumer behaviors changed. Photography evolved from a formal, printed ritual to a spontaneous screen experience. Digital cameras introduced the record button, then the screen, and eventually instant capture and sharing. The advent of the iPhone in 2007 represented a watershed moment, embedding photography into daily digital habits. The widespread use of cloud storage, editing apps, and social platforms such as Facebook and Instagram transformed photography from memory keeping to real-time display and identity signaling.

By 2010, worldwide film volume had decreased to below nine percent of 2000 levels, and the scale and speed of the industry changes were visible.

Figure 3.1 – Global Photographic Film Sales (Indexed, 2000–2010)



Source: Author’s elaboration based on CIPA (1998–2005), and industry data from IDC and PMA as reported in Gavetti and Henderson (2005), Kodak and the Digital Revolution (A), Harvard Business School Case 705-448.

Note: Indexed to the year 2000 = 100.

As shown in Figure 3.1, the indexed sales evolution illustrates the collapse of analog film demand, with volumes dropping to below 9% of 2000 levels.

The disruption also transformed how value was created. The analog era emphasized proprietary manufacturing and product-based economics, the digital era prioritized software integration, platforms, and service monetization. Table 3.1 summarizes the strategic shift that underpinned the industry’s transformation.

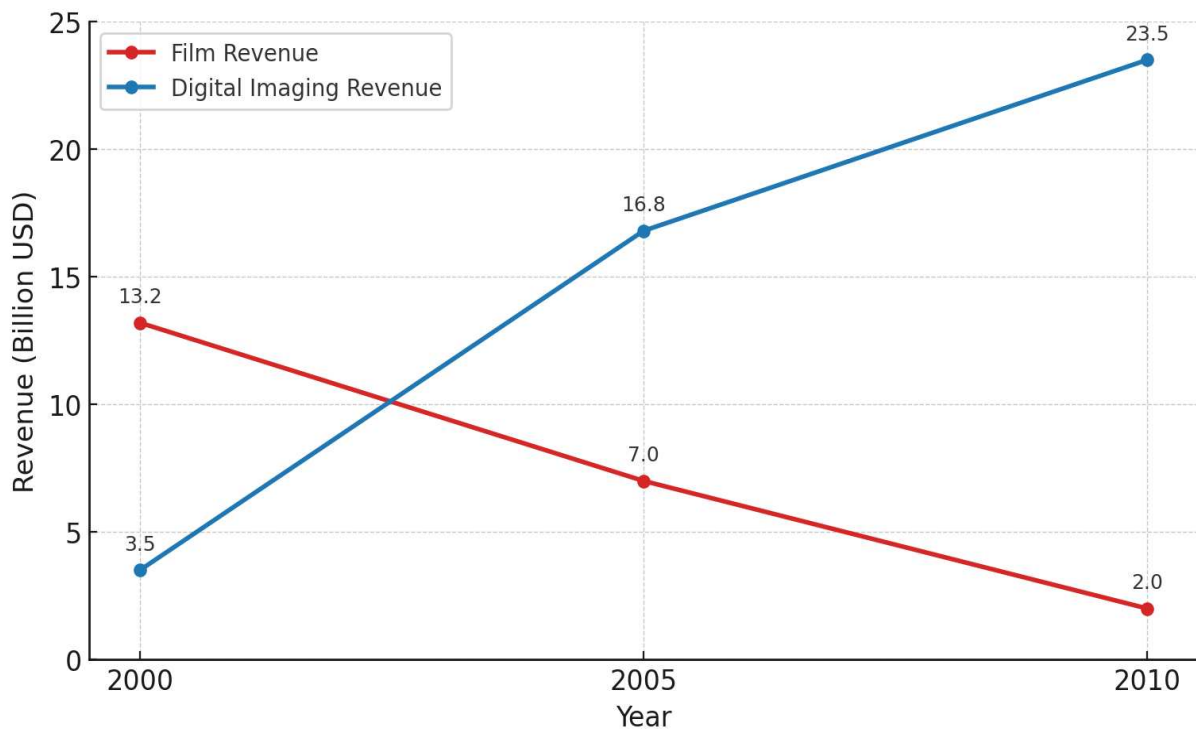
Table 3.1 – Strategic Shift in Value Creation: Analog vs. Digital Era

Dimension	Analog Era	Digital Era
Revenue Model	Consumables (film, paper, chemicals)	Services (cloud storage, apps, subscriptions)
Key Players	Kodak, Fujifilm	Apple, Canon, Sony
Consumer Behavior	Infrequent, print-focused	Frequent, socially-driven
Product Lifecycle	Long, stable	Short, iterative
Barriers to Entry	High (chemical R&D, scale)	Lower (software, ecosystems)
Value Logic	Manufacturing integration	Platform and service integration

Source: Author’s synthesis based on Christensen (1997), Gavetti and Henderson (2005), Kodak and the Digital Revolution (A), Harvard Business School Case 705-448, and Gavetti, Tripsas, and Aoshima (2007), Fujifilm: A Second Foundation, Harvard Business School Case 807-137, supplemented by industry data from IDC and PMA

This shift had profound effects on profitability and capital allocation. Digital revenues soared while analog collapsed. Figure 3.2 visualizes this divergence over the 2000–2010 period.

Figure 3.2 – Global Film vs. Digital Imaging Revenue (2000–2010, selected years, nominal USD)



Source: Author's elaboration based on IDC forecasts, PMA market trends, and Salomon Smith Barney data as referenced in Gavetti and Henderson (2005), Kodak and the Digital Revolution (A), Harvard Business School Case 705-448.

Note: Industry-level estimates based on third-party market analysis.

This comparative view of analog revenue collapse versus digital imaging growth reflects an industry-wide value shift.

As Kodak and Fujifilm moved toward this tipping point, they reacted differently. Both companies understood the threat and possessed core legacy assets, but the interpretation of their crisis, organizational architecture, leadership perspectives and alignments were quite different. The subsequent sections will analyze these cases comparatively in greater detail.

3.2 Kodak: Missed Opportunities in the Digital Transition

In this section, we assess Kodak's lack of strategic response to digital disruption using Strategic Foresight (Rohrbeck & Schwarz, 2013), Resource-Based View (Barney, 1991), Dynamic Capabilities (Teece, 2007), and Business Model Innovation (Chesbrough, 2010). Kodak had ample technological capabilities and was aware of changes in its industry well ahead of its competitors but ultimately failed to exploit foresight into strategic renewal. The analysis draws on interviews with executives and strategy leads and shows how institutional barriers, including cultural framing, leadership signaling and governance misalignment,

inhibited transformation.

3.2.1 Limits to Strategic Foresight Execution

Kodak's early dominance in photography was built on a legacy of internal innovation and a vertically integrated business model. But as digital imaging emerged as a strategic threat, the company struggled to act on its insights. The issue wasn't a lack of awareness—Kodak anticipated disruption—but a lack of institutional capacity to respond. Its foresight maturity remained low (Rohrbeck & Schwarz, 2013): sensing and scanning occurred, but insights were not integrated into decision-making or investment.

As early as the 1970s, Kodak engineers developed a digital camera prototype. By the late 1980s, internal strategy teams modeled digital takeover scenarios. "We showed digital every quarter to senior leadership," recalled a former digital strategy executive who worked in Kodak's imaging division between the early 1990s and 2010, "but it always came back to protecting film margins."

Despite accurate forecasts, strategic planning remained symbolic. "We had precise adoption curves and financial models—but they stayed in decks," explained a former executive responsible for strategic planning and licensing during the 2000s. Insights were disconnected from capital allocation and execution.

By the early 2000s, Kodak's foresight unit was dismantled. A strategist involved in scenario planning recalled softening reports to avoid internal resistance. "We scanned the horizon," said a former member of the digital strategy group, "but no one was empowered to cross it." Planning teams were siloed from operations. "Foresight had no anchor in operations," explained a former analyst involved in cross-functional coordination. "Insights went up the chain but got lost in translation."

Cultural framing worsened this divide. Digital was framed as a threat rather than an opportunity. "It was never framed as the future," said a former senior product lead in Kodak's consumer imaging division during the 2000s. "It was framed as the enemy."

By the time digital adoption accelerated, Kodak had eliminated foresight capabilities and curtailed investment in emerging platforms. Although it retained technical knowledge, it lacked the dynamic capabilities (Teece, 2007) to seize and transform.

Table 3.2 – Foresight Breakdown at Kodak: A Multi-Level Diagnostic

Foresight Dimension	Kodak Practice	Limitation/Impact
Sensing	Developed early digital prototypes and adoption forecasts	Insights acknowledged but not acted upon
Interpreting	Framed digital as a threat to film revenue	Defensive framing limited openness to strategic reinvention
Integrating	Scenario planning disconnected from capital allocation	Foresight outputs excluded from budgeting and prioritization
Acting	Reports revised or shelved; foresight unit dissolved	No mechanisms to trigger structural or investment shifts
Governance Embedding	Strategy teams isolated from business units	Strategic insights lacked executive sponsorship and operational input
Cultural Reinforcement	Strong bias toward legacy business models	Innovation perceived as cannibalistic; change discouraged institutionally

Source: Author's synthesis based on interviews with former Kodak executives (1990s–2000s), Rohrbeck and Schwarz (2013), and Gavetti and Henderson (2005), Kodak and the Digital Revolution (A), Harvard Business School Case 705-448

These limitations collectively prevented Kodak from translating foresight into strategic renewal, illustrating failure not of vision, but of execution.

3.2.2 Organizational Resistance and Cultural Lock-In

Structurally and culturally, Kodak's resistance to change was based on its legacy incentive systems and leader behavior. Even with increasing digital disruption, Kodak still seemed to deprioritize initiatives that disrupt its analog core. A former senior executive who worked in both the film and digital divisions at Kodak in the 1990s to 2010s reflected, "Everything had to answer the question: how does this protect film?" Performance measures reinforced this thinking; the results of legacy businesses were heavily weighted. "The people that pushed hardest to be digital were the people most likely to hit a ceiling," explained a former organizational strategist who helped lead leadership development through the transition to digital. Career advancement was linked to performance defending the core, not innovating. Innovation proposals faced legal and financial resistance. "We were being run by finance, not strategy," said a former corporate strategist involved in early 2000s digital investments. "It proved the model worked, but it got killed in budgeting. It was too different," added a former transformation officer who contributed to Kodak's 2003 restructuring.

Organizational silos further restricted cross-functional collaboration. "Every division protected its own P&L. Innovation didn't have a home," stated a former executive who led commercialization of digital imaging systems across Kodak business units in the late 1990s and early 2000s. Lacking integration, digital initiatives struggled to gain traction.

No internal venture arms or incubators existed to support disruptive innovation. “Innovation had to justify itself like a film SKU—same ROI thresholds, same risk aversion,” explained a former restructuring manager who evaluated new business proposals during the 2000s. Leadership renewal was also rare. Most senior roles were filled internally, reinforcing conformity and limiting fresh perspectives. This deepened cultural rigidity and discouraged experimentation.

These constraints resembled Mintzberg’s (1980) “machine bureaucracy”—an efficient but inflexible organizational form suited to stable conditions. While successful during Kodak’s analog peak, this structure was ill-suited for the volatile and fast-paced demands of digital change. From a Dynamic Capabilities perspective (Teece, 2007), Kodak lacked the organizational agility to reconfigure itself in response to environmental shifts.

In sum, Kodak’s architecture—its incentives, structures, and norms—favored stability over adaptation. Leadership rewarded preservation. In a context that demanded reinvention, Kodak remained optimized for continuity, reinforcing strategic inertia.

3.2.3 Underutilized Technological Assets

Kodak possessed a vast technical resource base—over 1,000 patents, advanced laboratories, and deep expertise in imaging, chemistry, and materials science. Yet many of these assets were poorly commercialized or disconnected from strategic priorities. “We had more IP than anyone else in imaging—but most of it stayed in drawers or was sold,” recalled a former executive who led advanced imaging systems and innovation programs during the 1990s and early 2000s.

Promising technologies, including lithium-ion batteries and OLED displays—were abandoned or sold because they didn’t align with Kodak’s core monetization logic. “The question was always: how does it help us sell ink or film?” explained a former executive responsible for cross-divisional commercialization of emerging technologies during the digital expansion of the early 2000s. Innovation had to reinforce existing business lines, not displace them.

Kodak’s resource base was valuable (Barney, 1991), but the company lacked the dynamic capabilities (Teece, 2007) to repurpose or scale etc. There were no orchestrators, no translational teams, and no systemic mechanisms to drive cross-unit or cross-sector integration.

Potential in fields like medical imaging, battery systems, and cloud platforms were left undeveloped. “We had the parts,” said a former digital product leader who worked on platform design and commercialization from the late 1990s to mid-2000s, “but no one was

assembling the engine.”

Table 3.3 – Kodak’s Underleveraged Innovation Portfolio (Selected Examples)

Capability Area	Innovation Example	Outcome	Barrier to Scaling
Display Technology	OLED screens (late 1990s)	Abandoned; patents sold	Lack of commercial partnership
Battery Innovation	Lithium-ion battery prototypes	Shelved	Misaligned with core business model
Digital Imaging Sensors	CCD/CMOS development	Licensed to rivals	No internal scaling or platform integration
Healthcare Imaging	Digital radiography systems	Partial uptake	Poor cross-unit coordination
Consumer Cloud Services	Kodak Gallery	Shut down	Underfunded; lacked executive backing

Source: Author’s synthesis based on interviews with former Kodak engineers and innovation managers (1990s–2000s), and Gavetti and Henderson (2005), Kodak and the Digital Revolution (A), Harvard Business School Case 705-448

In summary, Kodak’s technical capabilities remained strategically orphaned. Without mechanisms to reallocate and integrate these resources, innovation failed to support long-term renewal. Ironically, many of these shelved technologies were later commercialized by competitors—highlighting the strategic cost of internal misalignment.

3.2.4 Business Model Constraints and Strategic Rigidity

Despite having developed digital capabilities, Kodak’s rigid business model made adaptation more difficult. The company introduced products like the Photo CD and EasyShare but maintained the logic of its consumables business. Instead of rethinking how it created value, Kodak simply layered digital functionality onto analog systems. As one former executive from Kodak’s digital marketing unit (early 2000s) described: “We were using digital on an analog engine but never rebuilt the car.”

Kodak sold digital cameras successfully but lacked a recurring revenue model. A former strategist responsible for portfolio planning during the transition noted: “If it didn’t sell ink or paper, then it wasn’t included on the roadmap.”

Kodak Gallery revealed deeper misalignment. Though initially promising, it was underfunded and lacked senior-level sponsorship. As noted by a former product executive (2001–2005), “We could have been Flickr for the masses, but we could never get the budget.”

These patterns reflected broader structural challenges. Digital initiatives were siloed and evaluated using analog-era metrics. The same logic applied to Kodak’s inkjet printers—hardware margin was prioritized over ecosystem-building. As a former commercial lead in consumer imaging (mid-2000s) explained: “We treated digital like a side project. No

platform, no data model, no community. Just another SKU.”

From a Business Model Innovation perspective (Teece, 2010), Kodak lacked alignment, experimentation, and reconfiguration to renew its value logic. Digital initiatives remained disconnected from broader transformation and failed to generate sustained competitive advantage.

Table 3.4 – Kodak’s Digital Product Launches and Market Outcomes

Product/Initiative	Launch Year	Market Outcome	Why It Failed
PhotoCD	1995	Poor adoption	Misaligned with digital sharing behaviors
EasyShare Cameras	2001	High sales, low retention	No ecosystem or recurring engagement
Inkjet Printers	2007	Weak differentiation	No bundling or subscription model
Kodak Gallery Platform	2001	Sold and shut down	Underfunded; lacked strategic integration

Source: Author’s synthesis based on interviews with former Kodak product strategists (2000s), and Harvard Business School (2005), Kodak and the Digital Revolution (A), Harvard Business School Case 705-448

In conclusion, Kodak’s business model remained entrenched in a declining analog paradigm. It developed digital products without fully rethinking its value structure through platforms, services, or ecosystems. Strategic inaction—driven by institutional assumptions and financial incentives—left the company unable to build a viable digital model, especially in contrast to platform pioneers like Apple.

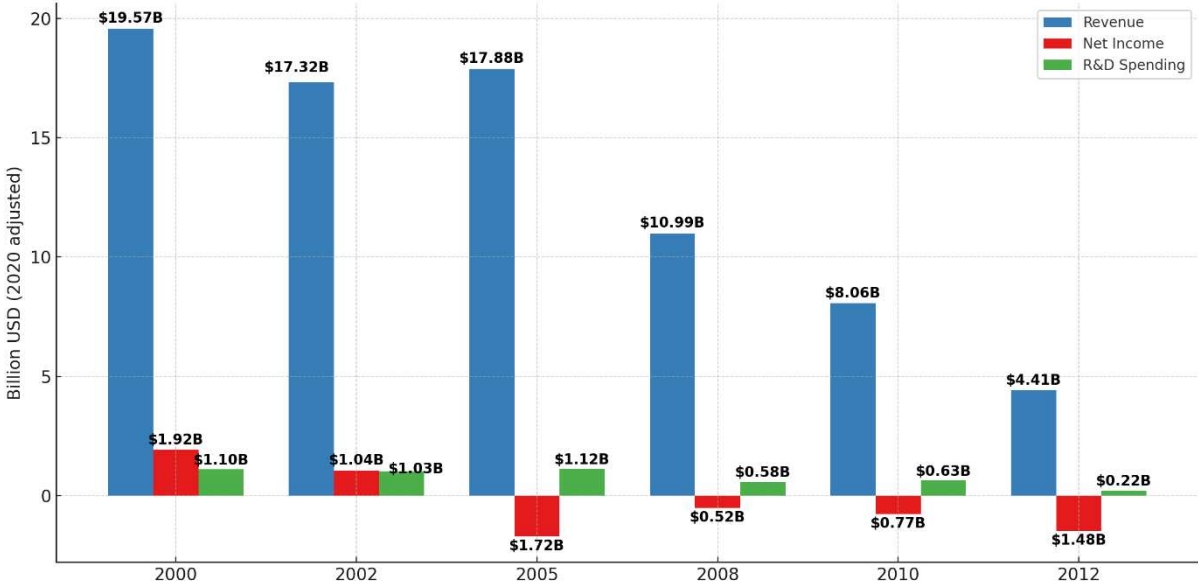
3.2.5 Financial Constraints and Strategic Inflexibility

Kodak's financial vulnerability throughout the 2000s must be contextualized by considering its past success. In the 1980s and 1990s, Kodak was one of the most profitable industrial firms present in the United States, generating revenue well above \$14 billion (nominal USD)—equivalent to about \$30 - \$37 billion in constant 2020 USD depending on the year—and gross margins exceeding 40%. This produced a financial environment built for operational continuity, but not for strategic adaptability.

By the early 2000s, the primary challenge was not a lack of foresight but a failure to reallocate resources. While Kodak had already identified digital disruption, it was hamstrung by structural constraints: legacy pension costs, strict ROI thresholds, and short-term investor demands. Figure 3.3 illustrates this erosion: revenue declined from \$18.4 billion in 2000 to \$6.0 billion in 2012 (constant 2020 USD), and R&D investment fell from \$1.13 billion to \$309 million (constant 2020 USD). Although R&D intensity decreased only marginally—

from 6.3% to 5.5%, the firm’s absolute innovation capacity was substantially eroded. As one former Vice President of Corporate Development (2005–2012) put it, “we had the capabilities, but there was no financial oxygen left to fund the future.”

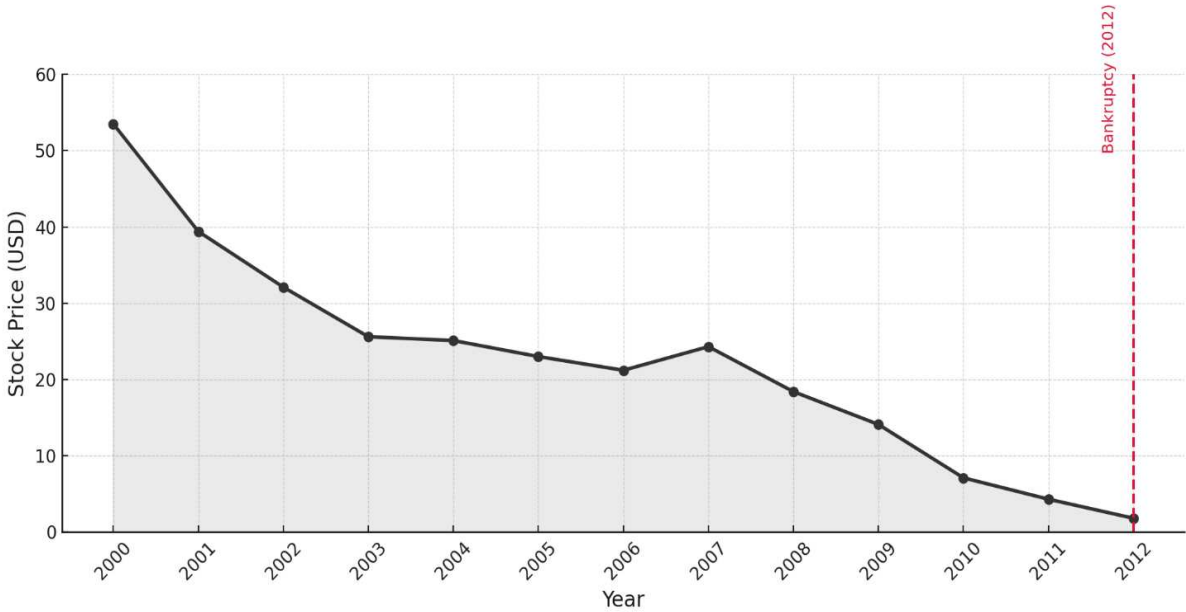
Figure 3.3 – Kodak Financial Performance (FY2000–FY2012, selected years, values in constant 2020 USD)



Source: Author’s elaboration based on Eastman Kodak Annual Reports (2000–2012).
 Note: Financial values adjusted using U.S. CPI (Consumer Price Index). Figures reflect fiscal year-end data.

Kodak’s capital allocation remained tied to legacy logic. According to a former Director of Global Product Strategy (2001–2008), “if it didn’t move film or ink, it didn’t make the roadmap.” Emerging initiatives in software or platforms were evaluated using outdated metrics optimized for legacy operations. Investor expectations further constrained innovation efforts. As shown in Figure 3.4, Kodak’s share price plummeted from over \$50 in 2000 to under \$2 by 2012 (nominal USD), reflecting collapsing market confidence. “There was no credible growth story to present—our forecasts looked defensive,” recalled a senior executive in investor relations (1998–2010).

Figure 3.4 – Kodak Stock Price Evolution (2000–2012, nominal USD)



Source: Author’s elaboration based on Kodak investor relations reports and historical stock data from Yahoo Finance.

Internally, foresight was weakened by governance filters. A former corporate planner (2003–2007) reflected that “the models were strong, but they were rewritten to soften the blow before reaching the board.” Kodak lacked dedicated innovation funding mechanisms, such as ring-fenced venture capital arms or protected R&D budgets. “We needed a separate track for future-building, but every investment went through the same gate as film,” explained a transformation lead (2004–2008).

Kodak’s core failure was not in recognizing disruption—it was in failing to reconfigure. Its internal structures and capital governance locked the firm into a declining trajectory. Even after emerging from bankruptcy in 2013 with a restructured B2B focus, Kodak was unable to regain strategic momentum. Revenues remained below \$2.5 billion (constant 2020 USD), profitability was erratic, and R&D intensity fell below 3% of revenue.

Although this post-2013 period lies outside the primary scope of analysis, Kodak’s continued stagnation is detailed in Appendix D (see Figure D.1), providing complementary context to the firm’s long-term constraints.

In conclusion, Kodak’s collapse stemmed not only from strategic missteps, but from an inability to fund transformation. Capital remained trapped in legacy business logics, and without financial agility, strategic foresight could not be executed.

3.3 Fujifilm: Strategic Reinvention and Transformation

The analysis in this section has looked at Fujifilm's strategic response to digital disruption

through the lenses of Strategic Foresight (Rohrbeck & Schwarz, 2013), Resource-Based View (Barney, 1991), Dynamic Capabilities (Teece, 2007), and Business Model Innovation (Chesbrough, 2010). Whereas Kodak was proptertized to move the insight Fujifilm was able to develop foresight as an operational capability and was able to re-orient core capabilities and modify their business model. The analysis draws on interviews with planners and executives to identify the structures and decisions that gave Fujifilm the ability to foresee, re-allocate, and modify.

3.3.1 Strategic Foresight Integration at Fujifilm

Fujifilm’s transformation was underpinned by a high level of foresight maturity and the integration of long-range thinking into core strategic processes. Unlike Kodak—where foresight was siloed—Fujifilm treated it as an embedded capability across governance and operations. This aligns with Rohrbeck and Schwarz’s (2013) concept of foresight-mature firms: those that connect sensing, interpreting, and acting across functions to anticipate change.

By the mid-1980s, Fujifilm had already begun scenario planning to anticipate the decline of analog film. “We didn’t wait for forecasts to become reality—we acted as if the worst-case scenario had already begun,” recalled a former senior executive in the Corporate Planning Division (1985–2005), based in Tokyo.

Launched in 2000, Vision 75 translated foresight into execution by linking scenarios to KPIs and governance routines. Our foresight work fed directly into budget decisions,” explained a former strategy officer responsible for Vision 75 implementation at headquarters (2000–2004).

Scenario planning shaped decisions at all levels. Forecast teams worked closely with M&A, R&D, and business units to align trends with investment. “Scenario forecasts led to the cancellation of a major analog investment,” noted a former transformation strategist involved in strategic reallocation (2001–2005).

Foresight was embedded in Fujifilm’s culture. Planners were directly involved in reviews and innovation efforts. “Planning roles were seen as career-building, not back-office,” said a former foresight team member focused on strategic innovation (2000–2006). This reflects how mature foresight systems integrate talent development with strategic agility (Rohrbeck & Schwarz, 2013).

Table 3.3 – Institutionalizing Strategic Foresight at Fujifilm

Foresight Dimension	Fujifilm Practice	Strategic Outcome
Sensing	Scenario planning since mid-1980s	Early recognition of analog market collapse
Interpreting	Framed digital as strategic imperative	Created urgency for enterprise-wide transformation
Integrating	Vision 75 linked foresight to KPIs and capital allocation	Enabled structured resource reallocation
Acting	Cancelled analog investments; launched new ventures	Converted foresight into strategic execution
Governance Embedding	Direct links to R&D, M&A, and strategy divisions	Ensured foresight shaped innovation and acquisition priorities
Cultural Reinforcement	Planners involved in execution and business leadership	Sustained alignment between insight and implementation

Source Author’s synthesis based on interviews with former Fujifilm executives (2000s–2010s) and Gavetti, Tripsas, and Aoshima (2007), Fujifilm: A Second Foundation, Harvard Business School Case 807-137.

In conclusion, Fujifilm’s foresight system was embedded, not symbolic. By operationalizing scenario planning through Vision 75, the company acted decisively ahead of decline—demonstrating that institutional readiness, not simply early awareness, shaped renewal.

3.3.2 Vision 75 and Strategic Governance

While foresight defined Fujifilm's direction, Vision 75 provided the clarity for action. Released in 2000 coinciding with the company 75th anniversary, Vision 75 was not just a pathway question, a means of engaging with the ambiguity but just about to be chief executive officer action plan transformation strategy for Shigetaka Komori. Vision 75 turned foresight into practice, rapidly diversified, and embedded innovation with governance. Komori’s leadership was pivotal. With deep commercial and operational experience, he earned internal credibility and signaled a shift in organizational culture. “Komori-san gave us cover to experiment. That changed everything,” said a former R&D manager involved in new business development during the early 2000s.

Vision 75 acted as a governance infrastructure. It linked long-term scenarios to capital planning, KPIs, and performance reviews. “Vision 75 didn’t just outline priorities—it changed how we invested and how business units justified initiatives,” noted a former strategy officer based in Tokyo who helped implement the program. Its bold target: by 2010, 75% of revenue would come from non-film businesses.

Cross-functional steering councils played a central role. Comprising executives from R&D, M&A, finance, and international units, they reviewed foresight outputs, assessed investments, and enforced accountability. Their structure resembled Teece’s (2007) dynamic capability

platforms—mechanisms that enable sensing, seizing, and reconfiguring.

The program also reformed resource allocation. Investment approvals prioritized diversification-aligned initiatives, particularly in healthcare, advanced materials, and digital imaging. “You couldn’t just say ‘film is still profitable’ anymore. If it wasn’t aligned with Vision 75, the capital didn’t come,” said a former executive overseeing strategic investments. Fujifilm also created formal planning cycles. For instance, business units had to create midterm plans, connected to Vision 75, that could be assessed centrally for strategic investment decisions and performance targets. Eventually, Fujifilm developed a hybrid structure where governance and strategic thinking were centralized, and execution was decentralized.

In sum, Vision 75 became the backbone of Fujifilm’s transformation. It reinforced foresight through governance, aligned capital with strategic intent, and created institutional mechanisms for renewal. More than a roadmap, it was a structural response to disruption—laying the foundation for the diversification and innovation examined in the next section.

3.3.3 Capability Redeployment and R&D Innovation

Fujifilm’s renewal was driven by its ability to repurpose scientific and engineering capabilities into high-growth sectors. Guided by the Resource-Based View (Barney, 1991) and Dynamic Capabilities framework (Teece, 2007), the company transformed legacy strengths into new sources of value.

Expertise in emulsion chemistry, precision coating, and diagnostic imaging—initially developed for photography—was redirected toward healthcare, electronics, and advanced materials. “We reviewed every technology platform we had and asked where it could serve new needs,” recalled a former strategy executive based in Tokyo during the early 2000s. Examples include the Astalift skincare line (built around antioxidant R&D), LCD polarizing films (based on precision coating), and the Synapse healthcare IT platform (evolving from diagnostic imaging systems). These illustrate how Fujifilm systematically extended its technological base into new competitive advantages.

To enable this, the company institutionalized technology audits, venture reviews, and cross-functional evaluations to assess feasibility and strategic fit. “We mapped where our technology could meet macro trends—healthcare and display tech came out on top,” noted a former corporate planning manager.

Engineers were retrained and redeployed. “We didn’t just shift budgets—we moved people, reskilled them, and made them part of the next growth story,” said a former senior executive

overseeing transformation.

These actions reflected a coherent platform strategy, not ad hoc diversification. As shown in Table 3.4, Fujifilm methodically redirected core capabilities into domains aligned with long-term foresight and growth opportunities.

Table 3.4 – Strategic Redeployment of Fujifilm’s Core Capabilities

Original Capability Area	Redeployed Domain	Example Initiative	Strategic Intent
Emulsion chemistry	Cosmetics & skincare	Astalift (anti-aging line)	Leverage antioxidant R&D for B2C health
Coating technologies	Display technology	LCD polarizing films and wide view films	Enter high-margin electronics segment
Imaging and diagnostic tech	Healthcare & medical IT	Synapse PACS platform	Integrate imaging into digital health
Nanotechnology & materials	Industrial applications	High-performance filters	Expand into specialty materials markets

Source: Author’s synthesis based on interviews with former Fujifilm executives (2000s) and Gavetti, Tripsas, and Aoshima (2007), Fujifilm: A Second Foundation, Harvard Business School Case 807-137.

Fujifilm’s success came not from abandoning its past, but from reimagining it. By recombining core strengths into new domains, it demonstrated dynamic capability in action—a textbook case of strategic reconfiguration under disruption.

3.3.4 Organizational Design and Leadership as Enablers of Agility

Fujifilm’s transformation was not only strategic—it was organizational. Drawing on Dynamic Capabilities (Teece, 2007) and ambidexterity theory (O’Reilly & Tushman, 2008), this section shows how agility was embedded into structure, leadership, and culture—balancing core optimization with innovation.

A foundational step was reorganizing internal structures to reduce hierarchy and foster collaboration. Fujifilm consolidated overlapping R&D units and embedded innovation teams within legacy divisions. “These teams let us solve for both continuity and disruption—they brought different logics into the same room,” said a former executive (2000–2005).

The Frontier Strategy Committee identified growth areas and launched ventures with direct budget authority. “We launched a healthcare imaging venture in two months. That would’ve taken a year before,” noted a former U.S.-based transformation manager (2002–2008).

Agility was also enabled by staff redeployment. Employees from declining units were reskilled and reassigned. “We gave people new careers—not just jobs,” noted a former talent executive (2001–2006).

Leadership was critical. CEO Shigetaka Komori provided clear direction and protected long-term innovation. “Komori-san gave us space to experiment,” recalled an R&D manager (2000–2007).

Governance systems were adapted. Leaders were evaluated on both profitability and innovation. Planning became milestone-based to align near-term results with long-term learning.

Table 3.5 – Organizational Enablers of Agility at Fujifilm

Enabler Category	Initiative or Structure	Strategic Function
Structural Integration	Cross-functional innovation teams	Enabled knowledge recombination across silos; supported both exploration and exploitation
Strategic Autonomy	Frontier Strategy Committee	Accelerated incubation of new ventures; reduced dependency on legacy hierarchy
Human Capital Mobility	Reskilling and internal career transitions	Preserved institutional knowledge; supported dynamic reallocation of capabilities
Leadership Model	CEO-protected innovation zones	Provided top-down protection for long-term experimentation under uncertainty
Adaptive Governance	Milestone-based planning and dual KPIs	Balanced short-term delivery with long-term strategic alignment and learning loops

Source: Author’s synthesis based on interviews with Fujifilm R&D and strategy executives (2000s–2010s), and dynamic capabilities literature including Teece (2007) and Eisenhardt & Martin (2000).

3.3.5 Financial Resilience and Strategic Reallocation

Fujifilm’s reinvention was driven by long-term foresight, disciplined capital governance, and a deliberate reconfiguration of its business model. This section analyzes how the company translated early signals into action, reallocated internal capabilities, and sustained innovation under pressure.

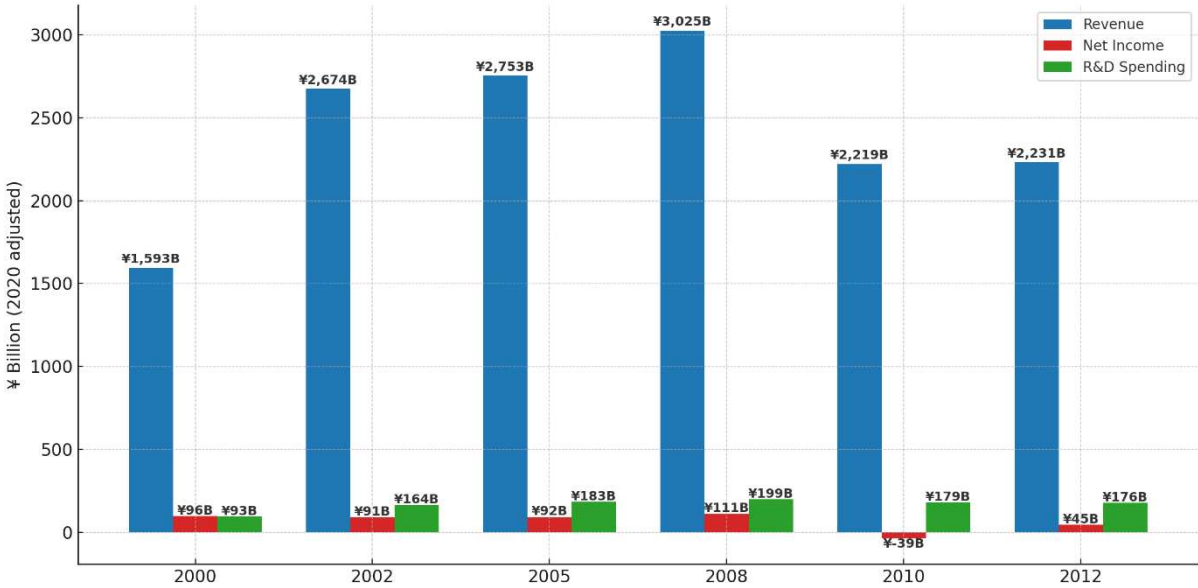
By FY2000, Fujifilm was generating ¥1,593 billion in revenue (in constant 2020 JPY), positioning itself as a global leader in analog imaging. Although still reliant on photographic film, the company had begun exploring adjacent opportunities in healthcare, document services, and electronic materials. Internally, scenario planning had already flagged the likely decline of analog photography. “We didn’t wait for forecasts to become reality—we acted as if the worst-case scenario had already begun,” recalled a former corporate planner involved in strategic foresight (2000–2005).

The launch of Vision 75 in 2000 marked a structural shift. Strategic planning and investment reviews were reoriented toward diversification. “Our foresight work fed directly into budget decisions—we weren’t just imagining the future, we were building toward it,” explained a former strategy officer (2001–2010) responsible for capital budgeting during the Vision 75

initiative.

Between FY2000 and FY2012, the company’s revenue grew from over ¥1,593 billion to close to ¥2,231 billion, while R&D increases were nearly double at ¥93 billion to ¥176 billion (all in constant JPY 2020). Net income decreased from more than ¥96 billion to close to ¥45 billion, with a temporary crisis loss of ¥39 billion in FY 2010 from the global financial crisis. Given earnings volatility, Fujifilm maintained an important emphasis on innovation in its business strategy and maintained R&D intensity at 5-7% of revenues, see Figure 3.5.

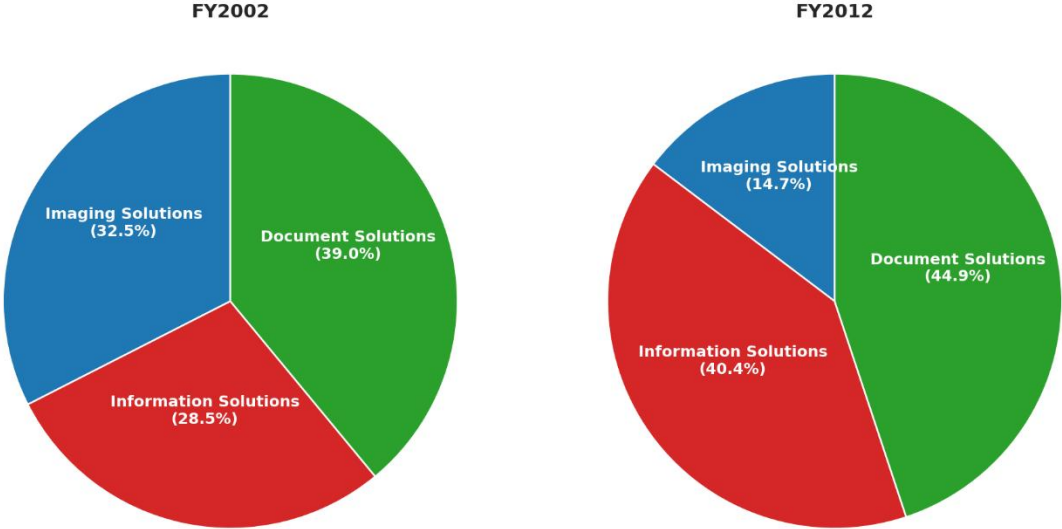
Figure 3.5 – Fujifilm Financial Performance (FY2000–FY2012, selected years, values in constant 2020 JPY)



Source: Author’s elaboration based on Fujifilm Holdings Annual Reports (2000–2012).
 Note: Values adjusted to constant 2020 JPY using Japan’s CPI. Figures represent fiscal years ending in March of each year.

In parallel, the company’s revenue mix has shifted significantly. Imaging Solutions made up 32.5% of revenue in FY2002. Document Solutions made up 39.0% of revenue and Information Solutions made up 28.5%. In FY2002, Imaging Solutions fell to only 14.7%, Document Solutions increased to 44.9% and Information Solutions increased to 40.4%. Figure 3.6 illustrates this transition and is representative of the shift from consumer film to digitally integrated B2B platforms.

Figure 3.6 – Fujifilm Revenue Breakdown by Segment (FY2002 vs. FY2012, %)



*Source: Author’s elaboration based on Fujifilm Holdings Annual Reports (2002 and 2012).
 Note: Segment share as % of total revenue in constant 2020 JPY. Figures represent fiscal years ending in March of each year.*

These changes were powered by platform redeployment. Astalift (cosmetics) emerged from antioxidant chemistry used in film; Synapse (medical IT) was developed from digital radiography; and LCD films were derived from precision coating technologies. “We reviewed every platform to see where else it could serve—and built ventures around those answers,” noted a former R&D liaison based in the U.S. (2004–2012). “We didn’t just change our offerings—we changed how the world saw us,” added a former commercial lead (2002–2012) responsible for business development in healthcare and industrial segments.

This dual transformation—financial and strategic—illustrates dynamic capabilities in practice. Fujifilm anticipated disruption, redeployed resources toward growth domains, and redefined its business architecture around adaptability and innovation. All Fujifilm figures are presented in constant 2020 Japanese yen, adjusted using Japan’s CPI. Kodak values are expressed in constant 2020 U.S. dollars. This approach enables consistent time-series analysis within each company while avoiding distortions from inflation or currency shifts.

Although this thesis focuses on FY2000–FY2012, Fujifilm’s continued performance is detailed in Appendix D (Figure D.2) to illustrate the long-term durability of its transformation strategy. These post-2012 trends are provided for context and are not analyzed through the applied theoretical frameworks.

3.4 Comparative Analysis: Interpreting Divergence in Strategic Response

This section integrates key findings from the case studies and answers all three of the research

questions by exploring how internal capabilities, organizational arrangement, and business model innovation influenced Kodak and Fujifilm's strategic reactions to disruption. Our analysis on forethought integration, capability reconfiguration, organizational arrangement, and business model transformation is informed by Strategic Foresight (Rohrbeck & Schwarz, 2013), RBV (Barney, 1991), Dynamic Capabilities (Teece, 2007), and Business Model Innovation (Teece, 2010).

On foresight, Kodak saw disruption signals early but framed them as threats to be contained. Its scenario planning remained symbolic, with no link to investment or governance. Fujifilm, by contrast, embedded foresight into Vision 75, linking scenario analysis to KPIs, budgets, and strategic planning processes. This reflects differing foresight maturity: Kodak operated at an ad hoc level, while Fujifilm institutionalized foresight as a core capability.

“We linked future scenarios directly to business planning—we weren’t rewarded for predicting, but for preparing,” said a former corporate strategy officer in Tokyo who worked on Vision 75 implementation between 2000 and 2004. In contrast, Kodak’s foresight was disconnected from strategic execution.

On capability redeployment, Kodak held valuable technologies but failed to reconfigure them into viable platforms, remaining anchored to its legacy business. Fujifilm reallocated core assets—such as emulsion chemistry and coating technology—into sectors like healthcare IT, cosmetics, and display films, showing stronger orchestration and RBV application.

Interview data reinforced this gap: Kodak’s capabilities remained underutilized, while Fujifilm systematically redirected assets into high-growth areas as part of a deliberate diversification strategy.

Organizational design played a pivotal role. Kodak’s siloed structure and analog-era processes constrained agility. Fujifilm launched cross-functional teams, formed the Frontier Strategy Committee, and reskilled talent—demonstrating Teece’s (2007) microfoundations of sensing, seizing, and transforming.

Business model innovation was a critical differentiator. Kodak’s initiatives like EasyShare and Kodak Gallery lacked integration with broader ecosystems and were constrained by legacy monetization logic. Fujifilm transitioned to platform-based solutions and recurring revenue streams outside photography, aligning with Teece’s (2010) view of business model transformation.

Timing also mattered. Both firms detected disruption early, but only Fujifilm acted before film’s decline became irreversible. Kodak’s delay reflected its failure to embed foresight and reform internal systems. “We had the insight, but we lacked the leadership drive to reframe

the company's future,” recalled a former Kodak corporate planner involved in scenario planning during the 2000s.

Table 3.6 – Strategic Response Matrix: Kodak vs. Fujifilm (Case Analysis)

Dimension	Kodak	Fujifilm
Foresight Integration	Symbolic, isolated	Operationalized, embedded
Capability Redeployment	Undirected, underutilized	Strategic, cross-sectoral
Organizational Design	Rigid, siloed	Agile, cross-functional
Business Model Logic	Legacy-bound	Reconstructed, ecosystem-oriented

Source: Author’s synthesis based on interviews with former Kodak and Fujifilm executives (1990s–2010s), and comparative insights from Gavetti and Henderson (2005), Kodak and the Digital Revolution (A), Harvard Business School Case 705-448, and Gavetti, Tripsas, and Aoshima (2007), Fujifilm: A Second Foundation, Harvard Business School Case 807-137, and Komori (2015).

Closing Insight: The Kodak–Fujifilm divergence was not driven by access to technology or foresight quality, but by how each firm interpreted disruption and reconfigured internal systems. Kodak remained anchored to legacy logic. Fujifilm institutionalized foresight, agility, and reinvention—demonstrating that execution, not awareness alone, shapes strategic renewal.

3.5 Strategic Implications for Managers

This comparison has illustrated that long term resilience is developed less in the way of the strategic assets possessed by a firm and more in their ability to reframe the disruption, orchestrate transformation and resituate the firm to create value. The respective differentiators of Kodak and Fujifilm illustrate not only changed capabilities, but also important choices made regarding governance, culture and identity.

Building on this analysis, the following managerial insights apply broadly to firms navigating compressed innovation cycles and ecosystem disruption. These lessons are reinforced by firsthand perspectives shared by former Kodak and Fujifilm executives.

- **Foresight must be embedded, not symbolic.** Scenarios, scanning, and trend analysis only create value when they shape decisions. Fujifilm’s Vision 75 shows how foresight drives change when linked to investment, reform, and innovation. A former Fujifilm foresight lead involved in Vision 75 (1997–2010) emphasized, “We linked future scenarios directly to business planning—we weren’t rewarded for predicting, but for preparing.” Foresight must inform governance and align long-term trends with strategy.
- **Capabilities are not assets unless redeployed.** Kodak had deep technological expertise but failed to pivot. Strategic adaptation requires more than possessing

capabilities, it demands the ability to recombine and redirect them. Fujifilm used its legacy capabilities in imaging and chemical technologies to enter healthcare, electronics, and life sciences, unlocking new growth.

- **Organizational flexibility is a strategic resource.** Kodak’s rigid silos and legacy incentives blocked change. Fujifilm invested in cross-functional teams, reskilling, and agile governance—mechanisms that enabled renewal. Execution structures matter as much as strategic intent.
- **Identity must evolve.** Kodak clung to its identity as a film company. Fujifilm reinterpreted its legacy into new domains like diagnostics and digital ecosystems. Redefining purpose is vital in disruption. As one Fujifilm transformation leader involved in Vision 75 explained, “The company did not abandon its legacy—it reinterpreted it into something broader.”
- **Leadership must be ambidextrous.** Fujifilm balanced exploration and exploitation. Leaders must support both legacy optimization and long-term platform building. Strategic ambidexterity (O’Reilly & Tushman, 2004) is key to sustainable advantage.

In TUNA environments—defined by turbulence, uncertainty, novelty, and ambiguity—strategic advantage comes from adaptability, not legacy assets. Firms must embed foresight, develop dynamic capability portfolios, and continuously reposition within emerging value chains. Innovation must go beyond products to include reinvention of models, mindsets, and culture.

The Kodak–Fujifilm case shows two opposing ways of thinking about a business: protect it versus reinvent it. The disruption that has occurred (and continues to occur) in every industry, whether that is energy, media, or finance, puts organizations and their leaders in a position to evaluate whether they are going to protect what they had or reinvent for the future.

Future-oriented leadership requires organizations that are strategically ambidextrous—able to explore new domains while leveraging existing strengths. This takes more than capital or capabilities; it demands a culture of experimentation, learning, and long-term thinking. Kodak saw the future but hesitated. Fujifilm anticipated it—and moved. In an era of permanent disruption, that distinction defines whether firms survive or lead.

4. Teaching Notes

4.1 Case Synopsis

This case study compares the strategic responses to disruption in the film industry by Eastman Kodak, and Fujifilm. Kodak was the global leader in analog imaging and forever changed consumer photography with innovations such as roll film and the Brownie camera. Fujifilm was created as a national strategy to decrease Japan's dependence on imported photographic materials, but by the 1970's had emerged as a global competitor through consistent investment in R&D and incremental innovation.

As early as the 2000s, both organizations confronted the rapid and irreversible decline of the film-based imaging market. Although they began at similar starting points, their trajectories were vastly different. While Kodak filed for Chapter 11 bankruptcy in 2012 because of the internal failures of its resistance to change and its business model (strategic inertia and lock-in), Fujifilm implemented an optimistic, forward-looking strategy that used long-term planning and capability deconstruction, as well as an expansion into healthcare, electronics, and document solutions, to support long-term renewal.

The case invites students to reflect on how legacy firms anticipate and respond to disruption using key dimensions such as anticipation maturity, framing the leadership-view, organizational adaptation, and overall business model innovation perspective. Financial data comparisons show a significant decline in Kodak's R&D spend of capital and asset alignment to expectations related to this spend versus Fujifilm's disciplined spend and budgeting for growth and reinvestment.

Designed for Master's-level courses in strategy and innovation, the case draws on interviews with former executives and industry experts. It provides actionable insights on how firms can institutionalize foresight, reconfigure core capabilities, and prepare for multiple plausible futures, particularly in environments shaped by Turbulence, Uncertainty, Novelty, and Ambiguity (TUNA).

Learning Objectives:

- Evaluate how legacy firms use strategic foresight to navigate technological disruption.
- Analyze the role of leadership framing, governance systems, and internal alignment in corporate transformation.
- Apply scenario planning, dynamic capabilities, and business model innovation to strategic renewal in TUNA environments.

4.2 Suggested Answers to the Research Questions

This section addresses the three research questions that guide the comparative case analysis of Kodak and Fujifilm. Each answer draws on the Chapter 2 frameworks and is based on interviews and secondary data. The aim is to explain the companies' differing insights related to disruption by identifying the internal contexts that influenced their adaptive capacity and long-term ability to renew.

1. What explains the divergent strategic responses of Kodak and Fujifilm to digital disruption?

Foresight Maturity and Strategic Framing

Kodak and Fujifilm faced the same disruptive force—digital photography—but responded in sharply different ways. Strategic Foresight explains this divergence by examining how firms detect, interpret, and act on future signals. Both saw the decline of analog film, but only Fujifilm turned this insight into company-wide transformation.

Fujifilm institutionalized foresight through Vision 75, a long-term strategic platform launched under CEO Shigetaka Komori in the early 2000s. The initiative embedded scenario planning directly into budget allocation, performance reviews, and innovation governance. A former corporate planning executive at Fujifilm headquarters (2001–2007) explained that business units were expected to align their strategies with forecasted scenarios. A former innovation and strategy manager (2002–2008) recalled that foresight was “not a side activity but a core component of capital planning,” adding that “you couldn't skip the future.”

Governance and Execution Mechanisms

Kodak, although an early pioneer of digital imaging, demonstrated low foresight maturity. Scenario planning and adoption models existed but were not linked to governance or budgeting. A former director of strategic R&D at Kodak (1995–2006) remarked that foresight “didn't influence the money or the roadmap.” Lacking integration with capital processes, these insights failed to drive transformation.

Leadership Signals and Organizational Alignment

At Fujifilm, leadership consistently framed the decline of analog film as irreversible, which legitimized decisive investment shifts. Scenario analysis directly shaped business reviews and capital allocation. At Kodak, signals were inconsistent. A former marketing executive from the consumer division (2003–2008) recalled being asked to grow digital “without hurting film,” a contradiction that led to operational paralysis.

Conclusion

The divergence between Kodak and Fujifilm reflects fundamental differences in foresight maturity, leadership framing, and governance execution. Fujifilm institutionalized foresight

and acted preemptively. Kodak, despite seeing the threat, lacked the systems and alignment to act on it. This comparison underscores that recognizing disruption is not enough—organizational systems must be designed to act on it consistently and early.

2. What internal capabilities and organizational mechanisms enabled Fujifilm to adapt while constraining Kodak?

Dynamic Capabilities and Resource Redeployment

Kodak and Fujifilm both possessed extensive technical foundations and R&D legacies in analog imaging. However, only Fujifilm succeeded in reconfiguring those capabilities into new growth domains. This divergence is best explained through the Resource-Based View (RBV) and Dynamic Capabilities frameworks, which stress that renewal depends not only on resource possession but also on a firm's ability to sense change, seize opportunity, and reconfigure assets. These develop through learning and leadership routines.

Fujifilm redeployed legacy assets—such as emulsion chemistry, precision coating, and optical engineering—into high-potential sectors like healthcare, life sciences, and electronic materials. A former innovation lead at Fujifilm USA (2002–2008) explained that the firm prioritized “high-margin applications where our chemistry could win.” A former product line manager (2001–2007) added that the collapse of film was treated as an opportunity: “We didn't try to fight it—we invested through it.” This mindset was embedded in Vision 75, which linked foresight directly to investment and transformation.

Organizational Enablers of Innovation

Fujifilm's renewal was not just technical—it was systemic. Vision 75 introduced cross-functional task forces, internal venture reviews, and KPIs aligned with long-term innovation. A corporate strategist (2000–2005) noted that “legacy margins were no longer sufficient; initiatives had to show long-term value creation.” A former executive in imaging and marketing (1984–2015) emphasized how governance platforms enabled scaling across units. A former category manager at Fujifilm (2000s) recalled, “every team was pushed to think beyond optimization.” A senior engineering executive (1980s–2000s) explained that chemical, software, and mechatronic divisions collaborated to reapply core technologies, preserving institutional knowledge while enabling diversification. This orchestration translated foresight into coordinated action.

Inertia and Fragmentation at Kodak

Kodak had comparable technical assets—sensors, batteries, and digital imaging—but lacked integration mechanisms. A former corporate strategy manager (1998–2005) stated that “risk wasn't rewarded; it was avoided.” A former engineer (1999–2004) observed, “we had the

parts, but no one was assembling the engine.” A former executive and consultant (1997–2008) added: “Financial controls reinforced silos—if you worked on digital, you had to justify your existence every quarter.” This created not only misalignment but internal tensions between legacy defenders and innovative advocates.

Conclusion

Fujifilm’s success came from turning legacy strengths into growth through orchestration and governance. In contrast, Kodak’s failure illustrates that without integration or strategic intent, even top assets remain dormant. Dynamic capabilities are not inherited—they are built, sustained, and embedded into the organization’s operating model through deliberate design.

3. What role did business model innovation play in shaping each firm’s strategic transformation?

Fujifilm’s Systemic Business Model Reinvention

Business Model Innovation (BMI) played a defining role in shaping long-term performance. As outlined in academic literature, BMI refers to the ability of a firm to redesign how it creates, delivers, and captures value when its existing business logic becomes obsolete. Both Kodak and Fujifilm recognized the decline of analog film, but only Fujifilm successfully reconfigured its model to match emerging market needs.

Fujifilm shifted from a transactional, product-centric approach to a solutions-oriented, recurring revenue model. Units shifted toward diagnostics, document solutions, and IT. A former business development executive at Fujifilm (2003–2010) explained that the company moved “from selling film boxes to building diagnostics systems.” Another executive involved in the transition described it as a comprehensive effort, where account managers were retrained in solution selling, pricing structures were adjusted, and bundling strategies developed across verticals.

Organizational Support and Incentives

The change was not isolated—it was embedded across the organization. Fujifilm introduced new monetization models, adapted internal incentives, and realigned operations to support long-term objectives. This cross-functional integration helped legitimize new business directions internally, encouraged learning across units, and enabled sustainable investment in future growth areas.

Kodak’s Incrementalism and Model Lock-In

Kodak also introduced digital-era products—such as EasyShare cameras, inkjet printers, and Kodak Gallery—but these initiatives remained incremental and failed to transform its revenue model. A former executive at Kodak (2002–2008) noted that digital was viewed “as a product

extension, not a strategic shift.” A former product lead (2001–2005) recalled that Kodak Gallery was “underfunded, poorly integrated, and lacked executive sponsorship.” Kodak continued to rely on consumables and print revenues, despite clear signals of digital disruption.

Conclusion

Fujifilm institutionalized business model innovation as a dynamic capability, reorienting the company around high-margin, solution-based models. Kodak, in contrast, remained anchored to its declining core and lacked the structural resolve to evolve. “In times of disruption, business model innovation is the engine of reinvention

Synthesis:

Collectively, these three research questions show that strategic resilience in the face of disruption depends less on technological assets and more on how foresight, dynamic capabilities, and business model logic are institutionalized. Fujifilm embedded these elements through governance, leadership alignment, and cross-functional execution. Kodak, by contrast, illustrates how symbolic foresight, rigid structures, and short-term incentives undermine transformation. This synthesis sets the stage for strategic discussion in the next chapter

4.3 Strategic Divergence Between Kodak and Fujifilm: A Comparative Synthesis

The table below summarizes the key strategic divergences between Kodak and Fujifilm across six organizational dimensions. It integrates findings from interviews with former executives and draws on the theoretical frameworks introduced in Chapter 2—Strategic Foresight, the Resource-Based View (RBV), Dynamic Capabilities, and Business Model Innovation (BMI).

Table 4.1 – Strategic Divergence Summary: Teaching Comparison

Strategic Dimension	Kodak	Fujifilm
Cultural Alignment	Resistance to change; promotions tied to legacy performance	Openness to experimentation; cultural support for renewal
Foresight Integration	Symbolic; disconnected from decision-making and budgeting	Institutionalized via Vision 75; embedded in planning and resource allocation
Capability Redeployment	Underleveraged technical assets; innovation efforts siloed	Systematic repurposing of core capabilities through cross-functional mechanisms
Organizational Agility	Rigid structures; short-termism; internal inertia	Agile governance; leadership sponsorship; targeted reskilling
Business Model Innovation	Incremental; anchored in consumables-based revenue logic	Transformational; recurring revenue through service- and solution-based models
Strategic Leadership	Conflicting signals; protectionist stance toward analog core	Unified vision; proactive framing of disruption as an opportunity

Source: Author’s synthesis based on interviews with former Kodak and Fujifilm executives (1990s–2010s), and analytical application of the Strategic Foresight, RBV, Dynamic Capabilities, and Business Model Innovation (BMI) frameworks.

This comparative table reinforces the findings from Section 4.2 and prepares the ground for pedagogical application. It illustrates that resilience and transformation are not dictated by access to resources or early technological awareness alone, but by the organization’s ability to align leadership, reconfigure capabilities, and institutionalize foresight into strategic action.

4.4 Limitations and Suggestions for Future Research

The case study has yielded contextually rich insights about the strategic futures of Kodak and Fujifilm. However, there are limitations to the generalizability of its findings and scope for some of the analysis.

First, the study relied on retrospective account interviews with former Kodak and Fujifilm executives as well as industry practitioners. Although the interviews were triangulated with secondary data, retrospective accounts are subject to hindsight, selective memory, and post hoc rationalization. Recollections are subjective realities anchored by the nature of the interviewees' roles, the context of the decision-making process, and the outcomes that unfolded in the future.

Second, the structured use of dynamic capabilities, strategic foresight, and business model innovation as analytical lenses guided the research but also may have introduced an interpretive bias. While these frameworks generated a coherent analysis, they also potentially

neglected other dimensions that could have been relevant, such as institutional or political context, that fell outside of their expectations.

Third, while the comparative two-firm case study design was strong in internal validity, it may be affected by limits to generalizability. Specifically, the trajectories of Kodak's and Fujifilm's initiatives were influenced by industry-specific factors, such as capital-intensive investments, technological lock-in, and the unusual pace of disruptive loss, that may not apply in faster-moving or less asset dependent industries.

Fourth, the analysis was primarily concerned with firm-level resilience mechanisms, such as foresight maturity, agility, and adaptation of business models. Less attention was paid to institutional forces external to the firm. Differences in governance models, such as US shareholder capitalism compared to Japan's stakeholder-oriented model, likely shaped each firm's longer-term adaptability and strategic discretion differently.

Future research could build on this foundation by testing the frameworks in alternative industries like healthcare or mobility. Institutional analysis may extend understandings of adaptive capacity based on how ownership structures and regulation shape contingency planning and foresight capabilities. Longitudinal studies may help track the evolution of foresight systems across continuous cycles of sensing, learning, and transforming. There could also be merit in studying failed or aborted transformations, as these cases could provide rich details about internal hesitations to change and leadership ambiguity.

Taking these new directions would further enhance the theoretical and practical value of research on foresight, transformation, and resilience in uncertain environments.

4.5 Final Pedagogical Note

This case study provides an opportunity for your students to examine organizational dynamics that contribute to whether disruption becomes breakdown or renewal. Although both Kodak and Fujifilm faced the same technological shift, the outcomes of their decisions illustrate the role of foresight maturity, contextual reframing from leadership, internal alignment, and business model innovation in organizational resilience.

Framed through four key strategic lenses (Strategic Foresight, Resource-Based View (RBV), Dynamic Capabilities, and Business Model Innovation), students are encouraged to not only consider the strategic decisions made by each firm, but also the organizational systems, incentives, and governance structures that supported and/or limited their ability to execute.

The case emphasizes the need for organizations to have foresight infused in capital planning, innovation governance and leadership communications and not be a siloed function.

This case is suitable for:

- Graduate-level courses on strategy, innovation, and organizational transformation.
- Executive programs focused on foresight, leadership, or resilience building.
- Capstone modules involving scenario planning, VUCA/TUNA analysis, or dynamic capabilities.

Suggested discussion questions:

- How can firms embed foresight into core decision-making without isolating it from operations?
- What leadership behaviors are essential to convert insight into execution?
- How does internal culture support or constrain the deployment of dynamic capabilities?
- Why is business model innovation difficult to implement, even when widely understood?

Pedagogical Tools

Appendix E, Figure E.1 is an illustration of Kodak and Fujifilm's strategic paths and can support classroom use with respect to demonstrate how to visualize the four paths. It serves as a diagnostic instrument for either breakdowns or success within the four themes of change: foresight, capability, culture, and governance. The instructor is welcome to use this figure to spur a comparison and understanding of how what seemed to be divergent responses to the same disruption turned out to be based on choices internally in the organizations.

These answers can also prompt classroom debate or role-play exercises, encouraging students to adopt leadership perspectives and defend their firm's strategic response to disruption.

Ultimately, this case provides students and practitioners with a structured lens for understanding corporate transformation. It reinforces that resilience is not determined by timing or technology alone, but by how organizations perceive disruption, mobilize leadership, and align systems to act decisively.

5. Conclusion**5.1 Summary of Key Findings**

This thesis examined how legacy firms respond to disruption through a comparative analysis of Kodak and Fujifilm. The findings show that resilience depends less on early awareness and more on institutionalizing foresight, reconfiguring internal capabilities, and evolving the business model in response to shocks.

Fujifilm illustrated high foresight maturity with its Vision 75 program, which integrated scenario planning into the annual strategic option review, capital allocation, and business unit mandate processes (Rohrbeck & Schwarz, 2013). This program allowed Fujifilm to articulate long-term orientation as well as strategic consistency across business functions. By reconfiguring legacy technologies like emulsion chemistry and precision coating into healthcare and electronic materials, Fujifilm applied the Resource-Based View (Barney, 1991) to enter high-growth markets. It also shifted to solutions-based, recurring-revenue models—demonstrating Business Model Innovation (Chesbrough, 2010) as a driver of renewal.

Kodak, by contrast, exemplified symbolic foresight—an awareness of disruption that failed to translate into execution. Although the company pioneered digital imaging, scenario planning remained disconnected from resource decisions and lacked executive ownership. Governance systems and budgeting processes reinforced existing business models. Short-term incentives and siloed structures further blocked adaptation. Multiple interviewees described a context in which foresight insights existed but lacked influence over strategy, capital flow, or innovation priorities. This resulted in organizational inertia despite technological readiness.

The comparative case suggests that transformation depends not only on what firms know, but on how they act on that knowledge. Strategic resilience requires dynamic capabilities, the ability to reallocate resources, frame disruption as an opportunity, and scale learning across organizational levels (Teece, 2007). Firms that recognize change but fail to build enabling systems are likely to stagnate in the face of disruption.

This thesis contributes to the literature by integrating Strategic Foresight, the Resource-Based View, Dynamic Capabilities, and Business Model Innovation into a unified analytical lens (Rohrbeck & Schwarz, 2013; Barney, 1991; Teece, 2007; Chesbrough, 2010). It argues that internal organizational architecture—not external shocks alone—ultimately determines whether legacy firms adapt, renew, or decline.

5.2 Implications for Practice

This thesis offers four strategic implications for leaders navigating disruption in legacy firms. While grounded in the Kodak–Fujifilm comparison, these insights extend to any organization operating in volatile, asset-heavy industries under pressure to transform. The findings are particularly relevant in TUNA environments—marked by turbulence, uncertainty, novelty, and ambiguity—where long-term resilience must be actively designed, not passively hoped for.

1. **Institutionalize foresight into governance and decision-making**

Strategic foresight must shape core processes—not remain symbolic. Scenario planning, trend monitoring, and long-range scanning should directly inform investment priorities, capital allocations, and strategic reviews. Fujifilm's experience shows that foresight maturity is not about forecasting accuracy but about enabling preemptive action. Embedding foresight into executive governance ensures the organization can act early, not react late.

2. **Create protected structures for transformation**

Legacy firms often evaluate future-oriented initiatives using outdated KPIs optimized for the core business. To overcome this bias, they should create protected units, funding mechanisms, or venture arms that allow new models to evolve without being constrained by short-term logic. These structures legitimize experimentation, signal leadership commitment, and create safe zones for innovation to scale.

3. **Reframe identity to legitimize internal change**

Transformation is not only technical—it is cultural. Leaders must actively shape narratives that connect innovation with the firm's heritage and long-term purpose. Fujifilm succeeded in repositioning its identity from a photographic company to a diversified technology group without alienating its core. This framing gave legitimacy to reinvention and encouraged organizational buy-in.

4. **Realign incentives around learning, adaptability, and collaboration**

Strategic renewal requires new behaviors. Performance systems must evolve to reward cross-functional learning, manage risk-taking, and long-term value creation. Without the right incentives, even the most forward-looking strategies stall in execution. Encouraging collaboration across silos and rewarding adaptability can create conditions for dynamic capabilities to take root.

Prepared firms are those that align strategy, systems, and culture in service of transformation. These insights suggest that strategic resilience is not a single decision—it is an organizational capability developed over time through coherent leadership and structured reinvention.

5.3 Contributions to Literature and Future Research

This thesis contributes to strategic management literature by showing how the frameworks of Strategic Foresight, Resource-Based View (RBV), Dynamic Capabilities, and Business Model Innovation (BMI) explain divergent legacy firm responses to disruption. It confirms Rohrbeck and Schwarz's (2013) argument that foresight must be embedded in decision-making to be

actionable. Fujifilm’s Vision 75 initiative demonstrates this principle, using scenario planning to shape budgets, KPIs, and innovation governance. In contrast, Kodak’s failure to link foresight with capital allocation reinforces Leonard-Barton’s (1992) concept of “core rigidities,” where legacy systems inhibit transformation even when disruption is acknowledged.

The findings also enrich literature on resource orchestration and capability renewal. While both firms had strong R&D assets, only Fujifilm leveraged them into new strategic domains—supporting Teece’s (2007) view that advantage stems not from resource possession alone but from the capacity to dynamically reconfigure them. The case further shows that business model innovation is not a single pivot but an iterative process requiring internal alignment, customer reframing, and ecosystem adaptation depending on the process-based view in Zott et al. (2011) and Chesbrough (2010).

Future research may explore:

- Foresight integration and governance: How do stakeholder- vs. shareholder-driven systems affect the institutionalization of foresight?
- Dynamic capabilities under layered disruption: How do capabilities evolve across compound crises such as AI, climate shocks, or geopolitical instability?
- Cross-industry generalizability: Can this framework explain adaptation in other legacy industries, such as publishing, mobility, or energy?

By bridging theory and empirical insight, this thesis helps explain why disruption leads to collapse for some and reinvention for others—and shows that foresight alone is insufficient without the systems to act on it.

5.4 Final Reflection

Kodak and Fujifilm’s divergent paths show that disruption is not inherently fatal—nor is technological leadership inherently protective. Strategic resilience lies not in owning technology, but in challenging legacy assumptions, reallocating resources toward emerging futures, and aligning governance, incentives, and culture with long-term renewal (Teece, 2007; Rohrbeck & Schwarz, 2013; Chesbrough, 2010).

Change is not a one-time event—it is a repeatable capability. In an era of platform competition, AI acceleration, ESG pressure, and geopolitical instability, firms operate in ecosystems shaped by VUCA and TUNA (Bennett & Lemoine, 2014). In this context, foresight and execution are not advantages; they are necessities for survival.

This thesis addressed three central questions: what drove Kodak and Fujifilm’s divergence,

which internal enablers shaped their outcomes, and how business model innovation influenced long-term renewal. The findings show that transformation is less about prediction and more about institutionalizing readiness. Organizations that link sensing, framing, and execution are better positioned to thrive under uncertainty.

The research contributes to literature by comparing two trajectories and proposing a framework for navigating strategic renewal. It calls for scholars to move beyond retrospective case analysis and toward designing foresight systems, capability platforms, and governance mechanisms that embed agility and resilience (Teece, 2007).

For students and practitioners, disruption should not be treated as an anomaly but as a structural feature of modern business. For executives, this case offers a caution: early signals mean little without timely action. Strategic resilience depends on leadership alignment and systems that connect sensing with doing. Adaptive capacity is not a static state—it is a dynamic capability built through deliberate practice.

Ultimately, resilience is not a trait but an organizational system—designed, enabled, and led. The future will reward firms that prepare with strategies to navigate change. These insights are increasingly relevant as legacy firms face disruption from technology, ESG demands, and geopolitical instability. Building resilience requires more than awareness; it demands redesigning systems, reframing intent, and seeing disruption as a continuous design challenge. While the core analysis concludes in 2012, Appendix D offers post-2012 financial data for both Kodak and Fujifilm. These trends are not interpreted through the core frameworks but offer valuable context to understand the long-term outcomes of each firm's strategic response.

6. Appendices

Appendix A – Interview Participants Overview

To support the comparative case study methodology, ten semi-structured interviews were conducted with former Kodak and Fujifilm executives, as well as industry experts with direct knowledge of each firm’s strategic response to digital disruption. The table below summarizes the professional context and functional relevance of each participant while preserving anonymity. Participant roles are described by their relevance to the disruption period and the theoretical themes addressed in this thesis—namely Strategic Foresight, Resource-Based View, Dynamic Capabilities, and Business Model Innovation. These interviews contributed not only descriptive depth but also helped link empirical insights to the analytical frameworks developed in Chapter 2.

Table A.1 – Interview Participants Overview

#	Affiliation	Role at Time of Relevance	Location	Notes on Contribution
1	Kodak	Former Senior Engineer, Digital Imaging Pioneer	USA	Contributed to development of early digital camera prototypes
2	Kodak	Former General Manager, Consumer Imaging Group	USA	Oversaw key analog business operations during transition
3	Kodak	Former VP, Strategic Alliances and Planning	UK	Worked on strategic planning and partnership development
4	Kodak	Former Division Leader, Digital Imaging	USA	Led commercial digital initiatives; later became industry consultant
5	Fujifilm	Former Senior Executive, U.S. Imaging Operations	USA	Contributed to commercial strategy and digital platform development
6	Fujifilm	Former Manager, Instax Strategy and Asia Markets	Japan	Supported diversification through consumer imaging strategy
7	Fujifilm	Former R&D and Corporate Strategy Liaison	USA	Worked on internal foresight and new business incubation
8	Industry Expert	Professor of Strategy and Innovation	USA	Provided comparative insight into Kodak and Fujifilm transformation
9	Industry Expert	Innovation Consultant, Foresight Specialist	France	Commented on scenario planning, open innovation, and industry trends
10	Industry Expert	Analyst in Corporate Governance and ESG	USA	Shared perspective on market pressures and investor influence

All interview participants were selected based on their direct involvement in, or expertise regarding, the period of digital disruption at Kodak and Fujifilm or Industry Knowledge. Descriptions preserve anonymity while clarifying the relevance of each participant’s role to the firm’s strategic response. All interviews were conducted with informed consent and are presented in accordance with institutional research ethics standards. Roles are described by functional context and time of relevance only and were used to support both case comparison

and theoretical analysis.

Appendix B – Interview Guide

Title: Strategic Foresight and Business Model Innovation: A Comparative Case Study of Kodak and Fujifilm

Purpose: This interview guide was developed to collect comparative insights from three participant groups: Kodak employees, Fujifilm employees, and external industry experts with knowledge of disruption in the imaging industry.

Framework Alignment: Questions were mapped to the thesis’s four analytical lenses: Strategic Foresight, Resource-Based View (RBV), Dynamic Capabilities, and Business Model Innovation (BMI).

Interview Format: Semi-structured interviews combining theory-based and open-ended questions. Questions were adapted to each participant’s role and experience. Interviews were conducted via video call or email and averaged 45–60 minutes.

A. Corporate Insiders – Kodak Employees

1. Strategic Foresight & Early Signals

- When did digital imaging first emerge as a strategic concern inside Kodak, and what triggered that shift?
- Were there any foresight tools (e.g., long-term planning, scenario analysis, trend forecasting) used to anticipate digital disruption?
- Were early signals (e.g., market shifts, declining film sales, rising consumer digital adoption) identified but deprioritized or dismissed? What were the internal reasons?
- Did Kodak’s identity as a film company influence how it interpreted or responded to disruption?

2. Organizational Culture & Decision-Making

- How did Kodak’s leadership — including senior executives or board members — communicate the threat of digital internally?
- What organizational barriers (e.g., rigid structures, internal silos, legacy success logic) made it difficult to adapt the strategy?
- How did the company’s culture handle experimentation, ambiguity, or risk at the time?
- Were investor pressures or corporate governance dynamics shaping short-term over long-term decision-making?

3. Capabilities & Adaptation

- Which capabilities (e.g., film R&D, global brand, retail presence, imaging expertise) were prioritized in Kodak's digital strategy?
- Were there concrete efforts to reallocate resources — e.g., people, patents, technology — toward digital or new ventures?
- Why do you believe these efforts failed to scale or deliver sustainable business models?

4. Business Model Innovation

- Were serious attempts made to reinvent Kodak's core business model — such as through digital services, new pricing strategies, or consumer platforms?
- Did the company explore ecosystem plays (e.g., online storage, printing-as-a-service, software bundling)?
- What do you believe prevented these models from succeeding — internal resistance, strategic confusion, market timing?

5. Reflection & Learning

- Looking back, what do you consider the key turning point in Kodak's inability to adapt?
- If there's one decision or cultural trait you would change, what would it be?
- What advice would you give to a legacy firm today facing a comparable digital disruption?

B. Corporate Insiders – Fujifilm Employees

1. Strategic Foresight & Anticipation

- When did digital imaging start to be treated as a strategic threat inside Fujifilm, and what internal signals triggered that shift?
- Were formal foresight tools (e.g., scenario analysis, technology roadmapping) used by the strategy team or top leadership to anticipate change?
- Can you recall how future trends — like declining film demand or digital convergence — were brought into executive discussions and planning?
- In your view, how did Fujifilm's identity evolve during the transformation, and how did that enable reinvention?

2. Decision-Making & Organizational Response

- How did Fujifilm's leadership (e.g., Mr. Komori or others) frame the digital disruption internally — and how did that shape urgency or commitment?

- What internal changes (such as new business units, cross-functional teams, or decision-making processes) allowed for faster or more adaptive strategy execution?
- Were there specific routines or internal champions that drove the company's willingness to move beyond film and into adjacent sectors?

3. Capability Redeployment & Diversification

- Which technologies or know-how from the photography business were identified early on as having high potential in other markets?
- How were these capabilities adapted or applied to build new businesses — such as medical imaging, pharmaceuticals, or cosmetics?
- What internal enablers (e.g., investment models, R&D strategy, cultural attitudes toward change) made it possible to enter those fields successfully?

4. Business Model Innovation

- What changes were made to Fujifilm's core business model — in terms of value creation, revenue logic, or customer engagement — during the transition?
- Did Fujifilm actively pursue platform-based strategies (e.g., open innovation, ecosystems) or digital service offerings as part of its reinvention?
- How did the company balance protecting legacy revenue from film while growing high-potential new businesses?

5. Reflection & Strategic Learning

- Looking back, what leadership mindset or strategic decision do you believe was most important in allowing Fujifilm to reinvent itself?
- What do you think makes Fujifilm's transformation story so rare — and what lessons should other firms facing disruption take from it?

C. Industry Experts

1. Strategic Foresight & Disruption Signals

- When do you believe digital photography became an unavoidable disruption in the imaging industry?
- What were the key early signals — market, consumer, or technological — that incumbents could have acted on?
- How would you compare Kodak and Fujifilm in their use of foresight, scenario planning, or strategic anticipation?
- In your view, how did each company's strategic identity shape their interpretation of those signals?

2. Decision-Making, Culture & Leadership

- What role did leadership mindset and governance structures play in shaping Kodak's and Fujifilm's responses to disruption?
- How do you compare their organizational cultures in terms of openness to change, learning, or innovation?
- How did national business environments (e.g., U.S. shareholder capitalism vs. Japanese stakeholder models) influence each firm's strategic flexibility?
- Were there structural features or incentives that made adaptation easier for Fujifilm than for Kodak?

3. Capabilities & Resource Deployment

- Which legacy capabilities — such as R&D, vertical integration, or process know-how — were assets or liabilities for each company?
- How did Fujifilm successfully reconfigure these into new business units, and why did Kodak struggle?
- What distinguishes firms that can “pivot” their capabilities versus those that remain locked in?

4. Business Model Innovation & Transformation

- What specific innovations in Fujifilm's business model (e.g., customer segments, revenue models, partnerships) enabled sustained growth?
- Were there genuine opportunities for Kodak to pursue similar models — or were they structurally constrained?
- How did platform thinking, ecosystems, or adjacencies play a role in Fujifilm's success?
- What mistakes did Kodak make in trying to adapt its model — and why did they fail?

5. Reflections & Strategic Lessons

- What, in your opinion, was the critical inflection point in the Kodak vs. Fujifilm divergence?
- What mental models, strategic assumptions, or organizational habits most defined each company's fate?
- What practical lessons from this case are most relevant for today's legacy companies facing disruption?
- How can firms today better institutionalize foresight and build adaptive capacity

Appendix C – Summary of Theoretical Frameworks

This appendix provides a consolidated overview of the four theoretical frameworks applied in the thesis: Strategic Foresight, Resource-Based View (RBV), Dynamic Capabilities, and Business Model Innovation (BMI). The table below summarizes the core concept, key analytical dimensions, and theoretical contribution of each framework, offering a reference point for interpreting the strategic divergence between Kodak and Fujifilm under conditions of disruption and uncertainty.

Table C.1 – Summary of Theoretical Frameworks

Framework	Key Concept	Key Dimensions	Theoretical Contribution
Strategic Foresight	Anticipating and preparing for multiple plausible futures	Scenario planning, horizon scanning, weak signal detection, foresight maturity	Enables anticipatory capacity and supports long-term strategic alignment under uncertainty
Resource-Based View (RBV)	Competitive advantage based on internal, firm-specific resources	VRIN (valuable, rare, inimitable, non-substitutable), resource embeddedness, resource immobility	Explains how internal resources and capabilities can either support or constrain strategic adaptation
Dynamic Capabilities	Reconfiguration of resources in response to changing environments	Sensing, seizing, transforming; learning mechanisms; microfoundations	Accounts for how firms build agility and strategic renewal through adaptive routines
Business Model Innovation (BMI)	Redesigning how value is created, delivered, and captured	Customer logic, revenue architecture, ecosystem configuration, ambidexterity	Illustrates how firms can reshape their identity and operating logic to remain competitive

Source: Author's synthesis based on Rohrbeck & Schwarz (2013), Barney (1991), Teece (2007), Eisenhardt & Martin (2000), and Chesbrough (2010).

Appendix D – Diverging Financial Trajectories: Kodak and Fujifilm (2013–2023)

Note on Methodology

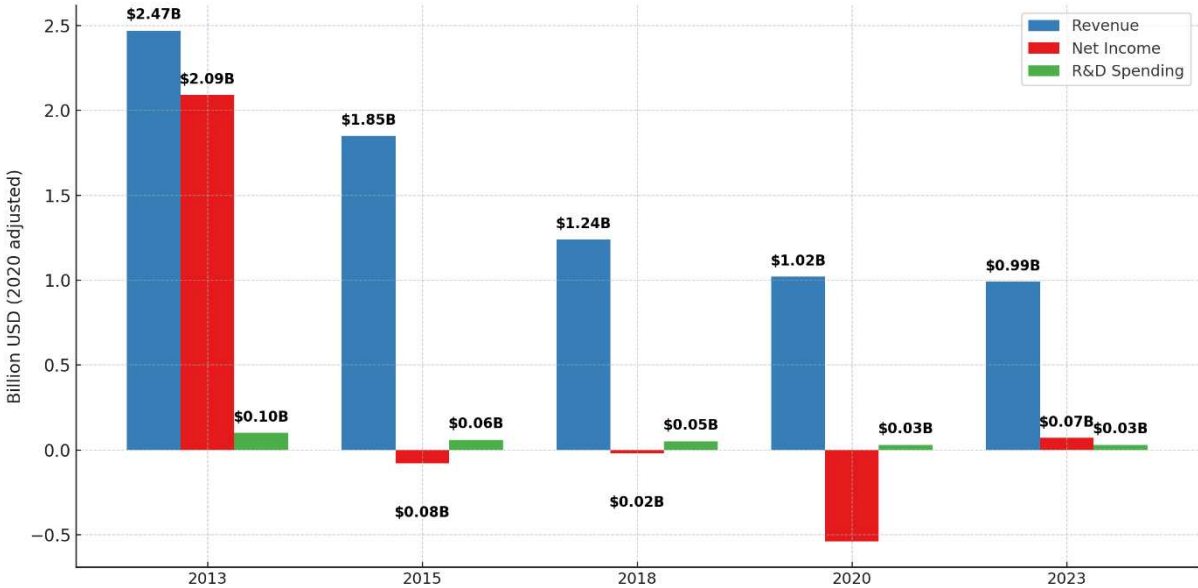
Financial figures in this appendix are presented in constant 2020 terms to enable temporal comparability.

Kodak data is adjusted to constant 2020 USD using the U.S. Consumer Price Index (CPI), based on annual deflators from the U.S. Bureau of Labor Statistics.

Fujifilm data is adjusted to constant 2020 JPY using Japan’s CPI, based on deflators published by the Statistics Bureau of Japan.

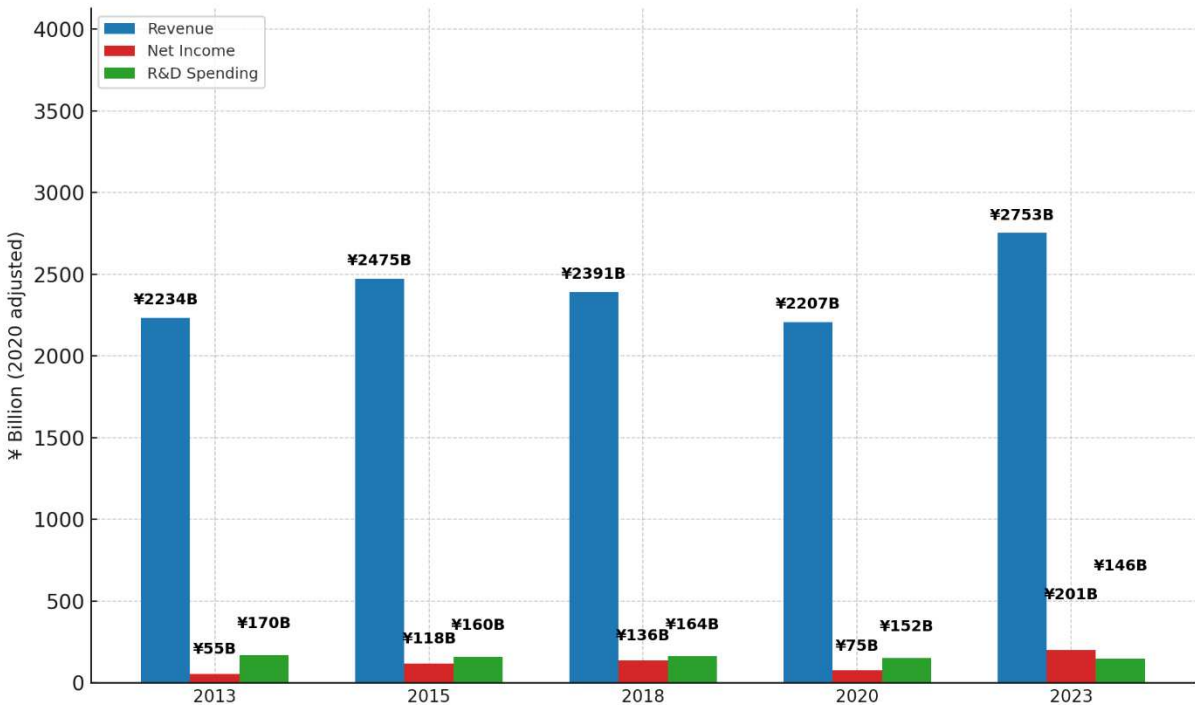
Revenue, net income, and R&D expenditure were collected from Eastman Kodak Company and Fujifilm Holdings Corporation annual reports and investor communications for fiscal years 2013 to 2023. The data is presented for context and transparency but is not subjected to the core theoretical analysis applied in Chapters 3.2.5 and 3.3.5.

Figure D.1 – Kodak Post-Bankruptcy Financial Performance (FY2013–FY2023, selected years, values in constant 2020 USD)



Source: Author’s elaboration based on Eastman Kodak Annual Reports (2013–2024).
 Note: Financial values adjusted using U.S. CPI (Consumer Price Index). Figures reflect fiscal year-end data.

Figure D.2 – Fujifilm Financial Performance (FY2013–FY2023, selected years, values in constant 2020 USD)



Source: Author’s elaboration based on Fujifilm Holdings Annual Reports (2013–2023).

Note: Values adjusted to constant 2020 JPY using Japan’s CPI. Figures represent fiscal years ending in March of each year.

Strategic Commentary

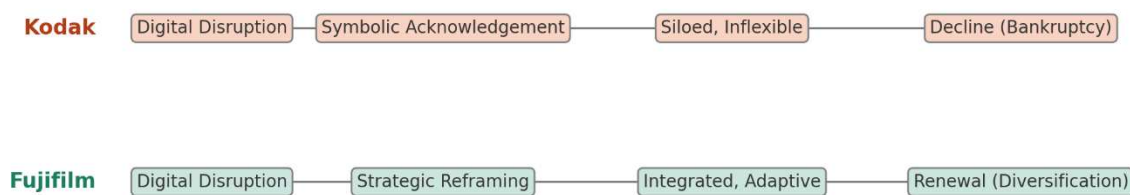
Figures D.1 and D.2 extend the core analysis by offering a longitudinal snapshot of both firms’ financial health following their strategic repositioning efforts. Kodak’s continued decline in revenue, profitability, and innovation expenditure reflects the enduring consequences of the misaligned capital allocation systems described in Section 3.2.5. Notably, the spike in Kodak’s net income in 2013 reflects one-off accounting effects related to its emergence from Chapter 11 bankruptcy, including asset sales and restructuring gains. This figure does not indicate operational recovery and should be interpreted as an outlier rather than a trend reversal.

By contrast, Fujifilm’s ability to sustain revenue, invest in R&D, and maintain positive net income into the 2020s supports the interpretation presented in Section 3.3.5—that dynamic capabilities and disciplined diversification can translate foresight into durable competitive advantage.

Although no new theoretical frameworks are applied, this appendix reinforces the thesis's central argument: that adaptive foresight must be embedded not only in strategy formulation but in long-term financial governance. The inclusion of this data is therefore not just illustrative—it strengthens the internal validity of the case study's claims through extended temporal context.

Appendix E – Teaching Materials

Figure E.1 – Strategic Response Pathways: Kodak vs. Fujifilm



Source: Author's elaboration based on primary case study analysis, interviews with Kodak and Fujifilm executives (1990s–2010s), and foresight literature including Rohrbeck and Schwarz (2013).

A comparative four-stage trajectory from disruption sensing to strategic outcome. The diagram contrasts Kodak's symbolic acknowledgement and inflexible response, which culminated in bankruptcy—with Fujifilm's initiative-takin reframing and reinvention through foresight integration, resource redeployment, and business model renewal.

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