Now, two things are essential for the phenomena incident to the carrying out of such new combinations, and for the understanding of the problems involved. In the first place it is not essential to the matter – thought it may happen – that the new combinations should be carried out by the same people who control the productive or commercial process which is to be displaced by the new. On the contrary, new combinations, are as a rule, embodied, as it were, in new firms which generally do not arise out of the old ones but start producing beside them; to keep to the example already chosen, in general it is not the owner of the stage coaches who builds railways.

-Joseph Schumpeter

Schumpeter recognized that the knowledge behind the innovation need not be new. On the contrary, it may be existing knowledge that has not been utilized before.

-Michael P. Gallaher, Albert N. Link, and Jeffrey E. Petrusa

Schumpeter’s two concepts of combination and resistance, which are independent of one another in his work, can link to each other organically. Under certain conditions, an (existing) combination creates resistance to a new way of doing things. To innovate, in other words, means to break up an existing combination—to break through the resistance it creates, and to replace it with a new combination.

-Richard Swedberg and Thorbjørn Knudsen