

Topic 1: Innovation

Objectives

After completing this chapter, you should be able to:-

- Identify The Meaning of Innovation as A Way of Applying A Creative Thinking.
- Identify The Difference between Change, Creativity and Innovation.
- Identify How to Test The Innovation.

Introduction

The process of translating an idea or invention into a good or service that creates value or for which customers will pay.

Innovation as A way of Applying Thinking

- The term innovation means a new way of doing something.
- It may refer to radical and revolutionary changes in thinking, products, processes, or organizations.
- Innovation is an important topic in the study of economics, business, technology, sociology, and engineering.
- Colloquially, the word "innovation" is often used as synonymous with the output of the process.
- Since innovation is also considered a major driver of the economy, the factors that lead to innovation are also considered to be critical to policy makers.

- Those who are directly responsible for application of the innovation are often called pioneers in their field, whether they are individuals or organizations.
- Innovation is bringing something new into existence. Similarly, a company that fires half its workforce in order to cut costs has undertaken a major change.
- But a company that finds a fundamentally new way to reach and serve its customers has achieved an innovation.

Remember Innovation

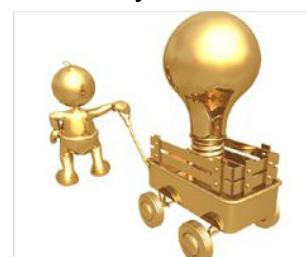
- The process of coming up with new ideas or new uses for old ideas. To be innovative the ideas must add value.

The Distinction between Change, Creativity and Innovation

- **Change:** To alter, make different, move from one state to another.



- **Creativity:** The state or quality of being creative. The ability to create.



- **Innovation:** The act of introducing something as a novelty.



- A person or organization that is creative is not necessarily innovative.
- Creativity is the ability or talent to create. It is about generating ideas. Innovation is the implementation of the new.
- Innovation means taking creative ideas and making them real, implementing them. Innovation is not just releasing new products. It also encompasses implementing new business processes, fresh ways of doing things, radical alliances, new routes to market and business strategies.
- Creativity must be viewed as a means to an end and not an end in itself. The end is innovation – the realization of an idea.
- Uncontrolled creativity without any discipline or process of innovation is at best distracting and at worst harmful to the organization.
- Creativity needs to be focused on the corporate goals and must serve as a funnel into the innovation process.

- Innovation means taking the most promising ideas and testing them for real. Not all will succeed; many will fail. Despite some failures along the way, the people in a truly innovative organization are always looking for new and entrepreneurial ways of achieving their goals.

What is Innovation to you?

1. Something new
2. Growth
3. Incremental change
4. Leading
5. Efficiencies
6. Ideas
7. Creativity
8. Radical change
9. Entrepreneurial
10. Services

The Goal of Innovation

- Innovation is not only about technological advancements, it is also about making changes and improvements to the way things are done. Innovation is something that actually affects every part of the working life. It affects all organizations at every level. It can be utilized by all staff.



- The goal of innovation is positive change, to make someone or something better. Innovation leading to increased productivity is the fundamental source of increasing wealth in an economy.
- The systematic programs of organizational innovation are most frequently driven by:
 1. Improved quality
 2. Creation of new markets
 3. Extension of the product range
 4. Reduced labor costs
 5. Improved production processes
 6. Reduced materials
 7. Reduced environmental damage
 8. Replacement of products/services
 9. Reduced energy consumption
 10. Conformance to regulations
- These goals vary between improvements to products, processes and services and dispel a popular myth that innovation deals mainly with new product development.
- Most of the goals could apply to any organization be it a manufacturing facility, marketing firm, hospital or local government.

Topic 2: Applying The Innovation

Objectives

After completing this chapter, you should be able to:-

- Identify how to test the innovation

Introduction

Applying Innovation is designed for undergraduate and graduate courses such as Innovation Management, Project Management, Strategic Planning, and Performance Management in fields of business, science, and engineering. This book appeals to instructors who want to reduce the "chalk and talk" and increase the hands-on practicality of their courses in innovation management.

The state of Innovation

- Innovation must be customer-centric: How do we create value for our customers? Many organizations are still very product-centric.
- Look beyond product and service innovation: Business model innovation is a big source of potential innovation for many firms.

More connections = more innovation:

- Diversity leads to a greater number of perspectives. To seek out connections both within and outside of their organizations. Proctor & Gamble's "Connect & Develop" initiative is a prime example: it mandates that 50% of its innovations must come from outside the company (through trusted business partners, for example).

- Innovation is a process that can be learned: However, it requires different approaches to training, tools and experimentation.
- Emerging markets = innovation labs: When you're selling products to emerging markets (such as 3rd world countries), your products must be low-priced, of course. But the process of getting to that low price point forces organizations to rethink the core value of their products, an exercise that can be quite revealing for its primary markets, too.
- Creative recombination trumps the "new": There are very few totally new, never-before-seen innovations today. Most successful innovations are the result of combining existing products and attributes in new ways. This approach carries a lower level of risk and investment than "blue sky" innovation initiatives.

Drivers for Innovation

- To maintain current business turnover
- To grow the business through new products and services
- To better service customer expectations
- To adapt to and use the new technologies available
- To meet new or changed regulatory requirements
- To compete with organizations as a result of global markets
- To work more efficiently
- To work in a more environmentally friendly way
- To adapt to changing social and community expectations.

Applying The Innovation Techniques Skills:

People have skills / tools for innovation.

Leadership:

Managers believe in innovation.

Environment:

Working conditions, culture, physical workplace.

Systems and processes:

Innovation system.

Skills Training Your Brain

- ∞ Interpret the context, the background, the future.
- X Generate and select one or more ideas.
- + Collaborate with others to develop the idea.
- ? Reflect on the idea.
- >< Represent the idea to promote it.
- = Evaluate the idea.



Managers

- Leadership
- Encouragement and reward
- Participation/team development
- Balance freedom with order
- Modeling
- Challenging work
- Workgroup support

Environment

- Culture (Behaviors, Symbols and Systems)
- Practices and procedures -Works activates
-Standard Operating dures
- Conditions, contracts
- Objectives
- Working Arrangements
- Physical working environment

Systems and Processes

- Strategic planning
- Knowledge management systems
- Training and education systems
- Performance management systems
- Systems for capturing ideas
- Systems for allocation resources to ideas
- Systems for reward and recognition of ideas
- Management and work systems

Summary

- Innovation affects all organizations, at every level. Everyone!
- The process of coming up with new ideas or new uses for old.
- To be innovative the ideas must add value.
- Drivers for innovation
- Breaking the Paradigm
- Framework for innovation:
 - Interpret, Generate, Collaborate, Reflect, Represent, Evaluate (innovation works TM)
 - Consider the whole system, think integration and systematic.

The Innovation Test

How to check your innovation?

- Before we look at how to develop skills in innovation and creativity thinking, let's take stock to see how innovative your organization is right now. **To check your innovation level try answering these questions about your organization:**

1. Everyone understands the overall goals and direction of the organization.
2. Fresh ideas are encouraged and tried out.
3. We often have brainstorming or other creative workshops.
4. People are trained in creativity and innovation.
5. People are praised and rewarded for being creative
6. We deliberately copy and adapt good ideas from outside our field.
7. We appoint teams from different departments to solve specific problems.
8. When we are looking to solve a problem we generate a lot of ideas before choosing one or two to try.
9. We often build prototypes or pilots to test a new idea rapidly before a production version.
10. To solve a problem in one department we would call for ideas and help from other departments.
11. We identify current products and processes that are due for retirement and replacement.
12. We set goals for innovation including the introduction of new products and processes.
13. We have a 'not invented here' attitude to ideas from outside.

14. People are scared to take too many risks for fear of failure.
15. The boss's ideas carry the greatest weight.
16. We are too busy fixing today's problems to spend much time thinking about the future.
17. New ideas stand little chance of being carried out if they are not in the budget.

- The first 12 questions carry positive scores and the last 5 questions carry negative scores.

- So add together your scores for questions 1 to 12 and then subtract your scores for questions 13 to 17. Your overall total is your innovation index. How did you do?

- **Over 33:** you are working in a very enlightened organization where innovation and communication levels are high.

- **25 to 32:** there is a good atmosphere for innovation and new ideas are welcomed but there is still scope for improvement.

- **18 to 24:** you are a little better than average but there is a long way to go to reach the innovation levels of the best organizations.

- **11 to 17:** you are below average and need to work on improving your climate for innovation and creative problem-solving.

- **5 to 10:** significant barriers exist to your organization coping with change or adapting to new conditions. This could be dangerous and needs a major program to address.

- **4 or below:** you have deep-seated resistance to change and new ideas are not encouraged or rewarded. The culture of your organization needs a major long-term program of change if it is to survive.

- How to solve this problem?

Shoe shop shuffle

- In a small town there are four shoe shops of about the same size and each carries a similar line of shoes. Yet one shop loses three times as many shoes to theft as each of the other shops. Why and how did they fix the problem?