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Managing Innovation

Integrating Technological, Market
and Organizational Change



SEVENTH
EDITION

Managing Innovation

Integrating Technological, Market
and Organizational Change

Joe Tidd

Science Policy Research Unit (SPRU), University of Sussex, UK

John Bessant

Business School, University of Exeter, UK

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He has worked as policy adviser to the CBI (Confederation of British Industry), presented expert evidence to three Select Committee Enquiries held by the House of Commons and House of Lords, and was the only academic member of the UK Government Innovation Review. He is a founding partner of Management Masters LLP.

He was a researcher for the 5-year International Motor Vehicle Program of the Massachusetts Institute of Technology (MIT), which identified Lean Production and has worked on technology and innovation management projects for consultants Arthur D. Little, CAP Gemini and McKinsey, and numerous technology-based firms, including American Express Technology, Applied Materials, ASML, BOC Edwards, BT, Marconi, National Power, NKT, Nortel Networks and Petrobras, and international agencies such as UNESCO in Africa and WHO in Asia. He is the winner of the Price Waterhouse Urwick Medal for contribution to management teaching and research and the Epton Prize from the R&D Society.

He has written 9 books and more than 60 papers on the management of technology and innovation, with than **23,000** research citations, and is Managing Editor of the *International Journal of Innovation Management* (<http://www.worldscientific.com/worldscinet/ijim>), the official journal of International Society of Professional Innovation Management. He hosts the Innovation Masters YouTube channel and is part of the Intrapreneurship Hub, a collaborative venture between Sussex, Bocconi and Renmin business schools.



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Preface to the Seventh Edition

Innovative firms outperform, in both employment and sales, firms that fail to innovate [1]. We know that those organizations that are consistently successful at managing innovation outperform their peers in terms of growth, financial performance and employment and that the broader social benefits of innovation are even greater [2]. However, managing innovation is not easy or automatic. It requires skills and knowledge, which are significantly different to the standard management toolkit and experience, because most management training and advice are aimed to maintain stability, hence the most sought after degree is an MBA – Master of Business Administration. As a result, most organizations either simply do not formally manage the innovation process or manage it in an *ad hoc* way. Studies confirm that only around 12% of organizations successfully manage innovation, and only half of these organizations do so consistently across time [3].

Since the first edition of *Managing Innovation* was published in 1997, we have argued consistently that successful innovation management is much more than managing a single aspect, such as creativity, entrepreneurship, research and development or product development [4]. Our companion texts deal with such issues more fully [5], but here we continue to promote an integrated process approach, which deals with the interactions between changes in markets, technology and organization. In this seventh edition, we continue our tradition of differentiating our work from that of others by developing its unique characteristics:

- Strong evidence-based approach to the understanding and practice of managing innovation, drawing upon thousands of research projects, and ‘Research Notes’ on the very latest research findings. *Managing Innovation* had more than 11,000 citations in Google Scholar;
- Practical, experience-tested processes, models and tools, including ‘View’, first-person accounts from practicing managers on the challenges they face managing innovation;
- Extensive additional interactive resources, available from the Wiley Book Companion Site (BCS), including video, audio pod casts, innovation tools, interactive exercises and tests to help apply the learning. Further video is available on our YouTube channel, *innovation masters*.

In this fully updated seventh edition, we draw upon the latest research and practice, and have extended our coverage of topical and relevant subjects, including digital innovation [6], business model innovation, open innovation [7], user innovation [8], crowdsourcing [9], service [10] and social innovation [11]. In 2019 a new international ISO standard was developed for managing innovation systems, ISO56002, which closely follows our approach in this text (see Table).

Table. Mapping the ISO56002 Standard for Innovation Management Systems against topics in this book [12]

ISO56002 Standard 2019 “Managing Innovation Systems”	Chapters in <i>Managing Innovation</i> , 7 th edition
Intent	1. What is innovation and why does it matter?
Context of organization	5. Building an innovative organization
Leadership	5. Building an innovative organization
Planning	9. Dealing with uncertainty

ISO56002 Standard 2019 “Managing Innovation Systems”	Chapters in <i>Managing Innovation</i> , 7 th edition
Support	4. Developing an innovation strategy
Process:	3. Innovation as a core business process
1. Identify opportunities	7. & 8. Sources and search for opportunities
2. Create concepts	10. Creating new products and services
3. Validate concepts	10. Creating new products and services
4. Develop solutions	10. Creating new products and services
5. Deploy solutions	11. Exploring open innovation and collaboration
Performance evaluation	15. Capturing learning and building capability
Improvement	15. Capturing learning and building capability
Value	13. & 14. Creating and capturing value

Our understanding of innovation continues to develop, through systematic research, experimentation and the ultimate test of management practice and experience. As a result, it is a challenge for all of us interested in innovation to keep abreast of this fast-developing and multidisciplinary field. As we declared in the first edition, and still believe strongly, this book is designed to encourage and support practice, and organization-specific experimentation and learning, and not to substitute for it.

We would like to acknowledge the extensive feedback, support and contributions from users of the previous editions, our own colleagues and students, the team at Wiley and the growing community of innovation scholars and professionals who have contributed directly to this seventh edition, in particular, the generous participants in the workshops we ran in London, Manchester, Melbourne, Rotterdam, Berlin, Barcelona, Helsinki, Budapest and Kuala Lumpur.

JOE TIDD & JOHN BESSANT

July 2020

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How to Use This Book: Key Features

This seventh edition of *Managing Innovation* has seven key features throughout the book and as associated resources to support learning:

1. **Research Notes**, which present the latest empirical findings from academic studies to deepen your knowledge.
2. **View**, first-person accounts of how innovation is managed in practice.
3. **Video interviews**, experienced managers and leading academics share their insights.
4. **Examples of Innovation in Action**, short, real-life examples of innovation.
5. **Practical Tools**, to experiment and apply the models and methods to improve innovation in a range of contexts.
6. **Extended Case Studies**, for deeper understanding, class discussion, and analysis.
7. **Multiple-choice Questions**, to chart progress and test the understanding of key concepts.

In this print edition, most of these additional features are freely available to students on the Wiley Book Companion Site (BCS), which is available from the main book page you can find through <https://www.wiley.com/en-us/>.

In addition, for instructors, the BCS provides Power Point slides, exercises and a test bank of questions and answers.

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