Innovation Management – Complete Exam Revision Flashcards

## Q1: Definition and Types of Innovation

\*\*Definition\*\*: Innovation is creating something new or improving existing things to add value.  
  
\*\*Types\*\*:  
- \*\*Product\*\*: New or improved goods (e.g., iPhone).  
- \*\*Process\*\*: Better ways of working (e.g., automation).  
- \*\*Organizational\*\*: Changes in structure or culture (e.g., remote work).  
- \*\*Marketing\*\*: New methods of promotion (e.g., viral ads).  
- \*\*Incremental\*\*: Small improvements.  
- \*\*Disruptive\*\*: Radical changes (e.g., Uber).

## Q2: Role of Innovation in Business Development

\*\*Why Innovation Matters\*\*:  
- Builds competitive edge (e.g., Apple).  
- Opens new markets (e.g., Tesla in EVs).  
- Cuts cost & improves efficiency (e.g., automation).  
- Boosts adaptability (e.g., shift to e-commerce).  
- Improves customer loyalty (e.g., Zomato).  
- Motivates employees (e.g., Google).  
- Drives sustainability (e.g., Adidas ocean plastic shoes).

## Q3: 4 P’s of Innovation

- \*\*Product\*\*: New/improved products (e.g., EVs).  
- \*\*Process\*\*: Better production (e.g., Lean).  
- \*\*Position\*\*: Changing product perception (e.g., Red Bull).  
- \*\*Paradigm\*\*: New business models (e.g., Airbnb, Netflix).

## Q4: Sources of Innovation

- \*\*Technology Push\*\*: Starts with tech, then finds use (e.g., Bluetooth).  
- \*\*Market Pull\*\*: Based on customer demand (e.g., food delivery apps).  
- \*\*Analogies\*\*: Inspired by nature/other fields (e.g., Velcro from burrs).

## Q6: Incremental vs Disruptive Innovation

- \*\*Incremental\*\*: Small, continuous improvements (e.g., iPhone updates).  
- \*\*Disruptive\*\*: New solutions that change markets (e.g., Netflix, Uber).  
- Incremental = safer, Disruptive = riskier but high reward.  
- Use incremental for stable markets, disruptive for new opportunities.

## Q7: Six Thinking Hats

\*\*Tool for Group Thinking\*\*  
- \*\*White Hat\*\*: Facts/data  
- \*\*Red Hat\*\*: Feelings/emotions  
- \*\*Black Hat\*\*: Risks/cautions  
- \*\*Yellow Hat\*\*: Benefits/positives  
- \*\*Green Hat\*\*: Creativity/ideas  
- \*\*Blue Hat\*\*: Organize thinking  
👉 Helps in making well-rounded, creative decisions.

## Q8: NUF Test

\*\*Test to evaluate new ideas\*\*  
- \*\*N – New\*\*: Is the idea original?  
- \*\*U – Useful\*\*: Does it solve a real problem?  
- \*\*F – Feasible\*\*: Can it be practically done?  
👉 Helps screen and prioritize innovation ideas.

## Q9: Creative Methods in Innovation

- \*\*Brainstorming\*\*: Many ideas, no judgment.  
- \*\*Design Thinking\*\*: Empathy-driven problem solving.  
- \*\*TRIZ\*\*: Tech problem-solving patterns.  
- \*\*Open Innovation\*\*: External collaboration (e.g., P&G).  
- \*\*Agile\*\*: Rapid, flexible development.

## Q10: Open vs Closed Innovation

- \*\*Closed\*\*: In-house innovation only (e.g., Apple).  
- \*\*Open\*\*: Use external + internal sources (e.g., P&G).  
- Open = faster, cheaper, more diverse ideas.  
- Closed = more control, more secrecy.

## Q11: Stage-Gate Method

\*\*Innovation process with checkpoints\*\*:  
1. Idea generation  
2. Business case  
3. Development  
4. Testing  
5. Launch  
6. Review  
👉 Each stage has a ‘gate’ to decide go/stop.

## Q12: In-House Business Development & Innovation

- Builds innovation culture internally (e.g., Google).  
- Spots market gaps (e.g., Apple).  
- Collaborates across departments (e.g., P&G).  
- Allocates resources wisely (e.g., Microsoft).  
- Helps launch and grow new ideas (e.g., 3M Post-it).

## Q13: Importance & Limits of Open Innovation

\*\*Benefits\*\*:  
- External ideas = faster & cheaper solutions  
- Fresh thinking, better market fit  
- Share cost and risk  
  
\*\*Limitations\*\*:  
- IP/security risks  
- Hard to coordinate multiple partners  
- Cultural/quality differences

## Q14: Innovation Metrics

- \*\*Financial\*\*:  
 - ROI  
 - Revenue from new products  
 - Cost savings  
 - Payback time  
- \*\*Non-Financial\*\*:  
 - Customer satisfaction  
 - Brand value  
 - Market share  
 - Patents/IP

## Q15: Co-Creation in Innovation

- Customers/partners help design products.  
- \*\*Benefits\*\*:  
 - Better fit to customer needs  
 - Faster innovation  
 - Customer loyalty  
- \*\*Challenges\*\*:  
 - Managing different expectations  
 - IP ownership  
 - Quality control

## Q16: Barriers to Innovation

- Resistance to change  
- No leadership vision  
- Limited money, skills, or tech  
- Fear of failure  
- Poor communication/teamwork  
- Legal or market restrictions