

Types of Innovations

There are four types of innovations which are (1) Disruptive vs Sustaining innovation (2) Radical vs incremental innovation (3) Innovation matrix (4) Architectural vs Modular innovation

1. Disruptive vs. Sustaining innovation

The concept of disruptive innovation is related to the concept, product or service which will create new value to the existing market and also create a completely new market. While the sustaining innovation is based concept of improving and growing the existing markets.

2. Radical vs. incremental innovation

Radical innovation happens when a new technology completely disrupts existing business or economy and creates a new business model. Incremental innovation, in turn, refers to a series of small, gradually built improvements to existing products, processes or methods to maintain competitive position over time.

3. The Innovation Matrix

To clarify the aforementioned dimensions and to better demonstrate them, we took all four terms and combined them with our Innovation Matrix. Radically disruptive – Innovation that harnesses new technology and creates a new business model. Has no clear competitors. Radically sustaining – Improvement on a product or process in an existing market that provides new value for the customer. Incrementally disruptive – An incremental improvement in technology that leads to a dramatic disruption. Incrementally sustaining – Small and cumulative changes in an existing product, technology or service.

4. Architectural vs. Modular Innovation

Architectural innovation is described as the reconfiguration of existing product technologies. Modular innovation (or component innovation), on the contrary, is the exact opposite. In modular innovations, one or more components of a product is changed while the overall design stays the same.

Features of Strategic Innovation

Strategic innovation demands for holistic approach towards the activities of the organizations at various levels in the organization. The features of strategic innovation are as under;

1. This concept is based on the long-term perspectives and is developed based on the developing strategic which matches the innovations in the organization.
2. The main objective of strategic innovation is to create competitive space for the products and services offered by the organization.
3. The process of strategic innovation combines business process with creative solutions to the problems in the organizations.
4. Collect information about the business from unconventional sources and provide innovative strategy for the challenges in the organization.
5. Development of the organization process which can accommodate the changes in the organization and build robust business process and procedures in the organization.

Scope of Strategic Innovation

The scope of strategic innovation is based on the seven dimensions which include (1) Managed innovation process (2) Strategic alignment (3) Industry foresight (4) Customer Insight (5) Technology (6) Organization Readiness (7) Implementation

1. **Managed Innovation:** In this process the facilitating process includes external and internal perceptive with regards to organization capabilities, process, procedures and customers.
2. **Strategic Alignment:** This is created for development of shared vision, goals and actions among the key stakeholders in the organization.
3. **Industry Foresight:** This process includes deeper understanding of the driving forces, influence of the new technology, competition dynamics and changing market trends.
4. **Customer Insight:** Strategic innovation provides deeper understanding of the customers' needs and demands and provide innovative strategic for the growth of the market.

5. **Technology:** The perspective of technology is assessed through strategic innovation on the aspect of internal technology capabilities, organization capabilities and reaching higher customer satisfaction.
6. **Readiness of the organization:** Strategic innovation provides an insight on the readiness of the company to the changing innovations and also provides insights on the capability of the organization to accept the changes in the business environment.
7. **Implementation:** Strategic innovation provides an insight on the process of implementation of the strategy through the aspect of process and procedures and policies which align the organization to the innovation in the organization.

Practices of Integrating Design Thinking in Strategic Innovation

Design thinking and strategic innovation has four practices they are (1) Reviewing (2) Simulating (3) Conversing (4) Collaborating.

Reviewing: Design thinking is based on the data collected through various sources, which include customers, employees and other stake holders. Based on the data collected prototype is developed through the concept of design thinking. These development support in development of right strategy for the innovation in the organization.

Simulating: The concept of simulation provides insights on the experience of the individual in the real world of business. Simulating opens up strategy practice because it provokes managers to form an empathetic engagement with the customer experience, thereby making the market context immediately appraisable.

Conversing: Conversing was particularly important in enabling collective reflection and getting agreement between participants with diverse understandings of the strategy. In other words, this aspect of design-led strategizing amplified managers' attention to the real fit within product-market fit.

Collaborating: This practice was especially useful when teams were dealing with complex issues that could easily be forgotten or lost in conversational dialogue. Rather than trying to empathetically understand each manager's perspective (as in the conversing practice) the focus in collaborative translation was on generating a shared solution to a complex problem.

Strategic Management

Strategic management is the process of setting goals, procedures, and objectives in order to make a company or organization more competitive. Typically, strategic management looks at effectively deploying staff and resources to achieve these goals.

Innovation Management

It is the concept which has multiple aspects and dimensions and are contributed based on the multiple disciplines of the study that has a various theories and frameworks.

Design Thinking and Strategic Innovation

Design Thinking is a human-centered approach to innovation that integrates customer emotion and empathy, the possibilities of digital tech and analytics, and the requirements for business success. Integration of the strategy supports in the reaching the market better and improving the competitiveness of the firms in the market.

In order to link design thinking and strategic innovation. Design thinking is based on the mental activity in understanding the things and process of the organization. While strategic innovation is based on the concept of strategic management. Interaction between the design thinking and strategic innovation provides following benefits, they are as under;

1. Concept of design thinking has supported in developing products and services which match the expectation of the customers and there by supporting the strategy of the organization.
2. Design thinking provides an opportunity to integration of new ideas and thinking which is essential for the development of right strategy for the organization.