

Creativity, Innovation and Intellectual Property (LCMB7007)

Week – 4 (Part 3) Innovation as a Core Business Process

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Introduction

- Every organisation has a unique way to manage innovation
- Managing innovation is a “Learned Capability”
- Possibly a core competence in terms of Hamel and Prahalad
- The levers to manage innovation – the “enablers”
- Innovation is about renewal
- Technology – may be about service elements

Innovation and Size

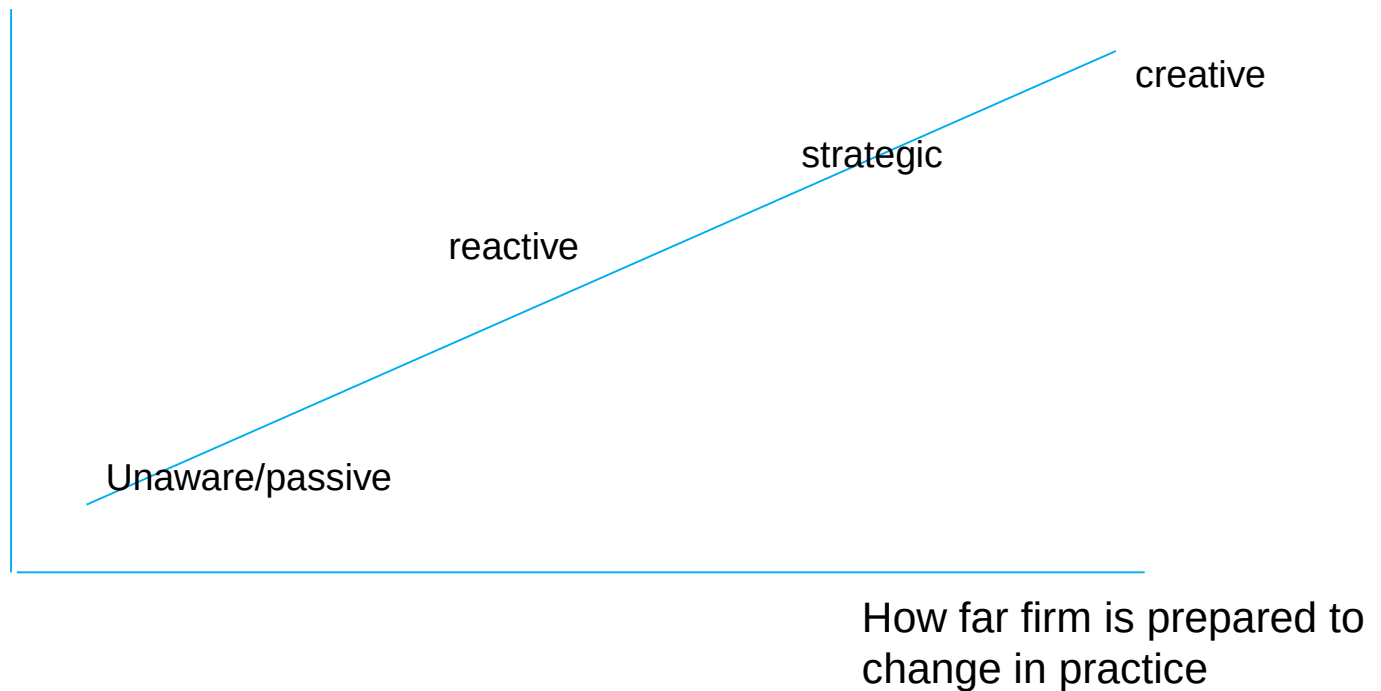
- Innovation often seen in the augmented offer – services..... “Service Technology”
- Organisations are becoming externalised networks of “partners”
- Small businesses may be agile; highly informal and organic but does this compensate for a lack of resources
- The myth of the “Gazelles” (*David Birch 2004*) high growth agile businesses
 1. Few not many – 2% of all businesses (*US bureau of Statistics*)
 2. Only 5% of Gazelles in 3 top fast growth sectors
- Established firms are regularly “born again”
 - become project based
 - Networks leveraged with systems
 - Learn to manage both continuous and discontinuous change

Managing Innovation

- Scissors analogy – need both blades to cut – technology push and pull
 - Other simple models –
 - Gates
 - Standards
 - Fuzzy front end
 - Limitations to simple models
 - shock triggers innovations
 - ideas proliferate
 - setbacks are frequent and normal
 - business unit always restructuring
 - top management should have a powerful sponsoring role
 - innovation involves learning.
- (Van de Ven)

Hobday, Rush, Bessant Model

Awareness of need to change



Innovation management the key issues

- Innovation is a process not a single event needs to be managed as such
- The process can be managed, the influences on a process can be managed to affect the outcome

Factors influencing success

- Encouragement and empowerment from management
- Positive reinforcement of innovation behaviour
- Manage as a process of change
- Listen to those who question or challenge the status quo
- Use portfolio management technique
- Invest heavily
- Become Project based
- Develop culture of support
- Prototype early
- Develop listening to customers and suppliers

Bessant and Tidd model

- Search
- Select
- Implement
- Capture