

## **Innovation for Growth and Development**

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Creativity is the successful exploitation of new ideas and innovation is the ability to convert these ideas into product and service offering. Innovation is crucial to modern business in their ability to improve its processes, bring new and improved products and services to market, increase its efficiency, enhanced customer base and, most importantly, improve its profitability.

Though the word innovation sounds to be so simple and easy to understand it represents a complex construct and not all organisations can be innovative for varied reasons. Innovation can be understood in different ways and may differ from one organisation to another. The following brief sampling of some of the wide variety of concepts may help an organisation to understand the concept of innovation from their point of view:

- Innovation is the production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. It is both a process and an outcome.
- Innovation is reflected in novel outputs: a new method of production, a new market, a new source of supply, or a new organizational structure, which can be summarized as doing things differently.
- Innovation is a new way of doing something, or new stuff that is made useful.
- Innovation occurs when someone uses an invention or an idea to change how the world works, how people organize themselves, or how they conduct their lives.
- Innovation is generally understood as the successful introduction of a new thing or method. Innovation is the embodiment, combination, or synthesis of knowledge in original, relevant, valued new products, processes, or services.
- Innovation is a new element introduced in the network which changes, even if momentarily, the cost of transactions between at least two actors, elements, or nodes, in the network.

### **Objectives of the paper:**

The following are the brief objectives of the present paper.

- To understand the concept of business innovation,
- To have an overview of the process of innovation,
- To understand the involvement of innovation as a corporate strategy and the outcomes of business innovation.

The new generation corporates such as GE, Ford, E-Bay, Apple, Tesla, Amazon, Paytm, Swiggy, Zomato and so on - what gets these most successful companies under one umbrella? It is neither their size nor their products. It's their approach to business that puts them under one banner. These corporate giants are a blend of the old and new generation business models. However, despite the generational differences, their spirit of innovation and reinvention binds them together.

In the era of globalization and intense competition, Corporates that have been applying the rule of "most familiar route to success" often find their achievements shallow and short lived. The rapid pace of technological advancement along with the rise of techno savvy customers has brought a sea change in the way business was done earlier and the business is done today. The role of innovative business models and technology processes in

business success thus cannot be denied. Companies that continuously reinvent themselves and innovate strategically are the ultimate winners.

Successful innovations are a combination of technology and customer friendly business models. Mastering the art of integrating the right kind of business model with technological platform available is indeed the only secret to successful innovations. Ford's production line and E-bay's auction site are examples of an integrated business strategy that combines technology with business model.

Effective innovation is an integrated process that shall result in value-addition to the customers from the cost as well as satisfaction points of view. Resorting to new and different business innovations randomly without aligning them with business objectives, technology and business model can result into corporate disaster. True innovation requires a tailor-made strategy with a unique set of management tools and strategies in a pre-determined time frame with the right business model and right technology in place.

It is thus understandable that in today's technology intensive work environment, the role of Chief Information Officers (CIO) is rather critical. To drive the process of innovation, the top brass, primarily the CIOs and the CEOs have to work together. CEOs would be expected to provide strategic insights while CIOs, the right technical platform for innovation to build upon. Such a combo can undoubtedly deliver the desired results.

### **Innovation as a corporate strategy:**

In the present era of border less trade corporate leaders must inculcate the ability to comprehend the process of innovation to deliver the desired results. Corporate leadership also needs to transcend the concept of innovation across organisational levels so that every employee irrespective of their corporate status contributes to the process of innovation. Companies need to frame their own rules of innovation and imbibe the concept of innovation as a corporate strategy to build a common perception of innovation across the length and breadth of the company hierarchy and these rules need to percolate through the hierarchy. Seven universally applicable basic principles initiate the process of innovation are:

- Result in value-addition
- Be positioned as a core business competency
- Be aligned with the business objectives
- Be able to maximise the Return on Investment (ROI) without compromising on its inherent creative potential
- Encourage people to move out from their comfort zones
- Establish that people and knowledge networks are critical to the success of innovation process
- Help the organisation to have right performance metrics to reward innovation. This would keep employees motivated

Apart from these guiding principles, innovation revolves around three basic corporate priorities viz. networks, balance and metrics.

- **Networks**-These include both internal and external corporate networks. For successful innovations it's important that they work in unison. The internal networks comprise various functional departments, managers and leaders, while the external network comprises suppliers, manufacturers and consumers.
- **Balance-Striking**- The right balance must be struck between creativity and value-addition. The process of innovation starts with idea generation and culminates in value-addition. Any misalignment between these two can disturb the entire sequences of activities.

- **Metrics-** Work that gets measured gets done. Thus, for incorporating innovation into the corporate culture and employee mindset, it's important to formulate a fair and reliable system of rewarding innovation and gauging its success. The metrics system should be such that it measures individual contribution as well as the overall deliverance of objectives. An ideal performance measurement system would be a blend of financial and non-financial components.

### **The know-how of innovation:**

To better understand the process of corporate innovation it is necessary to analyse the components and stages it encompasses.

- **Inputs**

The process begins with defining the clear goals, supportive strategy, complimentary systems and structure. It shall also encompass strategies to enhance employee commitment and involvement and to be deployed in the initial stage of innovation implementation.

- **Processes**

After providing the right inputs, the innovation strategy focuses on the quality of innovation portfolio and execution of the strategy. The process of converting the input into output plays a pivotal role in value creation to the end results. The processes are the differentiating factors between the innovative companies and non-innovative companies.

- **Outputs**

Effective project execution and balanced innovation portfolio are then studied to gauge the output of the entire process. The probable outputs could be measured in terms of value addition, product performance, technology leadership, employee retention, most-preferred employer status, and performance improvement.

- **Outcomes**

The final outcome of the entire exercise would validate the output of the innovation process. This can be measured in terms of sales growth, enhanced consumer base, employee loyalty, employee turnover and value-addition.

The principles and priorities listed do not provide a foolproof structure for successful innovations. In fact, there is no foolproof system for delivering successful innovations. However, framing innovation as a corporate strategy and adherence to these principles can assure a greater rate of success through innovation and sustainable development.

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