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Innovation Management

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Introduction

Today companies are increasingly challenged to Greater competition and even drastic economic environment, with very fast pace of technological change, high-flow creativity, life cycles of smaller products and increasingly blurred sectoral boundaries. Technology and creativity are two factors that generate a transcendental value to companies, highlighting the development of innovative and proper management processes to achieve and sustain competitive advantages and increase the dominant position therein, highlighting the essential features stage of new product development by the company and the benefits of good management.

Innovation is a very attractive word that has-been improperly used on many occasions. It also served as an argument to justify investing millions or even as an excuse for spectacular advertising campaigns to mask the mediocrity of many organizations. Therefore, in the course of this discussion, some details about these concepts and how they were addressed during the development of this work is done.

Reviewing Innovation Management

Theme 1: Reasons and Dangers of Innovation Management

Reasons for Innovation

Innovation is a business process of identifying opportunities of the market leading to the introduction of new products, newservices, new processes or modification of existing products andprocesses executed with internal and external technological capabilities, which in

itscollectively contribute to the competitiveness of the company.Then, to innovate companies must (Damanpour & Aravind, 2012):

- Focus the business toward opportunities that exist in the currentmarkets and new markets opening up due to the globalization;
- View business differently and deliver products to customers andto differentiate the services offered by local and international competitors;
- Develop skills and knowledge to create new products andservices faster than competitors, investing in human resource;
- Putting off traditional ways of doing business and partnerwith other companies to obtain new competitive resources,introducing new technologies such as Internet

Companies go for innovation when the products are no longer in demand in the market and such improvements in the products are required to increase the sales, which is why the companies think of new products, services or changebusiness radically (Drucker, 2014).

Innovations can also be made because it categorizes the companies by level of impact oncompetitiveness of the company, in the following types:

- Radical or strategic innovations are those that contribute to theCompanies to compete on a medium and long term, generally associated withlaunch of new products and services in themarket. They usually have a better performance if they are incorporatedgreater technological knowledge, but require more radical changes by the company;
- Incremental innovations are those that are made in the product,services, or business processes in order to improve theirmarket performance. Usually they contribute to the companyto compete in the short and medium term.

Radical and incremental innovations can be made in products,services or business processes, and their management is a strategic need of enterprise to compete as a balanced handling these allow thebusiness to survive in the market.

There is a rapid advancement in technologies which compels many organizations to incorporate technological innovation strategy into their day to day business. These technologies can be classified into (D'Este et al., 2012):

- Product Technologies: expressed in the design or formulation of theproducts offered, incorporating the environmental variable in the development of products;
- Process Technologies: present in the distribution,production or supply processes, made by the company to produce ormarket a product, considering of possible clean technologies to reduce the environmental impact of processes;
- Knowledge technologies: expressed in patents, licenses orscientific or technological knowledge of human resources, which are expressed in products or processes;
- Information Technologies: This gets in the way and information processesrelevant to the management of the company and how it is related to the customers, partners or suppliers;
- Technologies equipment and infrastructure, expressed in physical goods that allow business

In this sense technologies can be:

- Critical technologies, which are those that allow differentiation of products, services and processes, generating medium and long competitive advantages and which ones to concentrate a major effort becausecarelessness can lead to a loss of competitiveness;

- Core technologies that improve the practices and operations processes but are of universal knowledge so they are easilycopied by other competitors and lead to a short-term competitive advantage. An example of this is , which represents the certification systems such as ISO-9000, ISO 14-000 or HACCP

Dangers of Innovation

Innovation also carries some dangers, which may be associated with innovation in terms of product or service, or innovation inherent in the business model of a company. Because the risk is a lack of knowledge of future events can be defined as the cumulative effect of these adverse events may have on the objectives of the planned activity.

Technological Dangers

The risks in a project may have different origins and among the most typical sources are the following (Drucker, 2014):

- Derived from the process of acquisition or transfer of technology: they are internal causes arising from faulty planning or the inadequacy of human resources involved;
- Difficulties arising from the receiving organization: These are cases arising from the organization in which technology will be used and that affect their development or implementation;
- Derived from the technology used in its development: As an example, the instability of the technology used or the emergence of alternative technologies that make it useless or out-dated prematurely;

- Arising from the external environment to the organization: For example, socio-economic causes or policies that impede access to technology or maintenance

Market Threats or Risks

Market risks are often underestimated, perhaps not as obvious or tangible as the risks of technological nature. Derivatives market and the evolution of this for the development of technological actions considered: As an example, economic reasons and in many different technological penetration provided by events not related to the technology itself: a global economic crisis.

Decision making Threats or Risks

During the activity of an organization decisions are taken continuously and therefore responsible for the rest of the team according to their respective responsibilities. Decision-making is, however, conditioned by the existence of risks and probabilities whose effects may be increased by the same decisions.

Theme 2: Challenges of Service and Business Model Innovation

Challenges of Service Innovation

To seize opportunities, service firms must learn to exploit the innovation potential made possible by four constantly changing trends.

First, more than ever, consumers are demanding engagement, personalization and mobility - with immediate results. When they see leading-edge innovations in one area, they expect to find them elsewhere; think of the spread of self-service terminals, in past few years

airports in retail trade and accommodation sector. The boundaries of the different sectors are increasingly blurred to customers. Companies must therefore look for new ideas beyond the boundaries of their sector.

Second, about 1.5 billion smartphones are used today in the world and over 100 billion apps were downloaded in 2013, against 64 billion in 2012 (Kindström et al., 2013). This opens up opportunities for self-service and mobility, which transform service delivery. Advances in digital payments stimulate increasingly mobile commerce, with implications in the financial services and retail. The access and remote monitoring in the field of health, through increased connectivity, are also likely to change that. The proliferation of smart objects opens up growth opportunities and reduces the cost of development of services, which greatly reduces the barriers to entry.

Third, Companies like Amazon and Harrah's are using the data of their customers to customize and tailor their services. Continuing business intelligence capabilities allow the masses to interpret data so far untapped, which opens new possibilities. It helps them to match employees and customers, resulting in higher levels of satisfaction and better sales conversion services.

Finally, greater connectivity of machines to machines is already facilitating the delivery of real-time services in a number of B2B applications. On the side of B2C Nest (recently acquired by Google) uses M2M connectivity to link its smart thermostats to other household items such as washing machines and fitness equipment, positioning the company as the hub of the house digital. The proliferation of connected devices creates opportunities for proactive service, sometimes even without contact, but also for new business models (Gunday et al., 2011).

Mastering these changes will have great benefits. The services, which currently represent about 65% of global GDP, account for almost three quarters of global growth over the next decade. The companies that are changing rapidly are best positioned to capture this growth, while those who cling to traditional models will face growing pressure from their aggressive digital competitors. Three requirements are imposed on those seeking to meet the challenge.

1. Institutionalize service innovation: Service should be periodically reviewed and updated, as the products. For its part, a leading provider of commercial and residential services is struggling to meet the expectations of customers, to customer dissatisfaction and churn rate. The company's leaders created a permanent team dedicated to internal innovation, with representatives of the various functions, including customer service, programming and shipping, finance and marketing;
2. Personalize the customer experience: companies have always sought to understand how best to tailor services to customers' needs. Traditionally, this means focusing on groups or customer segments. This remains valid, but with the advent of new databases and the multiplication of mobile devices services can now be more personalized, effective and at lower cost (Rubalcaba et al., 2012);
3. Simplify service delivery: Numerical competitors often play on simplicity. New technologies are used to improve their processes to make them more simple and enjoyable services. Conversely, traditional players, overwhelmed by the systems they inherited and processes that have evolved over time, often must make a special effort to keep things simple. However, they can bring more simplicity to their service operations, trying to see the world the way their customers (Jiménez-Jiménez & Sanz-Valle, 2011)

Companies usually turn to the model of open innovation. In open innovation, innovation is organized as a market: companies are then buyers and sellers(Kindström et al., 2013). They are buyers of the results of innovation they have not invented or developed themselves (often through the acquisition of an innovative company). They are also sellers since some of their fruits of innovation are made by another company with better potential. However, for policymakers accustomed to not share intellectual property of their knowledge (Zhang et al., 2015), the model of open innovation sometimes seems too radical. They seek to define hybrid models, midway between the traditional model and open innovation.

Theme 3: When it is advisable to use Lightweight and Autonomous Teams

Lightweight Teams

A few studies demonstrate that the perfect number from a group building viewpoint is around five or six. Such teams are considered lightweight teams and are managed by a lightweight project manager (Kastensson, 2014).

The project manager is considered lightweight because he is usually middle management level personnel who enjoy little or no influence over the management and the company. Second, although he is managing and coordinating the team but he did not have the control of resources. These resources are used and controlled by other functional manager(s). Unfortunately lightweight project managers do not have power to redefine the tasks of the members of the team, reallocate resources or redesign the schedules.

Thus, organizations are advised to adopt lightweight team structure when it is required to isolate and kept away a team from the cross functional issues of a particular project. Organizations, by using lightweight teams, can ensure excellent coordination and improved

communication (Kastensson, 2014). However, as the project manager of lightweight team does not enjoy much power, which still resides with functional manager, it is not realistic to have very high hopes of speed, project quality and improved efficiency from a lightweight team.

Autonomous Teams

The autonomous teams are small groups of employees without formal head, stable over time and formally integrated into the structure of the organization.A group of independent work in an organization results in a reduction of hierarchical levels, support of management and the creation of enabling environment that facilitates their development.An autonomous team consists of (Rolfsen & Langeland, 2012):

- An external leader who is responsible for providing the necessary resources to the group of independent work, reporting the company policy, review the goals, etc.;
- An internal leader who is usually a member, have to have some training in communication skills, group management and conflict resolution, he is in charge of assigning tasks, to team meetings, to ensure compliance with the objectives and evaluate results;
- Team of autonomous workers must have not only the knowledge and awareness of issues and technical skills but also a set of social skills. These social capabilities include the ability to perform job tasks themselves and the ability of interaction and teamwork

In general, the main advantages of autonomous work group are:

- Improving the quality of working life;
- More open to innovations;

- Increased productivity;
- Possible improvement of safety practices etc.

However, given the difficulty to analyse the results of an autonomous team, it shows some drawbacks such as:

- Lack of rigor in the implementation of some of them;
- The ignorance of them which can cause rejection

Themes of Choice

Theme 1: Conceptual Models of Management of Innovation

Reconcile innovation management with the overall strategy of the company can be a strategic weapon difficult to imitate by competitors(Davenport, 2013). Girl et al (2005) presented a conceptual modelfor linking thecompetitive strategy of the company with the proper application of relations between competitiveness-innovation-management-strategy.

Kline (1995) proposed a nonlinear and concurrent matrix model to describe the process of innovation in organizations. This tool provides each stage of innovation as well as all parameters and stakeholders in each of its phases. This innovation model is conceived as a process ranging from the generation of an idea to its commercial exploitation fully applicable to companies in the service sector. Therefore, it involves very complex to manage tangible and intangible aspects. Importantly, the aspect of feedback that occur concurrently on different phases and involved different functional areas such as marketing, engineering, R & D, production, marketing, among others. Thus, complexity in managing innovation in enterprises is given by the various systems are constantly interacting in the innovation process, which gives

rise to a permanent change. Some techniques have to be combined for successful management of the innovation process, such as organizational and systems analysis, planning and forecasting technology, project management, marketing and techniques to start new businesses.

The European Excellence Award, sponsored since 1991 by the European Foundation for Quality Management, EFQM is a mechanism of encouragement for companies to adopt the philosophy of management excellence based on innovation and organizational learning, considers the evaluation of the enablers and the results of excellence (EFQM, 2003). As an assessment tool introduces interesting concepts in business management, such as the process approach, partnerships and mechanisms to create competitive advantages and outcomes for different stakeholders in the company. The aspects evaluated in this award are, leadership, policy and strategy, people, partnerships and resources, processes, customer results, people results, society results and key findings. It allocates a total of one hundred points for the overall evaluation.

The conceptual model, presented here, includes the most common services industry matters relating to the overall management of the business, the type of organizational innovation, processes, human resources and customer satisfaction as a defining element of quality service. That is, this model is based on the criteria in excellence models of management, the measurement of innovation and the main feature of the service industry as is the level of customer satisfaction; conceptual bases of these seven dimensions that make up the model are derived 7D's.

7Ds model is necessary for the management of the function of innovation in companies in the service sector dimensions namely: leadership, strategic planning, human resource

competencies, Processes, Organization, Customer Satisfaction and Social Responsibility. Each of these seven dimensions is composed of a number of variables characterizing said dimension. This model proposes that each of the seven dimensions occur concurrently, interrelated and addressing each of the variables considered in each dimension. That is, the seven dimensions proposed by the 7Ds model must interact simultaneously to achieve the level of innovation and quality of service expected by customers. Therefore, managers of service companies should strive for each of these dimensions has a degree of optimal performance, to object to overcome customer expectations.

Theme 2: Advantages of Innovation for Small Business

Small and medium businesses have some important advantages overthe innovation process.Innovation increases the benefits of improvements in customer value, which can affect any of the elements of the marketing mix and thereby improve the attraction of new customers. In particular, problems of poor communication, internal friction syndrome "not invented here" which dissipate creative energy and enthusiasm in large companies, do not appear in small business(Drucker, 2014). Although SMEs progresses relatively slower on the formal aspects of research and development-and therefore it does not always appear in the statistics-at present is committed to a significant amount of innovation. This situation is in a range of businesses ranging from high-tech SMEs, which operates in areas subject to rapid change as information technology and biotechnology, to the various incremental improvements in products, processes and services for many SMEs are the basis of your daily activity.

But SMEs also have to face some threats when they are trying to innovate, especially the lack of key factors to the process. They often lack essential resources such as money, time,

experience, basic skills and specialized technical team and often are subjected to intense pressure from the daily management of the problems, acting as a troubleshooter to keep running the business, which leads them to leave such an important strategic planning of new products and processes that help to protect the future of the concernedcompany.

The problem for most SMEs is not so much the size is small as they are *isolated.* And a growing number of success stories suggest that the lack of resources within the company can overcome accessing them externally. But it is essential to connect, link with existing sources of help and support in the environment (Gronum et al., 2012).

One of the most successful innovations in the SME models is the "cluster effect", which has been extensively studied in recent years.Certain regions in Italy -Emilia Romagna, Baden-Wurttemburg in Germany, parts of northern Spain, etc. have become important world centers for the export of goods with a relatively high value -Ceramics thin, tanned, specialized electrical components and High quality textiles. These significant advances are underpinned by high rates of innovation in products and processes, although the average size of the company in these clusters is often less than twenty people. In a city, Salkot in Pakistan, for example, are designed and manufactured more than 20% of all surgical precision instruments made from stainless steel for about 300 SMEs and 1500 even smaller suppliers. In Brazil's Sinos Valley, some 500 companies, employing on average less than 20 people, produced 12% of total world quality shoes. It is producing what economists call "collective efficiency", according to which SMEs share and cooperate to overcome the disadvantages of small size by exploiting the innovative forces Flexibility, speed-derived from this size.

The picture that emerges corresponds to a promising future for innovative SMEs. The recognition that the majority of businesses are small means that industrial policy focuses increasingly on the needs of this group. And recognizing that SMEs are important sources of economic growth, it can understand the widespread support for innovation by them. Although this work-now, endowed with a strong perspective, is creating the conditions under which small can be beautiful in innovation, in fact merely it provides connections. It is up to the company to develop their desire for change, although in an environment with increasing levels of turbulence and uncertainty, there is significant pressure on them to innovate.

Conclusion

For businesses, innovation is critical to profitability, growth and competitiveness. Companies owe their origin and survival to the correct application of technology, the development of new products and improved manufacturing processes and / or services. The highly innovative company is characterised by conducting a business development program, which aims to adapt a model of technological and creative innovation to achieve it in a competitive response to technological and economic environment of turbulent character to facing businesses.

If it aims to develop and grow an existing or new business, innovation alone is not enough, but the conditions are created suitable environment such as sufficient financial resources and a close relationship between science and technology led to the introduction of new products or services on the market.

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