Walking innovation landscape

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Abstract
A difficult task before any company is to overcome stiff competition it faces. As companies are in the constant struggle to stop defection of customers to the enemy plank; creating balanced portfolios of growth opportunities are called for shaping the future of a company. Authors opine that companies need to look for newer means of value creation without carrying much baggage from the past. Important components of growth engine would be: to separate screening and development processes, to reduce the level of uncertainty and to encourage employees for disruptive ideas. Without mindless borrowing of core assets, companies should be open to new ideas by stripping empirical reality of creative destruction through flap reduction. They should induce passion amongst people and be prepared to fail. An understanding of consumer unconscious mind to read the real reason for buying would open the flood gate for profit and would shift the marketing paradigm. Or else, perhaps, the name of the company would be found in the history book.

Introduction
An uphill task before any company today is to overcome stiff competition it faces. The competition may be from old, well-known domestic firms or from ever prospering foreign competitors. The company finds itself in a continuous struggle for survival which is of immense proportions and complexity. One may produce a unique product or service but soon competitors enter the market. When a product is launched for the first time in the market, it may enjoy a unique position and sales figure may be encouraging. Slowly decay starts owing to the defection of customers to other products since their needs get satisfied in better ways. The performance of the product is perhaps not able to satisfy all aspects of value for its price (Lomesh, 1997).

Companies that create blue prints for growth construct innovation engines. Those support the engines with the systems and mindsets to establish favourable conditions for substantial innovation. Although to institutionalize innovation is hard work, companies that build and maintain the capability are able to create substantial shareholders' wealth and differentiate themselves from competitors. The first pillar of creating capability to build new business involves articulating what the organization "wants to be" and allocating resources to achieve that vision. The senior management team must define strategic goals and boundaries, and create a balanced portfolio of growth opportunities that reflects their strategy (Anthony, Johnson and Sinfield; 2008).

Changing face of change across industries

Changes that appear to be sudden have usually been taking shape for years. The outgrowths include: novel operational models, alternative realities for accomplishing work, and interacting with customers, the exaltation of collaborative technologies, and updated matrix for evaluating performance. Abrupt as these transformations may seem, they all sprout from uncertain seedlings. The editorial team of Harvard Business Review canvassed its cadre of expert authors, sought ideas from editors at HBR's international editions, from visitors to their website, and held brain storming session in partnership with World Economic Forum in Nepa, California, June, 2007. Some of the findings were:

- The peer to peer, or P2P, net works had thrown the media industry in turmoil by changing the flow of information from a one-to-many model to (with news paper publishers, Hollywood studios, and big music companies as sources) to a many-to-many model (with blogs, YouTube, and file sharing forums as venues). The ability of individuals to consume and create content – news, movies, and music-greatly threatened traditional players.

- The lending of small sums to, and then within, social groups at the village level in poor economies, with members collectively guaranteeing the bank's loan (micro-finance) would put the banking industry in turmoil when they would be powered with global digital network. The arbitrage enjoyed by the banks by lending at 15% and collecting deposit at 5% would be significantly strained.

- A great shock would likely fall upon the energy industry that would possibly make the electricity grid rudimentary. Here, again the consumer-producer would be the driving force. Installation of home-based solar or energy sources that would be the net power producers so that they could sell the surplus power to the grid. Energy production and distribution could ultimately shift from few key players to many participants. The real break-through would come when cars generate more electricity than they consume- not as outlandish as it sounds. Hybrid vehicles currently take the kinetic electricity generated by braking and use it to help fuel motion and prolong battery life. Kinetic and battery technologies could improve to the point where cars generate excess kinetic power from their motion to be stored back to the grid for micro-payments.

Although the changes have been fuelled by technology, it is not the driver. The driver is information, or more appropriately, the speed in distribution and understanding of networked information. The tremendous acceleration in the flow of information became the genesis of the new age. We started to see the glimpses of power breaking through the global connectivity but we were yet to arrive. We are still carrying too much baggage from the past, and we have not harnessed the force of connected information availability in global scale. Following are some emerging trends that are likely to occur as the information age unfolds.

- The Information Age will radically change the structure of both private and public organizations as knowledge joins capital as a primary source of value.

- Individual and organizations will increasingly gain access to information and knowledge necessary to understand the measurement of value delivered in goods and services they need and desire. This information would be made available by the provider.
- As the level of information and knowledge increases, competitive factors will demand that organizations be more efficient and effective.
- Through greater understanding, the customer will become part of the value adding process and gain tremendous power. This power will place the customer more in a partnership role with providers so that parties are motivated to achieve high value addition.
- As the customer becomes more enlightened through the understanding of value creation, he will demand reforms of the basic institutions that either increase value or stifle it. The most powerful reform may be in political process itself and may demand a combined vision for the future.
- These trends combined with organizational and institutional resistance to change and the huge opportunities created, will lead to flourishing of entrepreneurs. Entrepreneurial associations and strategic partnerships may replace many large organizations and institutions in the delivery of value to the society.
- The strongest driver of value is education, which is the fuel of knowledge and creativity required in the Information Age. The focus on education will parallel a shift in fundamental values.
- As information becomes the primary centre of value in the global economy, tens of millions of employees will move from low value added jobs to higher value producing jobs. Great opportunity will be abundant, as unheralded value is created from information (Harris, 2003)

Institutionalizing innovation

In Innovator's Solution, author Clayton M. Christensen and Michael E. Raynor (2008) discussed how to institutionalize innovation. They argued that companies should begin planning for innovation well before they needed to by appointing a senior manager to oversee the resource allocation process, creating a team of "movers and shapers" and training employees to identify disruptive ideas. Ettenson emphasized that the best time to invest in a growth business was when the company seemingly did not need it. When core got sick, companies were under the guns to grow new business quickly. The pressure could precipitate a complex set of decisions- targeting large markets already populated with strong competitors or forcing a technology into a market before it was ready- that would stunt new growth efforts. Anthony, Johnson and Sinfield (2008) shared their long experience to emphasize that the two most important components of the creation of any growth engine were a separate screening and development process those focused on reducing the level of uncertainty. An innovation structure managed by a new growth board that helped oversee highly uncertain projects. Unless these elements were in place, new ideas would tend to be modified to look like things the company had in the past, undermining company's ability to pursue highly differentiated new strategies.

Vijay Govindarajan (2005), professor of international business at the Tuck School of Business at Dartmouth, advised against mindlessly "borrowing" core assets. Those assets would often carry wrong type of DNA which would limit the degree of freedom or would take the teams off their disruptive course. Although there was no one-size-fits-all way to structure for innovation, he recommended the following four different structures:

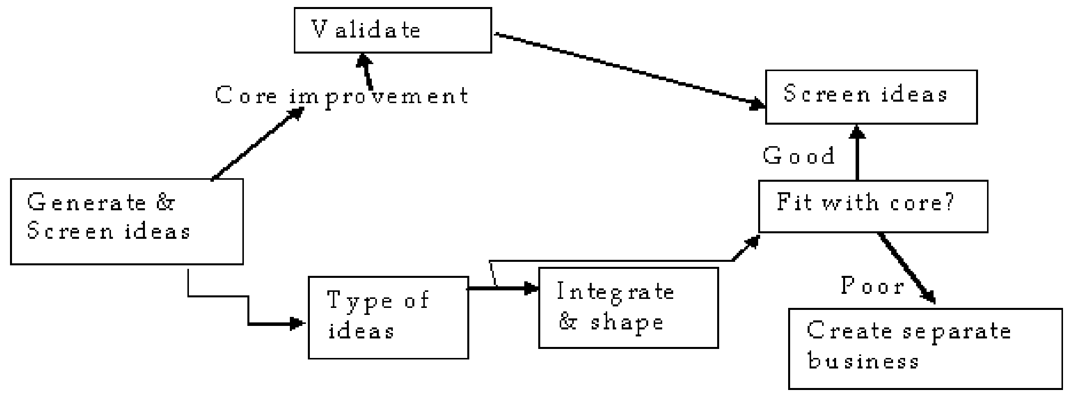
- Training units to help stimulate innovation
- Funding/over-site mechanisms to help shepherd innovation
- Incubator to help accumulate ideas, and
- Autonomous growth group to launch businesses.

Business leaders are often skeptical about notion of defining strategic goals and boundaries, believing that that the strategy is already well defined and broadly known. But the experience of various authors explained that:

- Mismanagement reigns even organizations those go to great lengths to develop strategic plans
- It helps to start at the centre
- Boundaries can be liberating: letting chaos reign can unleash company's innovative energy (like in Japan, all sorts of disruptive and absurd ideas are also encouraged to come from any part/any person of the organization), and
- Managing a balance is critical.

Prof. Govindrajan offered a simple view of the innovation process. It is presented in figure 1.

Fig. 1 A simple view of the innovators process



Source: Govind Rajan V. (2005), 'Ten rules for strategic innovators: From Idea to execution', Harvard Business Press, Boston

Managing innovation

Prof. Julian Birkinshaw (2008) in an interview to World Business Magazine called upon to go for management innovation for survival and growth. Management innovation was a set of tools and ideas that could be applied to suggestions for better management of innovation:

- A company would better strip away the empirical reality of creative destruction by reducing the flap and inducing passion among people.
- People needed to be taught how the world was working and also to be taught how to challenge rules.
- Eliminating the whole budgeting process to "I can invest what I like as long as held accountable for what I invest" model.
- Companies had to have courage to develop their own models and to stick to that.
- Business houses had to learn how to run business without charismatic leaders.
- Companies had to be much more open to ideas and to be prepared to fail quickly and often by trying a number of things, and
- Connecting to scientists around the world and keeping a visible goal of getting at least fifty per cent of new ideas from outside as done by P&G.

Conclusion

Today, the consumer has more choice of media, more access to information, and has more control of his rights than at any point of time in the history. Previously one could understand a consumer arch-type and push information about one's brand to the arch-type through, for example, three thirty second commercials that would reach eighty per cent of adults aged eighteen to forty-nine. Now, one has to understand each consumer as an individual (Meyers, 2007). The Internet is going to play a much important role than anyone ever imagined. Brands are going to be made and destroyed in the Internet, and there is a whole set of marketing rules for it. One cardinal rule is trust and respect (Pardy, 2007). But, at the same time, it has become important to understand the unconscious mind and the real reason people buy things. That is where the gold dust is. Of course, the products have to be well engineered and one has to give rational reasons to buy something (Fleming, 2007). Now, the time has come for the marketers to sit, take stock of the opportunities and threats the new marketing paradigm has thrown before them and act accordingly. If not, their names would be found in the pages of history book.

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