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Abstract

Background for this study was the importance of innovations and innovation process. The importance of innovations have received great amount of attention during the last decades. Innovations are important part of several companies' business because globalization and fast development has increased the level of competition in almost every industry. Especially manufacturing companies have understood the importance of creating new innovations and renewal of their product portfolio to be able to keep up with the competition.

The purpose of this study is to analyze the critical elements of innovation process. The importance of customers in the new product development is also taken into account in this study. This study concentrates on describing innovation process and its sub-parts in a Finnish company. Innovations are crucial factors for the company which main purpose is to yield profits and survive. Innovation process is studied through innovation value chain and new product development. Following sub questions will be used to solve the innovation process:

1. How do ideas generate into new products?
2. What factors have to be taken into account when planning new products?
3. What are the possible problems in new product development?

Empirical context of the study is formed by studying Finnish organization's innovation process. The innovation process of the company is studied through qualitative case study. The aim of the study is to describe how new ideas are generated into new innovations and how companies should take into account consumers' needs and wants when they develop new innovations.

Innovation process and new product development and innovation value chain formed the theoretical background for the study. Especially innovation value chain was emphasized in the theory part. Innovation value chain consists of following phases: idea generation, idea development and diffusion. These main phases consist of six managerial tasks that are: internal sourcing, cross-unit sourcing, external sourcing, selection, development, and a firm-wide spread of the idea.

Key words	Innovation, innovation process, innovation value chain
Further information	