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Innovative business, entrepreneurship and intrapreneurship

Dr. Nancy Forster-Holt, College of Business, URI

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Innovation is not merely the development of something new, especially in the world today. There are different types of innovation, as well as different ways to apply it. Dr. Nancy Forster-Holt, a professor at the College of Business here at the University of Rhode Island, brought insight to these burning questions during her discussion of innovation in the business world. First, I will discuss the two types of innovation and how they play a part, then I will discuss innovation in the business model, the production process, and the final product itself. I will provide solid examples of forms of innovation, and how they represent innovation in a world where everything has already been thought of.

Dr. Holt addressed innovation as two types of change. Incremental innovations – about 90% of innovations today – and radical innovations – the other 10%. Incremental innovations are adjacencies to current products on the market and identified as safe or risky. Safe incremental innovations are core initiatives for our daily lives, such as tide pods vs. detergent, and tide to go for when you're on the run. Risky incremental innovations are those like the Swiffer series, that changed the shape and workings of a mop, duster, broom, etc. This could have taken well or been shut down by the everyday cleaners. Radical innovations take it even one step further to creation something entirely new or transformational that disrupts the competing market(s). Radical innovations included the development of the smart phone, airplane, and electric cars. Items that reimagine what the product is and develop a new market for this product, and its adjacencies.

To address the four levels of innovation, Dr. Holt introduced the Ansoff Matrix. First, are innovations of existing products in existing markets; example; Casper mattresses, that moved the *same product* to an online distribution method targeted at the *same market/audience*. Second and third are where most innovations occur; new products in existing markets, nor new markets for existing products. Dr. Holt addressed one example that fit both of these – Uber! Uber is a new product in an existing market for transportation, yet when they sent their product into a new, international market, they failed. Lastly, new products in a new market are innovations that the consumer had no idea they needed. Examples are Netflix, swooping in and throwing Blockbuster out the window with free, instant streaming of movies and TV right to your home; and the Dongle – a market created by Apple when they created a need for the electronic adapter. This is the basis of innovation, where is the problem and how to we fix it?

This matrix can be applied to three sectors of business; the business itself, the process of creation, or the product/service. Innovation in the business includes adding value to the company or consumer, a new way of conducting business, or aligning with a changing market. Innovation in production means more sustainable methods. Are they moral, reliable, safe, beneficial to the economy, healthy for people and the environment? If not, how can we change that? Dr. Holt also recognizes changes in the product. Can we make this different, better, or new? Adidas created sweat proof gear and then developed adjacencies to now offer the product for women and children.

These innovative decisions determine whether a business will stay small – leading to an eventual retirement for the owner - or continue to grow by relinquishing power to someone more qualified and developing a large corporation from the originally small brand. In conclusion, innovation in business is wide spread. It can occur anywhere at anytime for any reason. Dr. Nancy Forster-Holt expresses the importance of creating innovation with a *positive* impact on the company, consumer, environment, economy, and manufacturers. Now that everything has been thought of, where do we go from here?