Proposal of model for effective implementation of innovation strategy to business

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Abstract

The issue of implementation of innovation strategy is still little explored in practice-applied field of innovation management. In business practice are encountered more errors on the part of managers in this area, resulting in a failed implementation of innovation strategies in the business. The aim of this paper is on based detailed analysis of literature and conducted research to develop a model for effective implementation of innovation strategies in the business. This model is supported by a set of recommendations for its successful implementation.

Keywords: Innovation strategy, implementation, business, model;

1. Introduction

The innovative strategy is the basic tool that determines the innovation direction of the business. Innovation strategy is based on business strategy and strategic goals.

In addition to innovation are emerging new concepts as lateral marketing, lateral thinking and the blue ocean strategy that create conditions for implementation of innovation and development of innovative strategies in the business. Lateral marketing is focused on market expansion and discovery of new customer needs and new uses of the product. Its purpose is to meet new needs, in other situations for other customer groups. The lateral marketing is closely related to lateral thinking, which is essential for successful implementation of innovative business strategies. It is a playful, provocative and associative thinking, which is not thematically limited, looking for original ways and procedures.

The basis of blue ocean strategy is value innovation that generating jump increases in value (both for business and for customers). Blue oceans represent a previously untapped market space. Competition in this space has no effect because the game rules are not created and waiting for their determination.

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Table 1 Definitions of innovation strategy

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<th>Author(s)</th>
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<td>Gilbert (1994)</td>
<td>Innovation strategy determines to what degree and in what way a firm attempts to use innovation to execute its business strategy and improve its performance.</td>
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| Dodgson, Gann and Salter (2008)  | An innovation strategy:  
- Helps firms to decide in a cumulative and sustainable manner, about the type of innovation that best match corporate objectives.  
- Guides decisions on how resources are to be used to meet a firm’s objectives for innovation and thereby deliver value and build competitive advantage. |
| Strecker (2009)                  | Innovation strategy is defined as the sum of strategic choices a firm makes regarding its innovation activity. Innovation goals (ends) are not included – only means. Innovation strategy is considered a firm wide, cross-functional meta-strategy. |
| Tidd, Bessant (2007)             | Innovation Strategy helps to understand what, why and when to carry out innovation activities.                                           |

Innovation Strategy is designed especially for businesses that innovate randomly and irregularly. They haven't clearly defined goals in terms of innovation and do not prosecute respond to market changes, competition and customer demands. Innovation strategy also helps businesses find new challenges for their development and growth.

Innovation Strategy is a management concept, consisting of many internal and external activities that enhance the innovative potential of the business. It is necessary to stress the importance and role of actors affecting the formation of an innovation strategy. These are the business employees, managers, as well as customers.

2. Proposal of model for effective implementation of innovation strategy

We carried out research from May 2009 to end February 2011. His primary task was to obtain and interpret information about level of preparedness and the use of innovative strategies in the medium and large businesses operating in the Slovak Republic.

The target groups were medium and large businesses operating in Slovakia. Research object (the final respondents) were managers of high and middle level management of these businesses. The sample size was 348 respondents (medium and large) for the desired 95% confidence interval and maximum permissible error of 5%. Since the research involved 462 respondents, the sample is considered representative.

To the research were engaged businesses from the primary sector (7.79%), from secondary (42.86%) and especially from the tertiary sector (49.35%). For objectification and better explanatory ability of the research were addressed medium and large businesses. Research involved 462 of the medium (87.01%) and large (12.99%) business operating in Slovakia.

The biggest problem is the correct understanding of the fundamental of innovation strategy, which is only average. Correct understanding of the fundamental of the innovation strategy referred only 12.34% of respondents, who agrees with the opinion that this innovative direction of the business with the goal to exploit and develop its innovative potential. Up to 58.66% of respondents defined the innovation strategy as the innovation of a product or service. 15.37% of the respondents perceived innovation strategy as the innovation of the business processes. Other respondents believe that it is a generation of creative business ideas (6.93%), application change management (3.25%) or a shift of corporate strategy for innovation (1.73%).

17.75% of respondents did not deal with the issue of innovation strategy. In the phase of the study is 8.66% of respondents, 9.52% are in the process of deciding on the significance of such a strategy for the business and 28.57% of surveyed businesses are trying to implement an innovative strategy to business practice. 35.5% of respondents said that the innovation strategy of their business is fully utilized, which we consider as a positive development. The experience of these businesses can make recommendations for the successful implementation of innovative strategies within the business.

Up 46.97% of businesses identified as a major problem for using innovation strategy in the business the lack of necessary funds. Other problems include the low level of employee motivation (31.60%), technical and organizational complexity (31.60%), lack of appropriate environment conducive to development of innovation
(30.52 %) and insufficient use of available resources (24.03 %). For the smallest problem the managers considered the lack of trust between management and other departments (12.77 %), lack of information about technologies and markets (9.96 %) and lack of qualified personnel (only 2.60 %).

Qualitative test of independence confirmed that there is a relationship (dependence) between the application of the dominant business concept and the degree of preparedness for medium and large businesses to use innovation strategy.

3. Proposal of model for effective implementation of innovation strategy

On the basis of the detailed analysis and determination of different approaches in the lateral orientation of the business, elements and the innovation process was developed the model for effective implementation of innovative strategies within the business. Implementation model of innovation strategy consists of four basic phases to follow each other: Ensure of the information base, Realization of organizational changes, Move to lateral thinking and Management of innovation processes.

1. Ensure of the information base

The first phase of implementation model highlights the need to ensure the information base that will provide important information and knowledge for management of innovation activities in the business.

The first step is necessary to create, respectively optimize the storage for storing information and knowledge. This means ensuring the maintenance of inventions, innovation opportunities, innovation and knowledge. If it is well defined structure of information needs, it is possible identify the information needs in the next step and then precisely according to the principles of effective work with information to ensure access to the information to everyone who needs this information. Ensuring access to information is possible by creating an area available for sharing using IT applications. After determining the evaluation criteria and metrics must be created system tested.

2. Realization of organizational changes

If a business has secured the information base can then move smoothly into the second phase, whose main goal is to make the necessary organizational changes. When implementing an innovation strategy it needs to review and change their business strategy so that it reflected the plans of senior management in managing innovative activities, and subsequently to be supported by the innovation strategy of business. This change may lead to affect of roles of more employees.

To create a vision of organizational change it is necessary to be perfectly familiar with corporate ties, organizational structure and set requirements. In preparation for organizational change is necessary to obtain the required knowledge, financial and personnel resources and then create the plan of organizational change. For the smooth progress of organizational change is necessary to communicate with employees and constantly monitor and evaluate the progress of these changes.

3. The move to lateral thinking

The business must move to lateral thinking. Businesses wishing to be successful, should not focus solely on traditional methods, but should consider using a wide range of non-traditional practices, methods and techniques, based on which the goals of business are met.

The identification of strategic tasks is an essential step to move to a lateral thinking. Only by use a wide range of non-traditional practices, methods and techniques, and creating space for generating ideas can go to application of non-traditional procedure. Subsequently, based on continuous assessment of innovative security processes leads to effective management of innovation processes.

4. The management of innovation processes

If is provided the necessary information base in the business, were done organizational change and move on lateral thinking, then the business is ready to enter the fourth most important phase.
This stage is about management of innovation processes based on proposed practical recommendations. The most important part of this phase is to identify all the processes of innovation in the business. Only a thorough identification can detect missing or unrelated processes that in the future could cause a failure not only implementation but also the innovation strategy functioning. The business reveals lack processes above all on the base of the views of key employees. Understanding and description of processes (their definition) is the basis for continuous improvement of innovation processes.

The next step is to create maps of innovation processes. Its simplest form is a representation of gross scheme processes. In some (especially large) businesses are continuing after a detailed description of the selected processes - up to the level of processional chains, which are activated by a particular event and produce a concrete output.

Optimizing of innovation processes is an important part of managing innovation processes in the business. This requires reengineering of innovative processes, implementation of the reorganization, the introduction of the performance of innovative processes and then ensures their continuous improvement.

4. Formulated recommendations for implementation of innovation strategy

Creating innovation strategy in business, particularly services, is a complex process that requires detailed knowledge of the business environment. The failure of the formulation and subsequent implementation may be because of several reasons that may have a different nature. For an example, it is an initiative aimed at marketing or production area, investment in research and development have been realized without the support to relevant business infrastructure, consider the current business innovation opportunities, analysis of innovation processes and the possible restructuring, to ensure effective work with inventiveness, innovative ideas and knowledge, lack of motivating employees to create and implement creative ideas without the support of lateral thinking, without encouraging the use of unconventional methods and techniques to solve business problems and in particular no links to corporate strategy as a basic building block for effective use of innovative potential.

On the other hand it should be noted that the reason for failure of implementation of innovation strategy in the business may be wrong formulated innovation strategy and analysis of innovation potential of businesses, as well as lack of support and attention from senior management of the business. Another important factor influencing the successful implementation of innovation strategy is themselves employees of the business if they wish to build and enhance the innovative potential of businesses to use the innovation capacity.

Business should be ready, that the process of creating and applying innovation strategy brings a number of risks. Otherwise, the creation of an innovation strategy is doomed to failure. Essential for success in this area is early identification of risk areas and then take the appropriate decisions to increase the likelihood of successful implementation of innovation strategy in the business.

The following table gives details of identified possible areas of risks together with recommendations, which are designed to help reduce these risks. Also it is prevention and prerequisite for the successful operation of an innovative routing business.

5. Conclusions

At present, most of businesses are aware of the significance and importance of innovation strategy. Almost every business is forced to approach to innovation, not just products and services, but most processes. Effective management of innovation processes encourages innovative activities in business and will bring expected results in the future.

Innovation Strategy represents an innovative approach on a selective basis the objectives, methods and ways to develop and fully exploit the innovative potential of the business. Integrates new strategic approaches to managing innovation activities in the business, creates a common platform for recording and use of necessary information and knowledge related to innovation processes.

Based on the analysis (literature, empirical research carried out) were discovered the facts that helped to create the model and pointed out problem areas that affect the creation and implementation of innovation strategy in business.
The collected theoretical aspects of innovation strategy with reference to the relationship to the concept of lateral as well as prepared methodological assumptions showed the absence of an integrated model development and implementation of innovation strategy in a business. The diversity of models of innovation strategy and structure pointed out that the innovation strategy is the subject of research and its definition is constantly evolving. Therefore, it is possible to create a universal model that will ensure successful creation and implementation of innovation strategy in a business.

Created model is based on the security of the interrelated activities (knowledge of the vision and mission, define strategic goals, evaluation of environment, strategy formulation, its implementation and evaluation). For the successful creation and operation model of innovation strategy in business is essential that the following elements of innovation strategy were analyzed, applied in business practice and created ties between them: work with innovation and knowledge, organizational structure that supports innovation and the formation of pro-innovation environment, lateral thinking, pro-innovation environment, innovative management and managers, innovative potential of strategy.

Solution of the paper was aimed at the creation and implementation of innovation strategy in a business. The decisive outcome model is created. For the smooth progress have been developed the recommendations, which represent a valuable tool for managers in developing and implementing innovation strategy in the business. Recommendations are not only for reducing the likelihood of problem areas and as prevent, but also as a tool to improve innovation processes in the business.

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