Innovation Management

Idea In Short

Market demands are constantly evolving, and **fostering innovation** is the only key to keep up with these evolving trends and stay relevant in the long haul. However, directing these innovative or out-of-the-box ideas in the right way to generate business value is not an easy feat. It demands a methodical approach to ensure that the decision-makers, stakeholders, and the workforce who bring these ideas to fruition are on the same page.

> innovation is the only way to win (Steve Jobs)

A few years ago, people were also not familiar with the internet or personal computers. If it weren't for innovative ideas and concepts, globalization and seamless connectivity would only be limited to science-fictional novels and movies.

What is innovation management?

Innovation management is a business discipline that aims to nurture a long-lasting, sustainable innovations within an organization. It encompasses an entire process of articulating an action plan to ensuring its successful execution. It encapsulates a definite procedure that regulates every innovation stage, starting from ideation to its seamless implementation in the practical world. The initiatives introduced via the innovation management strategy can propel the groundbreaking transformation of your business and give you a competitive advantage. In fact, innovation management is a part of the DNA for various organizations, and they consider innovation as one of their KRAs (Key Result Areas).

Types of innovation management

Based on your objective, innovations can be categorized into four types:

Incremental

Incremental innovation implies continuous improvement of existing products or services. For example– upgrading the existing software based on the advanced technology trends and consumer demands. Even these small-scale changes require a definite strategy and a plan before execution and highly impact customer satisfaction.

Disruptive

Disruptive innovations have the potential to bring a paradigm shift in the market or create a new market and make the current trends obsolete. These innovations are carried out on a massive scale and require diligent planning and management of months or years. Apple's iPhone, which created a new market space for smartphones, is a classic example of such innovations.

Architectural

A myriad of technological advancements has led businesses to transition from traditional tools to futuristic software. These instances where organizations combine innovative tools or products to provide a better workplace or environment constitute architectural innovation.

Radical

Radical innovation is a step forward to disruptive innovation. The latter implies forming a new niche in the market. However, radical innovation creates a new industry or a realm. These major shifts constitute the highest risks of all the other innovations and hence need an effective management strategy to deal with every granularity. Your innovation management framework may differ with regards to the kind of innovation your organization is aiming at. If followed meticulously, formulating this strategy can be extremely beneficial in the long run.

Why is it important?

According to the McKinsey global survey:

> 84% of executives say that innovation is extremely or very important to their companies' growth strategy

To achieve this growth, businesses have to formalize the process of innovation, negotiate with the stakeholders, find the right talent, collaborate with inter-departmental teams, and integrate innovation into their long-term plans. This is when innovation management helps. It is a definite process that provides an array of organizational benefits, some of which are:

Promotes Employee Engagement and productivity

Innovation promotes an out-of-the-box thinking approach. When you formulate a strategy to introduce innovation at your workplace, encouraging your workforce to pitch in their creative ideas reserves a significant place. This provides a platform for the employees to showcase their talent and go the extra mile to add value to the firm. Employees will feel a sense of belonging and at the same time feel valued, which will, in turn, promote engagement. At the same time, when your employees work on something different apart from their regular projects, it eliminates the mundaneness out of the equation, thus enhancing their productivity.

Fosters inclusion and diversity

The advent of globalization and remote work culture has empowered firms to cross geographical boundaries and hire the best talent. This means that your workforce is a blend of cultures, races, generations, and so on. When you embed the innovation culture, you allow every employee to voice out their ideas. The best idea can come from anyone, from a gen-z or millennial or someone belonging to an under-presented community. This means innovation has no race, gender, other label and focuses on sheer talent, thus promoting inclusion and diversity.

C. Maintains competitive edge and generates more ROI

From a business standpoint, innovation is the key to make a mark in the industry and attract a new customer base. A prime example is advanced resource management software. If the product-based firms wouldn't have analyzed the clients' needs and requirements, businesses would still be relying on primitive tools. Instead, this breakthrough development took them ahead of the competitors. Similarly, when you infuse a culture of innovation at the workplace, you take a step ahead to attract customers with unique feature upgrades or new products altogether. Naturally, when the consumers' demands are met, and they see a product that stands apart from the rest, your client base will increase, thereby increasing

your ROI (Return on Investment).

D. Improves business performance

Businesses evaluate their performance using metrics, such as customer retention, productivity, profitability, competitive advantage, etc. Thus, improving business performance implies taking care of each of these factors. Implementing outstanding ideas can help you take your business performance to the next level. When you weave innovation into the fabric of work culture, you are open to new ideas and perspectives, and in fact, you have the potential even to set new trends. This will allow you to keep the resource pool inquisitive and engaged, enhance customer retention by providing novel products or services, increase the financial return with state-of-the-art ideas, and more. The inclination in each factor cumulatively results in improved business performance.

E. Enhances quick problem solving and project's performance

Innovation is not restricted to rolling out new products or services in the market. Being creative and different from the rest is the essence of innovation. You can implement innovation management in multiple facets of the business. One such sector is project management. For instance, you are working on a website development project. Due to certain factors, the client is not happy with the design. If you only let one graphic designer look at the design or one content writer to look at the landing page content, it is likely that they will hit the wall of new ideas. On the other hand, if you collaborate with the entire team, the chances are everyone will understand the client's requirements from a different perspective. Once everyone pitches their ideas and brainstorm, your team can deduce a solution quicker than an individual employee. Thus, encouraging innovation has its perks in the project management realm as well.

Summary

Thus, businesses must inculcate an innovative culture that allows the employees to work out of their comfort zone and help the firms make a mark in the industry. This will not only ensure organizational success but also keep the employees' health performance in check. In a nutshell, innovation management is the way to go if you are looking for a massive transformation in the market space.