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## **Unleashing Innovation across the Value chain - A motto for Growth**

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**Abstract:** Learning and innovation go hand in hand. The arrogance of success is to think that what was did yesterday will be sufficient for tomorrow. The journey from the invention of Fire to the electric bulb, from the air gliders made by Wright Brothers to the Boeing 707, from the typewriter to Laptop and Tablets, from the days of hand-written letters to e-mails, the whole transformation of the Human Era is entirely based on a single aspect: INNOVATION. The major aim of the work is to reveal how innovation could be a driving force for growth in the society.

**Key words:** Innovation; Value chain; Challenges; Unleashing; Growth.

## INTRODUCTION

Innovation begins with “I”. The world of “I” includes a positive frame of mind (Fig.1).

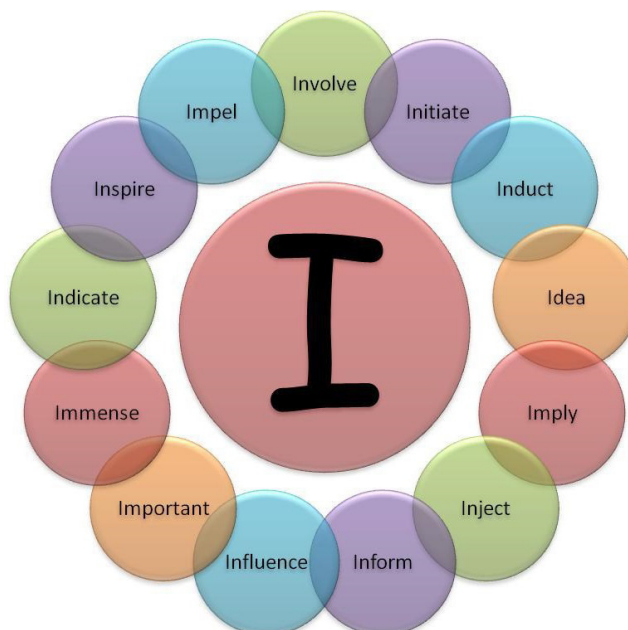


Fig. 1: World of I.

Innovation refers to the notion of doing something different rather than doing the same thing better with a positive attitude. Innovation is the creation of better or more effective products, processes, services, technologies, or ideas that are readily available to markets, governments, and society. “Innovation is the process by which an idea or invention is translated into a good or service for which people will pay, or something that results from this process”.

Essence of “Innovation [1] has been excellently framed within 10 parameters in Fig 2.



Fig. 2: Framework for Essence of Innovation.

Innovation is a must due to:

- Economic Growth
- Progress of Human Well-being
- Business Sustainability
- Better Returns
- Opportunity
- Higher Revenues
- Competitive Advantage

This document highlights the basics of innovation and its importance in modern day business. It details major challenges for alleviating innovation, importance of Innovation in Value chain [2] and aims at measures for improvement to overcome challenges translating to growth.

The primary focus is to craft innovation as a mantra of growth.

### **VALUE CHAIN | VERTICALS**

Before proceeding towards value chain understanding of value is really important. Value is Important and enduring beliefs shared by the Members of a culture about what is good or desirable and what is not. Value chain is the chain of activities gives the products more added value than the sum of the independent activities' values. Value chain can be numerically interpreted as below:

$$V( X+Y+Z+..) > V(X) + V(Y) + V(Z) + .....(1)$$

Where  $V(x)$  is the independent activities' values and  $V( X+Y+Z+..)$  is the summation the independent activities' values or value chain.

Value chain verticals shown in the Tree model (Fig.3) signifies that growth and innovation are at the foundation level, which will remain throughout the lifetime and values, i.e., the growth of the tree in terms of leaves and fruits will grow with the times. Tree is taken as a symbol to depict value chain.

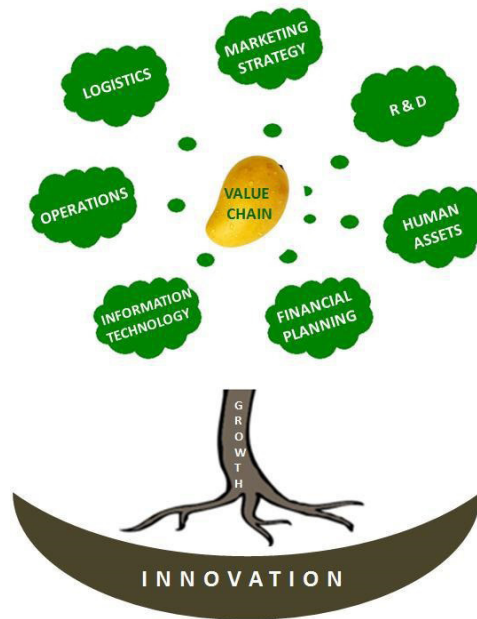


Fig. 3: Tree Model for Depicting Value chain verticals.

The verticals are described below:

### **OPERATIONS**

Operations are value-creating activities that transform input to final product. Previously to withdraw money visit to a bank was the only option but due to operational transformation ATM, Online fund transfer option provides a greater ease.

### **MARKETING STRATEGY**

It includes those activities associated with getting buyers to purchase the product, including channel selection, advertising, pricing.

A decade ago, in order to sell goods, sales guys use to visit door to door but now we hardly find a guy visiting at the doorstep to sell goods. Today, we are experiencing mall culture and slowly this would eventually transform to online shopping, in many a cases, this has actually started.

### **INFORMATION TECHNOLOGY**

It involves development in information system, such as exchanging information has taken the transformation from postal to email. This is a sea change in the IT era; till late 90's, we were heavily dependent on postal services; but with the advent of email the entire scenario has changed. On a lighter side, Corporate Groups have saved huge money on postal expenses. Earlier, records were maintained manually; now everything is online; this has saved time and cost.

## **RESEARCH AND DEVELOPMENT**

Research and Development, process automation, and other technology development used to support value-chain activities. Research and Development spend is gradually becoming the need of the hour. Excellent example is companies engaged in manufacturing smart phones. A few days back, there was a write up in one of the dailies, that smart phone would now become obsolete and “Intelligent Phones” would come to the market [3].

## **LOGISTICS**

Logistics means having the right thing, at the right place, at the right time. Transformation in logistics includes faster accessibility such as online order booking, inventory control etc. Excellent roads network and a metamorphic change in the auto sector has impacted the “SPEED”. Delivery time of months has translated to days. This is all due to continuous and ongoing innovations.

## **HUMAN ASSET**

The activities concerned with recruiting, developing, training, motivating and compensating the workforce of a business. HR is an area that has gained phenomenal importance in last two decades. Earlier manpower was a cost but now it is an investment. From cost to investment it establishes the importance and criticality of Human Assets.

## **FINANCIAL PLANNING**

It incorporates the company’s needs and ties its various parts together, it consists of functions or departments such as accounting finance, planning.

Finance is the nervous system of any organization. The level of financial planning has reached at such a peak that the entire “Financial Paradigm” has taken a new shape.

“Innovation creates a demand in the society.”

To succeed, companies need to see innovation not as something special that only special people can do, but as something that can become routine and be a part of DNA of the organization.

## **CHALLENGES FOR UNLEASHING INNOVATION**

The Major challenges for Unleashing innovation is shown in Fig. 4.

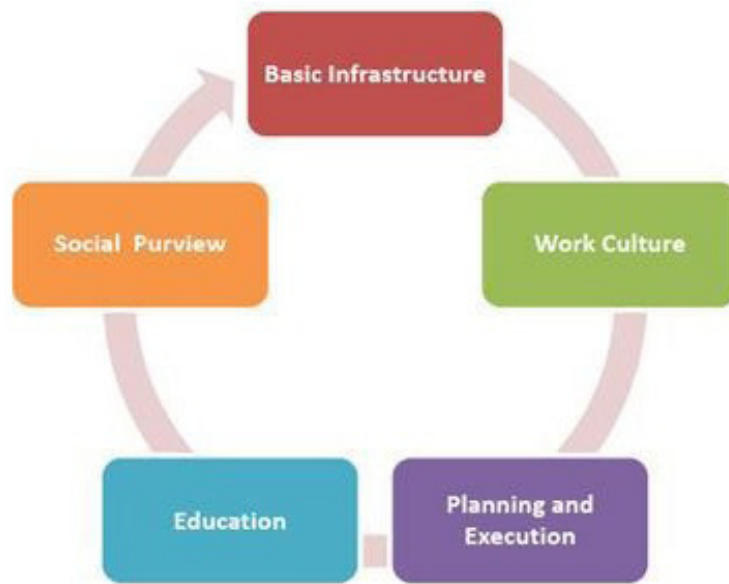


Fig. 4: Challenges for Unleashing Innovation.

## WORK CULTURE

Rigidity and resistance to adopt and adapt with newer ideas is a continuing practice in India. There are numerous perspectives which need to be considered in order to inspect the work culture:

### Awards & Recognition

Good work should be appreciated. Absence of appreciation actually gives rise to de-motivation. This inhibits employees from innovative practices as they feel deprived.

Hierarchy: Organizational Hierarchy often disallows people to take innovative decisions. Ideas get scrutinized at each level and decisions remain pending for a long time. In the end the employee loses interest.

### Financial Aspects

Often it is found that a certain group of employees have proposed a new idea but management is not willing to sanction funds for making the project feasible [1,4].

People Attitude: Often Innovation in organizations is being forcefully implemented, which does not facilitate in the long run.

### Leadership

Leaders are the ones who drive the team. Inadequate leadership leads to de-motivation, frustration, monotonous at work and severe stress levels makes it difficult to think out of the box.

## **PLANNING AND EXECUTION**

Innovation Projects get on well during funding stage but eventually get impacted in the execution stage. Some of the obvious reasons being:

- Improper Goal definition
- Inadequate team participation
- Lack of monitoring results mechanism
- Inadequate communication and access to information

## **EDUCATION**

Varying percentage of literacy in the society impacts the understanding level. Basic education in our country is still lagging far behind as compared with developed economies. The adult literacy rate at 61%, behind China 97% and US 99%, is one of the causes of India's less contribution to world's innovation sphere [5,6,7].

## **SOCIAL PURVIEW**

New products or innovative ideas are difficult to get acceptance from the masses due to socio-economic condition.

## **BASIC INFRASTRUCTURE**

In our country, need gets more value for less cost that has been felt for a longtime. This need is often a matter of survival. Lack of basic infrastructure forces one to first struggle for basic needs and then thinks something new or different. It is a difficult proposition for one to think out of the box if he / she is hungry or does not have a place to reside.

## **UNLEASHING INNOVATION - A ROAD MAP**

The roadmap (Fig.5) signifies that how the challenges can be addressed to unleash innovation and translate to a mantra for growth [8].

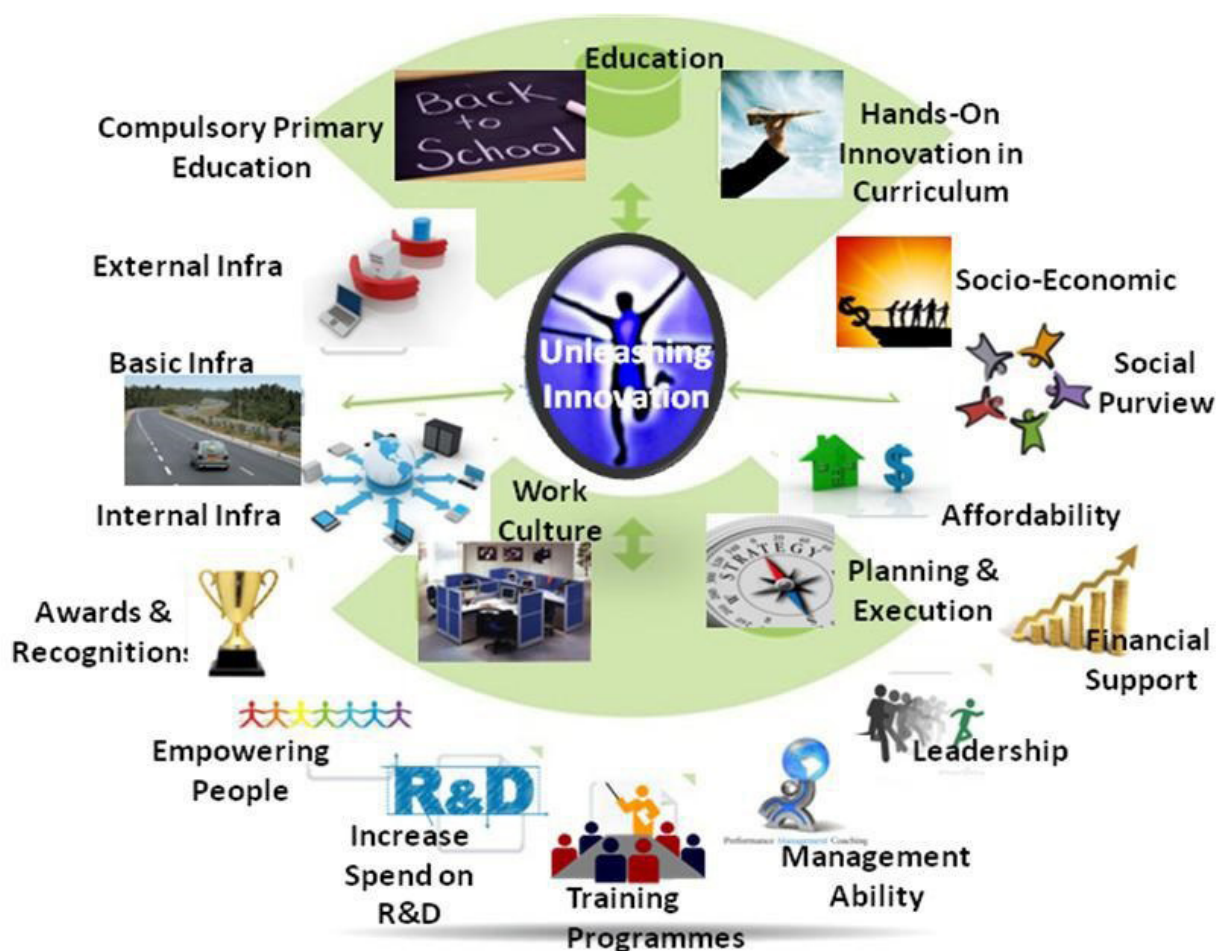


Fig. 5: Roadmap for Unleashing Innovation.

### WORK CULTURE

High Collaborative culture should be developed. Persons should feel that they are the part of the organization.

### Awards and Recognitions

People should be rewarded and acknowledged in an open forum for any creative work done.

### Empowering People

Empowering the People to take innovative decisions on their own, in their areas of responsibility will help in reducing the dismay among employees due to delay in execution of the job.

### More R&D Dollars

Organizations should allocate more funds towards creative and Innovative work and researches for development of new products and new processes.



### **Training Programs**

In order to make people aware about the need for Innovation and the advantages of Innovation, different Training Programs should be arranged.

## **PLANNING AND EXECUTION**

### **Management Ability**

The mindset of the Management towards Innovation plays a great role in nurturing the shape of the organization as well as the employees. Prediction of Management towards future demands and ability and intent to take measured amount of risk, are beneficial towards the Innovation perspective of the organization.

Improvement in this area can be possible by shortening the strategy review cycle, balancing decision between short and long term, refrain from mixing up cost reduction with restructuring, increasing performance coaching, highlight indicators which matters most.

## **EDUCATION**

Compulsory Basic Education for all children is a must. Moreover, it is necessary to involve students into Innovative work and allow them to think on their own, rather than teaching them to memorize text books and obtain high scores in exams [9].

## **SOCIAL PURVIEW**

Socio-economic status is often measured as a combination of, income, and occupation. Society benefits from the efforts to reduce the deep gaps in socio-economic status, managing the population size, expanding the provision for wellness and healthy lifestyles, and managing growing cultural diversity.

## **BASIC INFRASTRUCTURE**

People should be first provided their basic amenities for life. The factors which are also accountable to alleviate innovation are as such:

### **Avoiding Stress**

Apart from regular work schedule certain time should be allotted for family outing, watching amusing clip or TV program before bed time, all these are best antidotes for unwind our mind easily.

### **Bringing Work-life balance**

It could be taking a few breaks at work to talk with a friend, it could be going to the gym every morning: work/life balance is achieved through the little things that provide the momentary break needed to gather thoughts, energy and enthusiasm.

### **Exiting from Comfort zone**

For adventurous thinking it is required to be more adventurous in the activities which deliberately push out of comfort zone. One has to have a high risk appetite to try out a new business initiative in areas outside core competence.

## INNOVATION | A MOTTO FOR GROWTH

### SUCCESS STORY: DELHI METRO

Delhi Metro is an excellent example of innovation blend with commitment, maintaining timelines and creating a new benchmark of expectations.

### SUCCESS STORY: APPLE INC.

Whenever we discuss about Innovation, the topic is incomplete, if we miss out to mention about Apple Inc.; Apple led the global technology market by developing innovative products such as the Mac, the iPod, the iPhone, and the iPad which redefined their respective markets. Innovation was part of Apple's corporate DNA. It is said that Steve Jobs vision of developing 'insanely great' products that had made Apple an icon of innovation. The power of Innovation in case of APPLE is shown in Fig 6. The figure depicts that innovation improves the sales figure quite significantly.

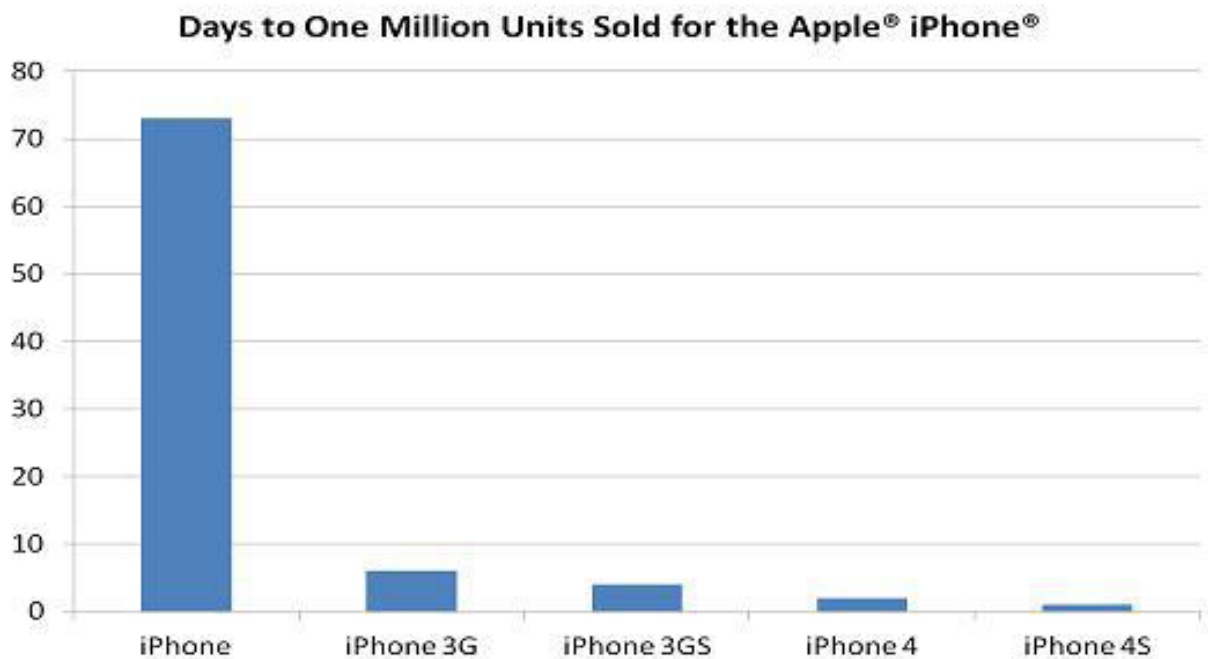


Fig. 6: Power of Innovation of APPLE

## INNOVATION TAKEAWAYS

The learning from the innovation study involves the following attributes:

*“Changing dimension changes worldview”*

Large Corporate Groups began to attempt to manage innovation in a systematic way. As this knowledge continues to build and propagate, there could be a wave of powerful innovation that addresses major concerns like social purview and resource scarcity, education and work culture.

*“Innovation is just like breathing. It’s a continuous process.”*

It's not a destination, it is a continuous and an ongoing process; items available for the consumers today are obsolete tomorrow and this is all due to newer ideas, newer thoughts resulting to newer products and technologies. (Fig. 7)

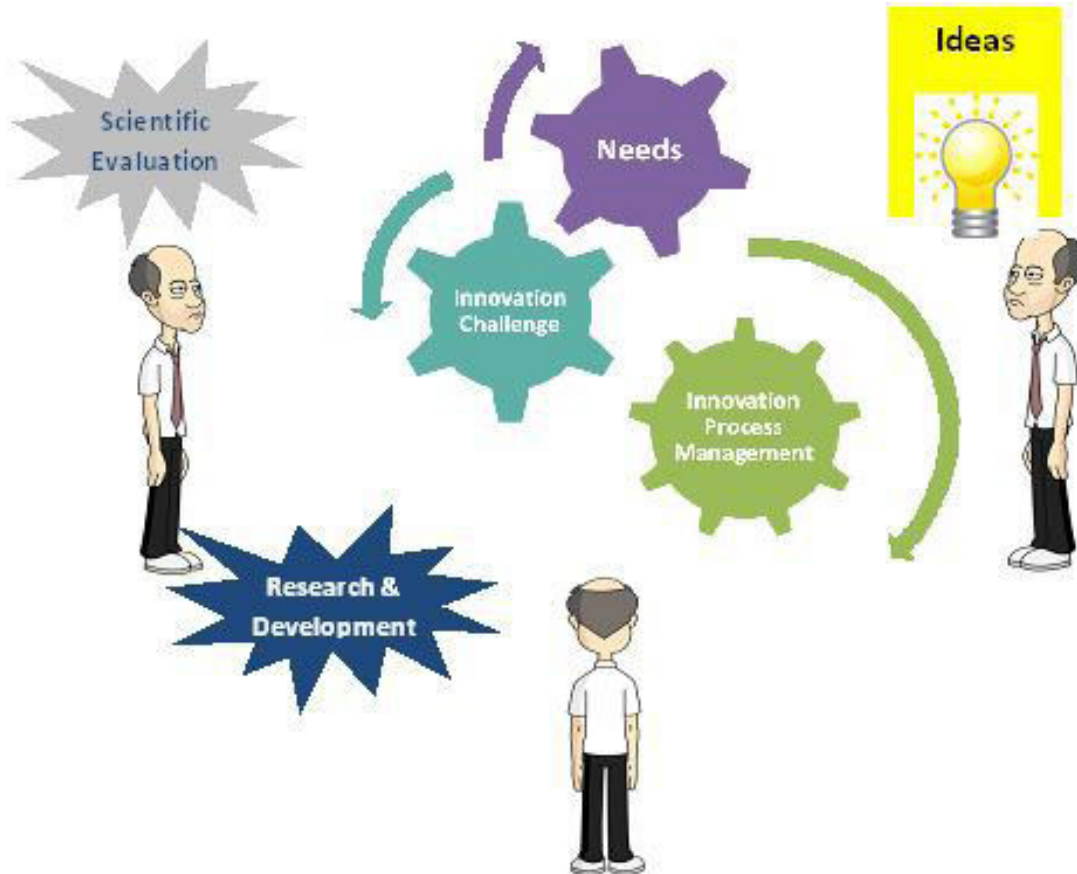


Fig. 7: Changes in views with changing dimensions.

If an organization takes rest after inventing one product, then in times to come it would die its natural death. There are several such instances where absence of proactive call has led to miserable fall in top line and bottom line. Nokia would be a good example in this league. One time market leader is now wondering and moving around for its sustainability.

Leaders, Visionaries and Innovators can shape their organization's "genetics" for success by adopting six vital leadership practices to create a culture that enables people to work together toward a shared vision and purpose.

**Know the Business: Think & Act Strategically**

Thinking and acting strategically provides continuous reassessment in the business environment.

**Become an Excellent Communicator**

Communicating the vision is to be directed in a way that energizes people and impels them toward action.

### **Lead High Performing Teams**

Teams drive organizational progress. It is all about setting high standards and encourage everyone in the team to achieve them.

### **Take Charge of Change**

The major step is to understand the built-in mechanisms that make change so difficult, and which serve as the source of natural resistance when faced with something new. Finally, taking the charge of learning and applying specific strategies and tactics to enhance CHANGE-ability has to be done by leaders or innovators.

### **Make optimal Decisions:**

Make decision which minimizes probability of error and this is an attribute of quality leader or innovator.

### **Drive for Results:**

Driving and motivating the employees to improve the performance all the time for the best results is an important attribute of a leader.

Effectiveness of Innovation can be measured through Cost and Time. This measure indicates an organization's realization of the intended benefits of a given innovation. Major focus is to make the business profitable.

### **WAY FORWARD**

1. The gap between rich and poor, urban and rural and educated and uneducated has to narrow down.
2. Without growth and development addressing basic needs, growth will be in documents. First and foremost, the basic needs should be extended to all.
3. Focus on growth and facilitate Indian youth with the skills so that they need to become the innovative workforce and benefit the society at large.

### **CONCLUSIONS**

The present human era is having ocean of talent.

If we compare the "Change", in last five decades; it can be easily termed as "Noticeable Change".

This has only been achieved due to "INNOVATION".

This is the reason that "Unleashing Innovation across Value Chain is A Motto for Growth".

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