

## **Effective Innovation Management in Strategic Planning**

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### **Abstract:**

When designing how to structure an organization, administrative staff take into account a variety of things. Of these, the most ubiquitous challenge for management is typically how to ensure that the different departments within an overarching organization can operate together efficiently. This is exactly the goal of innovative management and strategic planning. By implementing a variety of techniques, companies can ensure that the goals of the different departments and employees align to a common objective. This process also can aid organizational management to establish the best and most efficient use of resources. By implementing innovation management in strategy planning information technology-based companies can fortify the strengths of the different departments and facilitate the overall success of the organization.

Keywords: Innovations, effective management, administration, strategic planning, challenges, organizations, objectives, techniques, small firms

### **Introduction:**

The main purpose of this paper is to examine the strategic innovation practices. Nowadays globalization, emerging new technologies and very aggressive competitors are the main problems in front of all the companies in all sectors, to get out of this issue. Every company need to involve in Innovation. To sustain in this competitive world and to grow as a giant company, company should practice the innovation in their regular work. While doing the innovation we need to concentrate on strategic innovation. Whether this innovation is really helpful for our company or not and we need to look beyond the company's profit. Innovation should be valid for long run and companies existing strategies and new innovation should match each other.

After 1980's most of the companies have immerged very immensely by using technologies. Technology played very important role in company's success because

business is mainly depending on information, services, support and distribution. To inform customer or to contact customer company should have better technology practices then and then they can always be in contact with customer and will help to succeed them. Technology is very important to fulfill most of the roles and bring organization out of the queue. Old school practice following companies need to face lots of challenges as they always think about stability but now every company is focusing on change. To make the change you need to concentrate on the innovation.

Now a days to become a successful, company need to make a great use of time.

### **Literature Review:**

According to the renowned scholar, Drucker (1985), all successful innovations are direct results of change. For any development within an organization to occur, changes must be implemented. This is the premises of innovation and systematic advances. In his paper regarding the practices of entrepreneurship, Drucker discusses the seven sources that he maintains outline innovative opportunity: unexpected success, incongruity of fact versus expectation within a market system, innovation based on a process need, changes in industrial structure, demographic shift, changes in perception, and new knowledge. These seven pillars, Drucker argues, are the facets that shape how an organization can facilitate and allow creative and innovative growth.

Kodama (2003), stated that companies have come to a time in which their current efficiency will not yield the results they expected. In the past, information technology was a reasonably novel concept, allowing for companies to solely focus on the spread of societal knowledge and curiosity of these unheard-of inventions. However, the same companies have come to crossroads now that there are at least two others in the same business as them. They have come to a time in which the companies not only need further innovation but structurally sound management. They need to become strong as businesses to adapt to their environment and face any technical hurdles. Now, their only competition is not only a novelty, but also marketing, management, and capitalizing on the advancements of media. It is when these companies enter this strategic warfare of balancing innovation and preserving a robust internal foundation that they can emerge triumphant as a business with a global reach.

Several factors are influencing the significance of innovation in the future success of organizations. There are various issues that every organization faces but risking their success by failing to innovate will cost them their status, strength, and reach. There are three critical points described in this article about innovation. Innovation allows companies

to plan out their course of action as a company as well as future trajectories. By being able to innovate, these organizations can claim unmarked territory and create opportunities for themselves. Also, innovation applies to all fields of growing a business.

Along with new products and projects, innovation needs to improve the efficacy of companies. It can be used to accelerate the production, reduce expenditures, and improve marketing and work ethic and motivation. Finally, innovation catches the attention of the market and is a selling point for the products paces up. Along with the utility of the product, its innovative nature indicates a level of ingenuity that customers prefer to associate themselves with. The innovative nature of the product will attract customers and innovation will act as a medium through which customers can see this status within the product. Therefore, the author asserts the advantages of implementing innovation into an organization's schemes (Baldwin and Von, 2011).

Author Chris Eveleen's has mainly focus on different points of innovation, looking for sequence that help in the practical use of the innovation. As per the author it has to be mentioned that the literature search relevant models of innovation processes have been extensive, but not very structured. In this literature author has extensively created the overview of models, routines and tools. He has kept the original terminology for his authenticity. Author has done some analysis of different set of routines and tools when thinking about various innovations of characteristics. Chris again need to look into what all the innovation process models are exist in it.

Author has included strategy, culture, leadership, organizational structure, resources and links of contextual components in their model. All the models have described properly, and it gives proper information about literature.

### **Literature Review on Effective Innovation Management**

Many organizations today have embarked on innovation to improve their competitive advantage. However, without the management of innovations, they may not be effective. This is the reason why strategic planning needs to incorporate the management of innovation. John Carter notes that innovation begins as a concept in mind but many companies lack portfolio management of these innovative minds. One of the ways of managing innovation that Carter proposes is having mental models where product developers can approach their work. The author, therefore, proposes the use of strategic product planning in managing new ideas. The steps of strategic planning include vision, strategic planning, portfolio planning, roadmaps, priorities, and budgeting.

Similarly, Gary Pisano agrees with Carter that the investment of money and time needs to be part of the innovation management. Activities much of the time fizzle, and fruitful trailblazers make some hard memories continuing their exhibition—as Polaroid, Nokia, Sun Microsystems, Yahoo, Hewlett-Packard, and innumerable others have found. For what reason is it so difficult to assemble and keep up the ability to develop. The reasons go a lot further than normally referred to cause: an inability to execute. The issue with advancement improvement endeavors is established in the absence of a development procedure. Pisano explains that without innovation management strategy, innovation may become obsolete.

Pisano explains that as the production of any great technique, the way toward building up an advancement system should begin with an away from and verbalization of explicit destinations identified with helping the organization accomplish a practical upper hand. This requires going past very normal all-inclusive statements, for example, "We should enhance to develop," "We advance to make worth," or We have to enhance to remain in front of contenders. Those are not techniques. They give no feeling of the kinds of advancement that may matter (and those that won't). He, therefore, proposes that innovation management strategies should create value for customers, capture the values innovations create, and provide resources that improve innovations.

Carter on the other hand explains that long term strategies and budgeting are the keys to innovation management. It is best practice to interface the yearly vital item arranging framework to a related, shorter-term front-end the executive's framework that handles the everyday choices around your arrangement of item ideas. Winning organizations assume responsibility for their future by making a tight connection between their key bearing, their item ideas, and spending plans. What is in question is the eventual fate of your organization's development from new item presentations.

To conclude, organizations have increased their focus on innovation. The reason for this is because innovation has been proven to provide competitive advantage through new product designs, improved customer services and minimizing the costs of production to increase on profit profile. However, innovations that are not effectively managed may not offer the results that a company may be looking for. For innovations to be production, strategic planning should offer innovation management ideas. Some of the management proposals are creating a budgetary for innovations, availing resources that promote resources, having both long term and short time innovative strategic plans and having a mental model where innovators can have a reference.

### **Effective Strategic Planning in Small Firms:**

From my observation, the strategic management has regularly been attacked on the grounds that it depends on hypothetical goals and not on the real factors of management. A few writers have made an argument forcefully that formal strategic management systems are especially inappropriate for small firms which have neither the management nor financial resources to indulge expanding strategic management procedures, and for organizations working inside the environment of high innovation enterprises where conditions change so quick that

environmental estimating gets good for nothing and long-range planning can be questioned. This brings up significant question on the job of the specialized entrepreneur in creating strategic planning inside small high-tech firms, where top management are frequently biased towards specialized controls for example, science and engineering instead areas of marketing and general business management expertise.

Proponents of strategic management in the small firm have proposed that the kind of planning utilized will be dependent upon its phase of development, that this action will advance and become progressively formal and advanced over the lifecycle of the business. The writing recommends that as the activities and supporting practical areas of the association become complex, planning will create through different stages from its initial beginnings as straightforward financial related plans and spending plans, through to estimate based planning, remotely arranged planning where the owner starts to think strategically, planning the association's future instead of simply reacting to changes inside the commercial center, and, eventually, to formal strategic management systems. It is frequently argued that the business must make this important progression towards a strategic direction and increasingly modern planning procedures as the business becomes so as to guarantee the future endurance and long-term accomplishment of the organization, in spite of the fact that it has been noticed that the motivation to think, and act strategically will just be brought about by an emergency inside the organization.

The strategic planning is significant and most likely will turn into a standard part of the collection of public planners. Strategic planning approaches developed in the private division must be applied with care and caution to open public. The writers in the paper investigate ways to deal with private-sector strategic planning inside the setting of a public-sector strategic planning process. They also mention about the public-sector relevance of the private-sector approaches and investigate the possibilities or conditions that administer its successful use in the public sector.

Furthermore, In the public sector, most of the business entrepreneurs bring innovations into the companies for which they are capable, regardless of whether as elected agents or managers. Effective advancements particularly those that increase effectiveness in the delivery of management services and improve responsiveness to public requirements, evoke a positive reaction. Innovations involve precise changes as they are adopted by others.

There are six types of key policy dimensions that are considered as important for developing innovative entrepreneurship. These may be as follows:

**Access to Finance:** It states that the given policy dimensions is particularly concerned with proper access to the capital that is needed to establish an initiate the business. The different sources of finance that can be useful for the entrepreneur are identified in terms of debt financing, business angels, venture capital and certain other kinds of finance. This further includes the options for entering and exiting the market. The finance plays an important role in the creation, growth and survival of the new innovative ventures. This is because proper access to finance helps business to invest in innovative project with high productivity and meeting the demand of the market.

**Access to knowledge:** The dimension related to knowledge includes the knowledge related to private, academic and public knowledge that supports the innovative entrepreneurial activity. The technological cooperation between organizations, university-industry interface along with investment in innovation and R&D investment are all included under adequate access to knowledge. The Internet and Communication Technologies (ICT) and the intellectual property system are also included under access to knowledge. Proper access to knowledge is crucial for innovative entrepreneurship as it is the major source for innovation-driven entrepreneurial opportunities.

**Market environment:** According to the dimension within innovative entrepreneurship majorly deals with multiple market aspects of development, for example, it includes access to domestic market, access to global market along with level of competition, market regulations related to the product along with public procurement. The access to market and its developed is considered essential for innovative entrepreneurship as it enables the business enterprises to identify the opportunities that can result in future success and failure of the business.

**Access to skilled labor:** The policy dimension related to labor deals with the conditions that are required for obtaining highly skilled human capital by the business entrepreneurs. This involves the policies that significantly affect the cost of recruitment and termination along with cost associated with immigration and procurement of skilled labor.

**Regulatory Framework related to innovative entrepreneurship:** This dimension is concerned with the public policies and regulations of the government that can influence the innovation and early stage development of new organizations, for example, the administrative Objectives of Innovation management

**Entrepreneurial capabilities and culture:** This dimension mainly account for cultural and societal infrastructure, for instance, attitude towards entrepreneurship, business support infrastructure and the experience and relevant entrepreneurship skills. An important role is played by entrepreneurial capabilities in case of entry to the market and successful establishment of business ventures. The dimension is also effective in determining the capacity for identification of the opportunity, successful running of the new businesses and also driving innovation for learning and adapting to the changed circumstances and situations. Moreover, the culture also has an effect over innovative entrepreneurship by influencing the number of individuals to become entrepreneurs.

From my observation that, the business organizations and the entrepreneurs face multiple challenges while introducing effective innovation management. The entire process of innovation management is affected and can cause problems if the major mistakes are done in initial period or crucial decisions were not taken at the right time. Thus, the following success factors are required to be considered by the business entrepreneurs

**Strategic orientation:** In the absence of strategic orientation regarding the innovation activities, there is lack of direct and path for the success. This makes difficult for the entrepreneurs who are considered to be in charge of the innovation for assessing the outcomes of the innovation management for making the correct decisions. Thus, the strategy regarding innovation management is required to be defined on the basis of future opportunities, challenges, trends and risk associated.

**Clear allocation of responsibilities:** As the innovation process is regarded as highly interdisciplinary process, the innovation management requires the adequate

involvement of the various functional areas and employees so that it can successfully implement the new idea or innovation related to product and the services. The innovation management clearly defines the roles and responsibilities of different individuals in the process of innovation.

**Management' commitment to innovation:** It is one of the essential success factors for innovation management as the commitment of managers from the different level (top to bottom) forms the core basis for the innovation management process. The adequate support, budgets and time are the essential requirements that are needed for the success of innovation management.

To reap in the economic benefits of new technological inventions by commercializing them on time. To integrate technology into overall strategic objective of the organization. To get into and out of the technologies faster and more efficiently. To accomplish technology transfer. To reduce new product development time. To manage large, complex and interdisciplinary projects and systems. One of the most prominent programmatic approaches to innovation currently in use. It is different from building layers to competitive advantages and does not mean segmenting market and accommodating customer needs. Its main focus is on offering those products and services which create a superior buyer value in existing markets and enables a quantum leap for the firm to create new markets. Value innovation also differs from technology innovation, new technology developed does not become a value of innovation unless it is cheap enough for mass buyers. Managing innovation is all about creating firm specific routines which define its particular approach to the problem and understanding common problems associated with partial views of innovation.

#### **Future Research:**

The literature review has indicated that many companies depend on innovation management in strategic planning. Many authors have pointed out that to achieve effective innovation management, the organization needs to invest in employees, foster creativity, collaborate with stakeholders and maintain a diverse work. Based on the findings on the articles, progress has been made in improving the management of innovation, but several questions remain unanswered. Innovation management suggests that top managers be collaborative and involve employees in innovation management in strategic planning. The research should also suggest the way employees are involved in the effective management

of innovation. From the article reviews, two important gaps are identified in regard to the strategic management of innovation; how are employees involved in strategic planning of innovation management and the role of investors and customers (as part of the shareholders in innovation management). Based on the findings, the paper suggests future research on

1. Employees' engagement and
2. Customer involvement in innovation management strategic planning.

**Conclusion:**

Alongside the data age, the predominance of data innovation and fast mechanical change in pretty much every segment have made totally new organizations, have decimated the individuals who can't adjust to this change and have made a steady requirement for development. Today, partner desires are changing quickly and the regions of duty of the organization are extending step by step. The organizations confronted with a perplexing and questionable future need to locate another course to keep up their reality, contend and continue their accomplishments. The life expectancy of items, procedures and advances is quickly shortening, and the requests uncovered when weight push organizations to discover new inventive ways and techniques while making development. Right now, should be adaptable enough to react to any change that may emerge in nature and build up a key perspective on advancement so as to support their reality.

Today, the quickly changing serious condition has become a power that propels new thoughts while in part decreasing the estimation of conventional technique ideas. An organization should attempt to systematize advancement by making the proper culture, structure, frameworks and procedures that empower the rise of development. Organizations should concentrate more on

vital advancement that coordinates all components of development to guarantee supportability, long haul benefit, serious bit of leeway and broadening. A key point of view on development will direct the association to take a gander at the entire framework past item and procedure, guarantee inspiration to create advancements that will energize investment, system and make esteem and will be the way to economical upper hand for organizations.

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