

MB 301
ENTREPRENEURSHIP &
PROJECT MANAGEMENT

LECTURE 3

Innovation Management

INNOVATION MANAGEMENT

- Everett M. Rogers says *“An innovation is an idea, practice, or object that is perceived as new by an individual or other unit of adoption.”*
- Innovation management is simply the process of coming up with and introducing new things and developing the business, one way or the other.
- Innovation management ensures how a new concept is dealt with by affecting certain decisions, practices and actions, as a response to a vision or an opportunity.
- Innovation can be in the products or services businesses provide, it can be in the management practices, it can be tied to the whole organization or smaller teams within different departments.

CHALLENGES OF INNOVATION

Challenges before innovation

- Motivation for innovation
- Time required for innovation
- Getting funds for innovation
- Organizational bureaucracy
- Fear of failure
- Current product offerings are successful.

CHALLENGES OF INNOVATION

Challenges during innovation

- Resistance to innovation and change
- Innovation is centralized to one functional group.
- Lack of collaboration.
- Lack of diversity.
- Lack of connections with customers

CHALLENGES OF INNOVATION

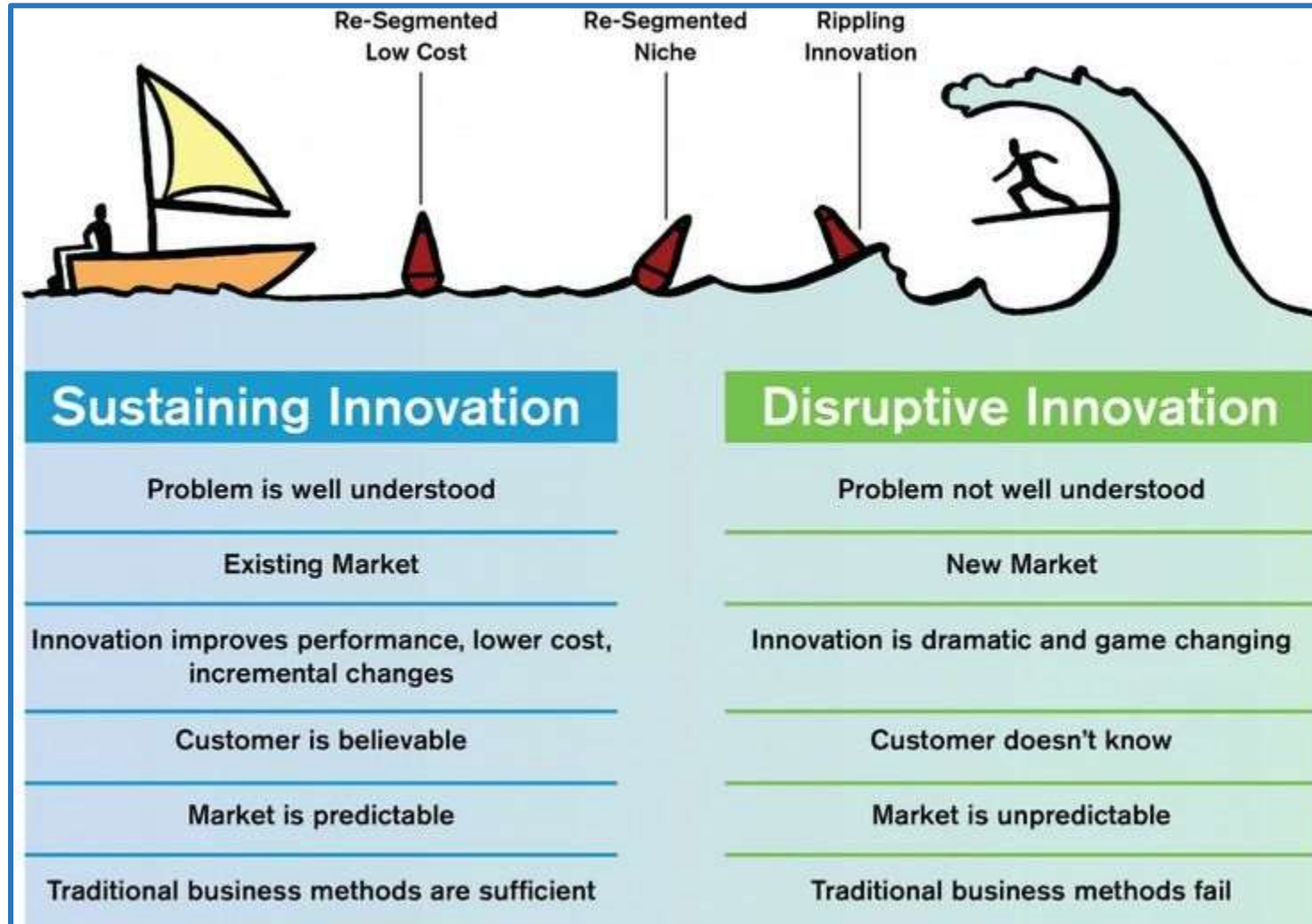
Challenges after innovation

- **Unwanted consequences resulting from innovation**
- **Foreseeing the competitor's reactions to such innovations**

DISRUPTIVE INNOVATION

- A disruptive innovation is often a simple, low-grade solution that's more affordable and accessible to a larger population upturning existing industries
- Usually such innovations overthrow market leaders

DISRUPTIVE INNOVATION



MOTOROLA'S MARTIN COOPER INVENTS THE FIRST CELL PHONE

- Motorola was the first company to produce a handheld mobile phone. On April 3, 1973, Martin Cooper, a Motorola researcher and executive, made the first mobile telephone call from handheld subscriber equipment, placing a call to Dr. Joel S. Engel of Bell Labs, his rival. The prototype handheld phone used by Dr. Cooper weighed 1.1 kilograms (2.4 lb) and measured 23 by 13 by 4.5 centimetres (9.1 by 5.1 by 1.8 in). The prototype offered a talk time of just 30 minutes and took 10 hours to re-charge.
- John F. Mitchell, Motorola's chief of portable communication products and Cooper's boss in 1973, played a key role in advancing the development of handheld mobile telephone equipment.
- It took more than a decade for commercialization of this disruptive innovation.

- TILL WE MEET AGAIN IN THE NEXT CLASS.....

