International Journal of Advanced Engineering and Management Research
Vol. 2 Issue 6, 2017

http://ijaemr.com/ ISSN: 2456-3676

INNOVATION MANAGEMENT AS PART OF THE GENERAL MANAGEMENT OF THE ORGANIZATION

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ABSTRACT

The approach way of the innovation and the role of innovation managers within the firm are influenced by the increased pace of technological change and a series of megatrends.

Innovation management provides results regardless of the industry or the companies size. The small sized companies, large companies, or high-tech companies do not have a special advantage because, in fact, the contribution to the increasing innovation depends on the quality of management effort.

In the context of a continuously changing and transforming market, this study aimed to explore the perspectives of innovation management and the way that companies can deliver their innovation management practices, being prepared to face upcoming challenges.

Key Words: innovation management, general management, innovative organization

1. Introduction

Everybody knows the importance of the innovation, but the question is: how to achieve excellence in innovation management? One of the objectives of the present article is to answer to this question.

As studies show, the successful organizations do not have a magic innovation formula, these do not get results doing one or several things better than others. The key of success is to do all things better.

According to the definition of innovation, companies can be considered innovative if they meet certain criteria: launching new or significantly improved products or services, introducing new or improved processes or organizational marketing methods. The term covers all types of innovators, product innovators, processes, organizational methods or marketing methods as well as companies with incomplete or abandoned innovations and refers to active enterprises (Maier, 2017 a-c; Rothwell, 1992; Porter, 2001; Rose-Andersen, 2005; Brad, 2006; Robu, 2008, Maier, 2016).

The innovative organization is not only content with improving or changing what already exists. It aims to create new, special values and reward to create new, more productive and more effective configurations. An innovative company is receptive to innovation and perceives change as an opportunity rather than as a threat (Iancu, 2010, Maier, 2013 a).

Organizations learn how to integrate innovation into their own development strategy and to match their own development strategy with the innovation process, which will achieve differentiated competitive advantages and will be able to "optimize" their effort in generating added value at the technologies, products and services levels (Rose-Andersen, 2005; Brad, 2006; Robu, 2008).

The common element of all the studied innovation processes was the *existence of an innovation strategy*. The significant factor in consolidating the competitiveness on the market is not the better enforcement of existing business rules than other competitors, but the application of one or more of these existing rules (Iancu, 2010, Zhao, 2000; Garcia, 2002; Scotchmer, 2004; Prügl, 2005; Valencia, 2010, Nicoară, 2013 a-c, Maier, 2015 a-b). Table 1 presents the components of an innovation strategy.

Table 1. Innovation strategy

Components of an innovation strategy

Vision	Consists of the company's prospective search, its results, its structure and its size. The vision satisfies the human need to have a goal, a target for action, prefigures the future by answering the question: What will be the future of the company over "n" years?
Objectives	Represent goals that support the mission and ensure the achievement of the vision, quantified in at least one of the elements: time, investment, quality. For the objectives to be achieved, it is necessary for them to be correctly understood by the performers and to create intrinsic motivations, since it is known that if only extrinsic motivations act, interest for success can be stimulated only for short periods.
Ways to achieve objectives	It refers to the major approaches, with implications for the content of the company's entire business or its major components, based on which the possibility of rational fulfillment of fixed objectives is established. Among the strategic ways of innovation include: diversification, specialization or combining production,

	design and assimilation of new products/services, processes, penetration into new markets, reorganization of distribution chain, improvement of trading system, reshaping the company's activities, and work, computerization of company's activities, etc.
Resources	Are provided in the framework of global strategies, in the form of investment funds, possibly specifying the weight of human and material resources.
The deadlines embedded in the strategy	It refers typically to: the starting date to implement the strategy, intermediate deadlines marking, the conclusion of significant progress in achieving the goals, the final term of the strategy.

To successfully develop an innovation process, it must benefit from the advantages of a new element (a technological innovation, a new managerial or organizational process, etc.). It is almost impossible to try to penetrate a new market or to obtain a change in existing market shares, unless an innovation strategy based on a new organizational form, new management methods and organization of work, will take place after new rules compared to those existing on the market (Iancu, 2010; Zhao, 2000; Garcia, 2002; Scotchmer, 2004; Prügl, 2005; Valencia, 2010; Maier, 2016 b).

According to most specialists, innovation can be defined as the identification and confiscation of opportunities to create new products, services or processes (Mel, 2009), it is a process of ideas transformation and the possibility to put these ideas into practice, a planned and rational process (Arpaci, 2010), an evolutionary, non-linear and interactive process that requires intensive communication and collaboration between different actors (Aouad, 2010).

Companies that have created competitive advantages, finalizing their successful market innovation process, have taken new actions such as a new distribution method, a new approach to selling, a new manufacturing method, etc. (Iancu, 2010). From managers point of view, the main purpose of innovation is to introduce change into the organization to create new opportunities or to exploit the existing ones (West, 1996; Wicks, 2004; Wu, 2008; Sisaye, 2010).

2. Innovation management

Innovation, in the current economic context, is one of the most important factor of success in all sectors of an organization and in all stages starting from research, development, manufacturing, distribution and marketing, maintenance, till product withdrawal and disposal or recycling. In order to take full advantage of the innovation effect, every organization needs to define and implement a good innovation management.

Innovation management is a topic increasingly addressed in the literature (Oden ,1997; Panizzolo, 1998; Motwani, 1999; Tidd, 2001; Maier, 2013 b; Brown, 2004; Hidalgo, 2008;

Charterina, 2010; Maier, 2014; Olaru 2013 a, b). The growing pressure of global competition has led to the emergence of more challenges in innovation management in recent years. First of all, technological advances make it necessary to combine and accumulate more knowledge dispersed in the fields of science. The second one is that competitive pressure forces companies to accelerate development processes to shorten product life cycles. And finally, consumer preferences are becoming increasingly different, resulting in several models and product versions that lead to target markets and smaller production units (Olaru, 2014; Vadastreanu 2015 a-f; Armas, 2005; Amza, 2010; Vlachaki, 2010, Maier 2016 a-b).

As the economic environment becomes more and more dynamic, with specific behavior, complex, nonlinear and adaptive, a new challenge faces the organizations: innovation as an essential part of daily activities. If, some time ago, quality and productivity were key elements to ensure the completeness of an organization, nowadays, achieving this goal involves adding to the competitiveness equation the parameter called innovation. Innovation is considered to be the engine of an organization's growth (Maier, 2013 a-c; Brad, 2006; Vlachaki, 2010, Maier 2015 a-b).

Innovation management is a component of the organization's general management that through its policy and strategy, determines the management of an innovation process (Maier, 2012; Aghinii, 2013, Maier, 2014). A general design concept of innovation management as part of the organization's general management used in this standard is shown in Figure 1.

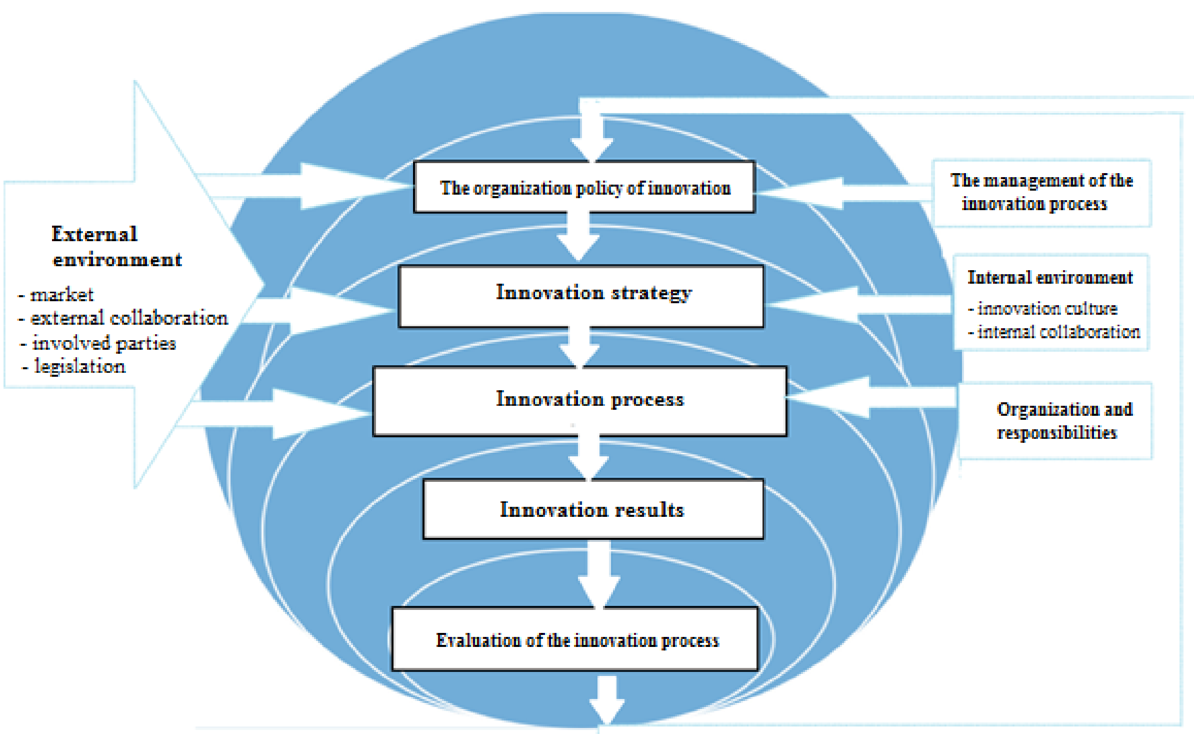

Figure 1- ***Innovation management as a part of general management of the organization***

(adapted fromAghinii, 2013)

The organization must periodically assess the external and internal environment, both current and prospective. In analyzing the external environment, it is recommended that the organization take into account: market issues, legislation, innovation-specific regulations, including those in the field of intellectual property law, economic, social and technical aspects, namely standards, state of the art and development of science, etc. The organization must regularly review the current and future innovation capabilities. For this, it can take into account several important issues: which are the existing innovation management practices; the performances of equipment and the possibility of investing from internal or external sources; the level of innovation skills and knowledge embedded in the organization culture, business models (Olaru, 2016; Aghinii, 2013, Maier, 2015 a - b).

Being a managerial activity, the innovation process must be planned, implemented, monitored and controlled. The innovation process is specific to each organization and it differs depending on its type, size and degree of development (Kusiak, 2007, Dervitsiotis, 2010). The activities related to the innovation process must be determined, adapted to the size, structure and characteristics of the organization.

Business performance developed through innovation is materialized by creating value that is reflected in the following results: revenue growth rate, operational profit growth rate, economic return rate, inventory turnover rate, employee growth rate, consolidation position on the competitive market.

During the whole process of business development through innovation, it is necessary to periodically or continuously assess the innovation capability of the organization and the performance of innovation management. For organizations, the assessment of innovation capability and innovation management performance is needed to identify policies, strategies and actions that involve innovation to increase their competitiveness on the market (Aghinii, 2013).

3. Conclusion

The more intense competitiveness is, the companies become more innovative, due to the continuous impulse to remain on the market, to come up with something new and thus, to overcome competition.

The innovation management system enables companies to make strategic planning and to implement them, therefore highlighting the differences between the actual performance of the company and its objectives. Choosing the best model for managing innovation is an essential step to maximize knowledge regarding the company's performance.

A good innovation management provides a plus with a significant impact, in general; According to De Prato et al. (2015) innovation projects contribute between 6 and 30% of additional revenue, with an average of about 20%, which is significant compared to general revenue growth rates ranging between 5 and 10%. Innovation management also generates savings, close to 10% on average. In other words, while the importance of innovation is predictable, the question remain how to achieve excellence in innovation management.

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