

**MBIE2303-8273**  
**ENTERPRISE INNOVATION**  
**ASSIGNMENT 1**



**“REVIEW AND CRITICAL DISCUSSION ON INNOVATION  
CONCEPTS, THEORIES AND TOOLS”**

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## 1.0 Introduction

Enterprise innovation is the organization's capabilities to challenge to the external environmental changes and obtain sustainability by obtaining competitive advantage and develop their own strategies enabling to remain within the own industry. Creativity and innovation needs to convert comprehensive ideas as business opportunities in terms of value added contribution to their stakeholders with the right mixtures of "value creation" and "value capture". The organization needs to have the attributes of operational excellence to drive their own business model with technological aspirations. The culture of innovation needs to inbuilt constantly and innovation concepts are taken in to consideration of incremental and radical innovation styles ensuring the internal procedures and processes to ensure process innovation which has the real sensitivity based on the changes over the industry specific norms. Technological and business innovation needs to drive the process along with the internal processes based on internal competencies and resources exploring opportunities with customer insights and market trends. Innovative objectives need to focus on achieving goals and the approach should be specific, measurable, actionable, and realistic and time bound.

The innovation challenges need to have the great ideas for improvement on products, services and processes or customer experience through regular feedback and updates, Innovation theories are considered as Stage-Gate model and innovation system theory to identify more opportunities and meet challenges in order to achieve a high success and progress rate. Further innovation tools are considered in this assignment are design thinking and SWOT analysis to ensure how an organization can plan the processes with maximize resource utilization in planning attributes in an external turbulence environmental condition along with technological driven market conditions.

## **2.0 Innovation concepts**

### **2.1 Incremental Innovation**

Incremental innovation defined as process of exercising improvements or additions within an organization while remaining the organization in operation focusing on co-product or service in the business model. Hence it is over looked to maintain competitive advantage with internal structures, cultures, procedures and processes to foster along with external knowledge and the directions to cater consumer needs and wants, with the blessings of incremental technological changes (Rubin & Abramson, 2018).

### **2.2 Radical Innovation**

Radical innovation in other words is an invention that abolishes the existing business model and transform to new innovational concepts focusing on evolutionary changes. Further to break the changes with economic paradigm in abundance to avoid unsustainable existing business practices (Domínguez-Escrig et al., 2019).

### **2.3 Analysis and critical discussion on incremental and radical innovation concepts**

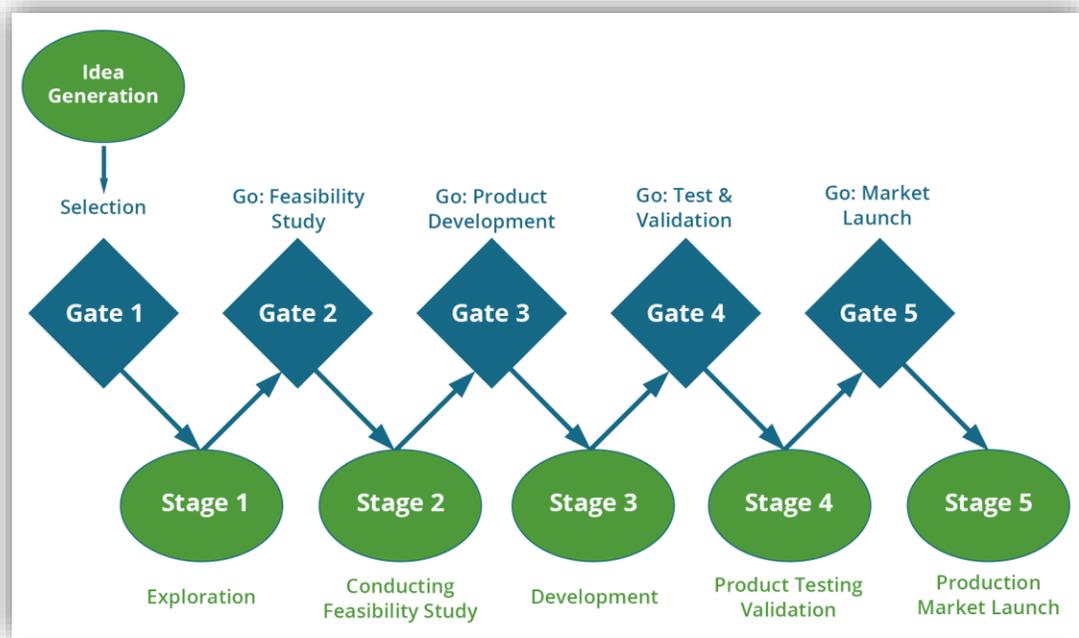
Knowledge centered culture (KCC) emphasizes behavioral pattern initiating from transformational leadership by mediating the play role as “knowledge sharing” applying to incremental innovation and “knowledge donating” is focused on radical innovation (Gui et al., 2022). In a critical note an incremental innovation is focused on value creation along with capturing corporate values for leading existing products over edge. However, radical innovation is experience for implementing from multi task talent new managers in the market place. Thereby series of innovation is not performed in collaboration (Acemoglu et al., 2022). Further as per the empirical research of Shi et al., 2021 technological cluster needs to focus on related business concerns with the phenomenon of continuous technological advancement to apply in to business and contribute for incremental innovation. Moreover pace of innovation and speed of adoption in terms of market value capturing is more rapid in radical innovation comparing to incremental innovation based on facts of resource utilization, implementing technological capabilities, investment prospects, customer understanding and complementing with company specific favorable culture (Zach et al., 2020).

Hock-Doepgen et al., 2021 has mentioned that internal competencies and capabilities lead ability to express creativity with innovative ideas in a comprehensive business model to arrive value propositions align with research and development strategies. Further incremental innovation is much needed to coordinate among internal strategic business units to initiate idea generation before commercialization. Kremer et al., 2019 states that innovation leader, considered to be as a change agent refers manifestation on new ideas over designing based on team's strategy, where it is in operation based on incremental innovation. In the article outset as per Naradda Gamage et al., 2020 the competitive survival to remain in business sustainability, it's a challengeable task relating to rapid increasing competition, global economic crisis, information communication tendency and continuous consumer demands over products and services. As a result profitability and sustainability needs to utilize organizational external antibodies by integrating continuous innovation irrespective of the types of innovation. Consumer resistance is initiated with conflicts based on negative feedbacks, rejections and postponements towards digital innovation. Such resistant behavior will disturb the digital innovation and where the acceptance ultimate benefit is not considered to delivered products and service benefits, process and procedures in order to communicate and enjoy the benefits in constantly and instantly. However the technological innovation has no any other alternate since it creates with sustaining value added benefits for consumers (Talwar et al., 2020).

### **3.0 Innovation theories**

#### **3.1 Stage-gate Model**

Stage-gate model is a methodology in view of transforming new idea in to successful products using a structured and systematic creative innovative process emphasizing the business process improvements relating to process management (Rehder et al., 2023)

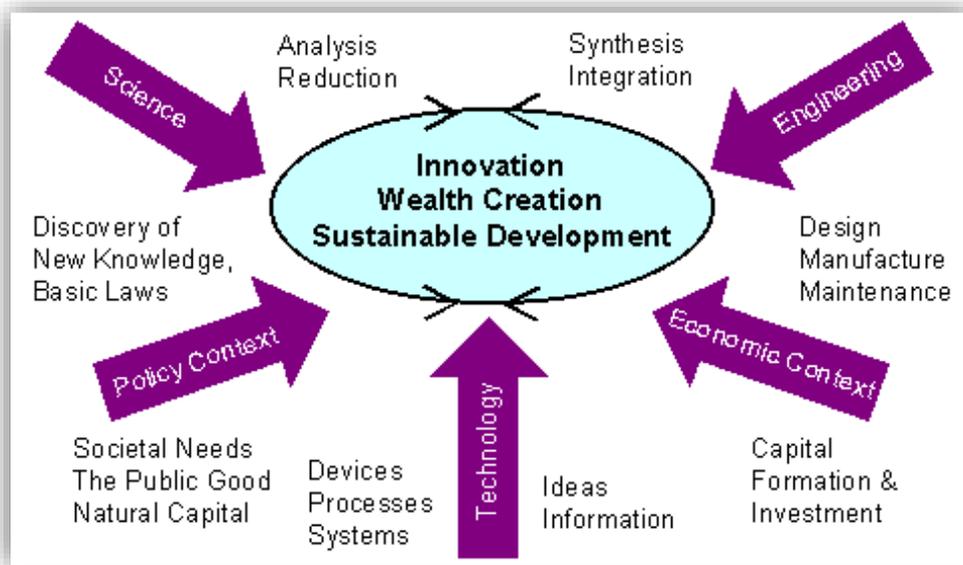


**Figure 1 : Stage-Gate Product Innovation Process model**

Managing uncertainty needs to be visualized by reviewing the portfolio where the innovation is a concern and to manage and thrive in a diversified portfolio nature (Bianchi et al., 2020). As per Edwards et al., 2019 it is important to reduce the uncertainty by practicing the skills in collaboration, proactively identifying the problems to mitigate the market risk, operational risk, and reputational risk by proceeding with contingency planning along with primary goals with proper plan adoption. The Stage-Gate model helps to assess innovative projects to review the benefits by means of financial commitments and feasibilities for new idea generations and viable business ideas are supported with required resources for further development. The goals can be reviewed at each stage and effective time management needs to be considered for effective decision making. In critique service innovation needs to be focus on the service concepts such as intangibility and inseparability by evaluating customer satisfaction (Schultz et al., 2019).

### 3.2 Innovation system theory

This theory denotes the involvement flow on technological approaches relating to enterprise wise innovative proceedings with the concepts of processes, products, or services in a specific market. This theory interacts with ecology of actors relating to innovation eco systems (Dahesh et al., 2020).



*Figure 2 : The design thinking cycle*

Sustainable development needs to focus on continuous innovation provided that innovation directions and strategies focusing on brand value for delivery with enhancing customer relationship along with competitor over edge. A successful innovation needs to have a cultural, solid team work with effective communication managed by a leadership, where the creativity is all the time encouraged for continuous improvement. Human resources unit needs to have a major key functionality over knowledge management and to retain a sustainable policy document. The organization needs to drive the innovation strategies focusing the four pillars of sustainability, named as economic, social, human and environment (Zartha Sossa et al., 2021) Markard, 2020 states that innovation system theory can reach sustainable innovation based on industry specific life cycle with technological innovation to reach operational optimization with customer insights proper supply chain awareness and technical expertise.

#### 4.0 Innovation tools

Innovation tools enables an organization to achieve target driven objectives in complicated nature which would not normally be able to do, unleashing creative potential. With dozens of options available, it might be difficult to select the best option for an organization (Seclen-Luna & Regalado, 2020). Considering few different tools of innovation, SWOT analysis and Design thinking were taken for discussion in this study.

#### 4.1 SWOT analysis

SWOT analysis is a strategic planning and strategic management technique that is used to assist a person or an organization in identifying and will assist in evaluating internal elements that may impact the business (strengths and weaknesses) as well as external factors (opportunities and threats) associated with company competitiveness or project planning. It's also known as scenario evaluation or situational analysis (Berry, 2018).

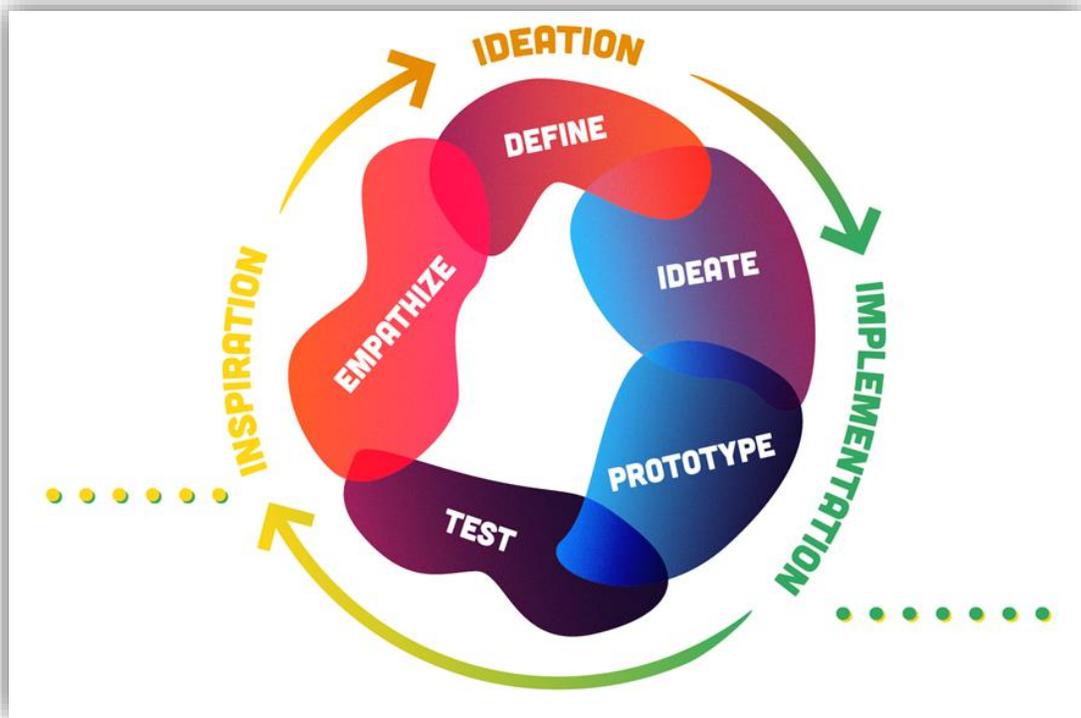


*Figure 3 : SWOT Analysis*

Most of the organizations initiate SWOT analysis periodically for business planning and strategic requirements to identify and reach target customer segment for creativity and innovation. However the majority of them include an excessive degree of ambiguity in the process which will be detrimental in strategic planning. The underlying external and internal components that comprise SWOT analysis must be specified in order to give a suitable foundation for strategy development by using actionable, quantitative, comparative and divisional (AQCD) criteria. SWOT analysis is the most extensively used strategic planning method globally and it requires AQCD components to be successful (David, F. R., Creek, 2019). Many businesses fail to meet their targets since they are unable to improve their business strategy and alignments. It is frequently the case in corporate institutions due to the organization's failure to adequately execute SWOT analysis models. Improper implementation and failure to interpret SWOT information might limit the organization's Ability to apply the results (Namugenyi et al., 2019).

## **4.2 Design thinking**

A collection of cognitive, strategic and practical techniques employed by designers in the design process as well as the body of information gained about how people reason when confronted with design challenges is defined as design thinking (Dam & Siang, 2021). It is also related with prescription for products and service innovation in corporate and societal situations. This is an interactive, non-linear process that involves activities including context analysis, user testing, problem identification and framing, ideation and solution generation, creative thinking, sketching and drawing, prototyping and assessing (Dam & Teo, 2018). The design thinking circle is defined in *figure 4*



*Figure 4 : The design thinking cycle*

The innovative approach for innovation arising from design thinking needs to provide original solution that align the users needs with business value generation with combinations of unconventional reasoning, creativity and empathy (Magistretti et al., 2021). Identifying the traditional products with digital products is a challenging task entrusted to the modern design thinkers. Designery tools such as human center readiness, prototyping and experimentation needs to proceed with not only with designers but further need to cordinate with non designers such as managers, policy makers, strategic planners, research and develop employees emphasizing to solve various problems. Further technological feasibility, economic viability and harmonizing user desirability needs to focus continuously for upscale innovative features continuously (Wang, 2022).

## 5.0 Conclusion

Radical and incremental innovation are taken in to consideration as innovation concepts in this assignment and learning objectives were the revolutionary changes to implement for new technology introduction with total disruption in existing business in radical innovation and incremental innovation expects continuous improvement build upon existing knowledge with technological change and business to prosper in accumulation in nature. Theories are considered as Stage-Gate model and innovation system theory and innovation tools are taken in to consideration as design thinking and SWOT analysis framework. In this study challenges identified as fear of change and resistant to change in innovation process and lack of innovation culture needs to be address appropriately with a solid managerial and innovative leadership to drive the desired direction of creativity and innovation. Further internal procedures and processes need to regenerate by communicating the importance to the employees in terms if benefits of innovation with confidence to reach ultimate business goals in s self regarded appreciation. The internal strategic business units such as financial, procurement, IT infrastructure, Research and development and Human Resource management within the organization needs to perform collaboratively to drive the ultimate business objective to remain sustainability and provide shareholder value.

Therefore innovation systems need to function in alignment towards co-competency and coordination with maximize resource utilization. The business model innovation to focus on target customer, value proposition, and supply chain management with technology feasibility integrating in to a seamless process over leveraging to activate a sound business model. Proper coordination with business partnering in terms of consultants, suppliers, customers and design thinkers need to have the cordial relationship continuously to drive the desired bottom line financial results with sustainability. A solid brand value and image ultimately needs to reflect over the competitors with creativity and innovation by encouraging all the appropriate ideas as invention by commercializing with performing industry best practice, code of ethics with corporate disciplines.

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