

THE MANAGEMENT OF INNOVATION PROCESSES IN COMPANY

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Abstract: Nowadays innovative activities mean a necessary condition for growth and competitiveness of companies in global markets. Requirements from customers, increasing competition, globalization and technological development in a changing business environment have become a driving force for innovation. The main attention is given to innovative signals from extremely important group - customers. The purpose of this article is to create a model of innovation management in company.

Keywords: innovation, innovation process, innovation management

JEL Classification: O31; O32

1. INTRODUCTION

The process of creation and innovation management in the enterprise is a complex process which requires understanding of basic terms: management, innovation and innovation management, and mapping the innovation process and innovation performance evaluation.

First it is necessary to define innovation. There are many different definitions of this concept by domestic and foreign authors. Table 1 shows some of them.

Table 1 Definition of innovation

Author	Definition
<i>Businessdictionary.com</i>	The process of translating an idea or invention into a good or service that creates value or for which customers will pay.
<i>Business.gov.au</i>	Innovation generally refers to changing processes or creating more effective processes, products and ideas. For businesses, this mean implementing new ideas, creating dynamic products or improving existing services.
<i>Merriam-webster.com</i>	New idea, device, or method.
<i>OECD manual</i>	Production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. It is both a process and an outcome.

Based on the above definition we can argued that innovation represents a new innovative solution through which takes place in the company passing on the practical ideas into new products or services.

2. THE CURRENT STATE OF THE ISSUE

Journal of the European Union mentions two most commonly used innovation (Journal of the European Union, 2006):

Process innovation means the implementation of a new or significantly improved production or delivery method

(including significant changes in techniques, equipment and/or software). Minor changes or improvements, an increase in production or service capabilities through the addition of manufacturing or logistical systems which are very similar to those already in use, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, regular seasonal and other cyclical changes, trading of new or significantly improved products are not considered innovations.

Organisational innovation means the implementation of a new organisational method in the undertaking's business practices, workplace organisation or external relations. Changes in business practices, workplace organisation or external relations that are based on organisational methods already in use in the undertaking, changes in management strategy, mergers and acquisitions, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, regular seasonal and other cyclical changes, trading of new or significantly improved products are not considered innovations.

Product innovation is the creation and subsequent introduction of a good or service that is either new, or an improved version of previous goods or services. This is broader than the normally accepted definition of innovation that includes the invention of new products which, in this context, are still considered innovative. Product innovation is also defined as the development of new products, changes in design of established products, or use of new materials or components in the manufacture of established products (Policy Studies Institute, 2010).

OECD define Marketing innovation: it is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing. (OECD, 2005) The following table provides examples of Innovative brand's marketing strategy in successful companies.

Table 2 Innovative brand's marketing strategy of companies

Company	Innovative brand's marketing strategy based on
GoPro	Synergy - with a content strategy that perfectly complements product.
SAP, Harley Davidson	Strength of brand community, defined on the three pillars of feedback, advocacy, and support.
Taco Bell	Marketing on new platforms, focusing on how and where their audiences are seeking and consuming content.
IKEA	Improving the complete buying experiences of customers.

3. MANAGEMENT OF INNOVATION PROCESSES IN COMPANY

Based on the study of domestic and foreign literature and the study of domestic and foreign research are revealed the following problems, which often hindered the emergence of a coherent view of the innovation process in the Slovak companies:

1. Innovation Management is based on several scientific disciplines (social sciences, economics, management, psychology ...).
2. Individual sectors of industry and market have specific symptoms and signs.
3. There are different types of innovations (such as technology, organization, product, marketing and so on).

The model of creation and management of innovation processes in the company (Figure 2) was designed to help managers to manage the innovation process. Model is based on the study of domestic and foreign literature sources. Proposed model supports the work with innovative ideas, which the company obtained through stakeholder. There are many sources of innovation activities. The research of innovative activities Examination of the management of innovation processes in Slovak Republic from Lendel (2014) shows the main sources of innovative ideas (table 3).

According to Drucker, the general sources of innovations are different changes in industry structure, in market structure, in local and global demographics, in human perception, mood and meaning, in the amount of already available scientific knowledge, etc. (Drucker, 2002)

Innovation Management Community for Practitioners explains that innovative ideas can come from a wide variety of different places, and companies who leave sources out of

Table 4 Role-based access vs. User-based access

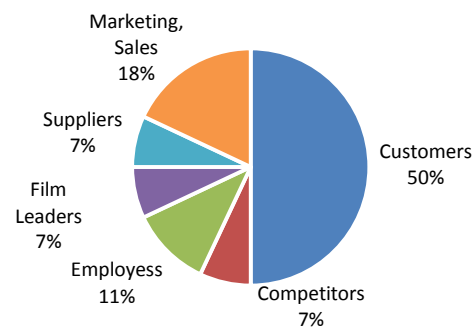
Name	Description
Role-based access control (RBAC)	Is a method of regulating access to computer or network resources based on the roles of individual users within an enterprise. Access is the ability of an individual user to perform a specific task, such as view, create, or modify a file. Roles are defined according to job competency, authority, and responsibility within the enterprise. When properly implemented, RBAC enables users to carry out a wide range of authorized tasks by dynamically regulating their actions according to flexible functions, relationships, and constraints. This is in contrast to conventional methods of access control, which grant or revoke user access on a rigid, object-by-object basis. In RBAC, roles can be easily created, changed, or discontinued as the needs of the enterprise evolve, without having to individually update the privileges for every user. (Rouse, 2012)
User-based access	User-based access, sometimes called user-based permissions, is a method of securing software and its features at the individual level. The most basic form of user-based access is a simple login and password combination that either grants or denies access. More advanced software systems include the ability to assign specific permissions to specific users. This approach has both benefits and drawbacks. User-based access allows more granular control of the system. However, such control can entail increased management work, as any changes to permission settings usually have to be done for each user. If you want to specify exactly which parts of a software system or database each employee can access, you'll want to look for software that includes user-based access as a feature. Companies with security concerns or highly-flexible team roles will likely prefer this type of permission setting. (Settles, 2014)

their innovative process are significantly reducing their innovative capabilities. A recent survey of innovative organization revealed that customers provided the greatest source for ideas, followed by marketing & sales, employees, firm leaders, suppliers and competitors. The following graph (figure 1) shows the most important sources of innovative ideas.

Table 3 Source of innovative ideas

Research	Main findings
<i>Examination of the management of innovation processes (SR), 321 respondents (sampling error at the level of 5.46%), a questionnaire</i>	The most frequently used source of innovative ideas are customers (in 228 enterprises), employees of the company (in 194 enterprises), analysis of competitive products and services (187 companies) and internet (in 175 enterprises).

Source: Lendel (2014)

**Figure 1** Sources of Innovative Ideas

Source: incrementalinnovation.com

It is important to save all new ideas. The innovative ideas which are not implemented immediately, should company save through IT systems for future use. It is also necessary that the right people in the company have access to the right information at the right time. Table 4 explains the user access in company.

Important is also to ensure the matching of knowledge between experts from different business units (production, research and development, logistics, marketing ...). A part of proposed model is learning and revision at the time (feedback) at every stage of the innovation process, which will help overcome the difficulties encountered at different stages and ensure continuous improvement, thereby increasing the company's competitiveness.

Feedback is the core of personal and professional growth. Feedback can help company to be better at what they do. Most managers don't provide enough feedback, and when they do, they either make it too negative or are too vague while trying to keep it positive. Giving feedback is incredibly complex. There are many forms of feedback. Officevibe.com writes:

- giving feedback is sensitive because of how employees might react to it,
- feedback is important, it helps employees grow and improve,
- feedback leads to higher productivity and lower turnover,
- 360 feedback is great because company get a diverse set of opinions,
- company should set clear goals to employees and help them reach them,
- managers should give feedback frequently.

The proposed model (figure 2) is divided into three phases:

1. **The creation of invention** is mapping requests (needs) from interested stakeholders (most often from customers or employees) and assess product feasibility (studies, time factors, risks and other).
2. **The creation of innovation** begins with development of a new or improved product (including its improved design and testing), continues with the development of resources and technology and creating a business plan.
3. **Penetration of innovation** includes production, market entry and development.

To obtain the expected benefits, it is necessary to manage progress of the innovation process through the use of various management functions (working with people, organizing, controlling, communication). For successful innovation management are particularly important areas:

Table 5 Particularly important areas

Area	Description
<i>Creativity</i>	The creation of new ideas.
<i>Setting priorities</i>	The allocation of corporate resources to best ideas.
<i>Efficiency</i>	The realization of products for the mature market and their implementation (effective implementation of ideas is primarily reducing the time from development to commercialization).
<i>Leadership</i>	Bringing together people with different functions, cultures and mentalities.

4. DISCUSSION

Very important is the acceptance of the proposed model by all stakeholders. For it is necessary to create a quality system of motivation. For one of the most important groups - customers should companies apply the following tips:

1. Build a solid foundation for employees so they feel invested in the company. It's important to tell employees about the history of the business and vision for the future. Also important is to ask employees about their expectations and career goals, as well as how company can help them feel like part of the team.
2. Create a Positive Environment. A happy office is a productive office.
3. Educate the Masses - improve employees professional skills by providing on-the-job training or in-house career development. Allow employees to attend workshops and seminars related to the industry. Employees will feel company is investing in them, and this will translate into improved job performance.
4. Surprise, fun – something nice for the employees who work for company. Managers can treat the office to a pizza lunch or take everyone to the movies. Reward employees with an unexpected day off or by closing the office early on a random Friday afternoon. These little diversions can go a long way toward improving productivity.
5. "Employee of the Month" awards. Such tokens of appreciation will go far in motivating employees.

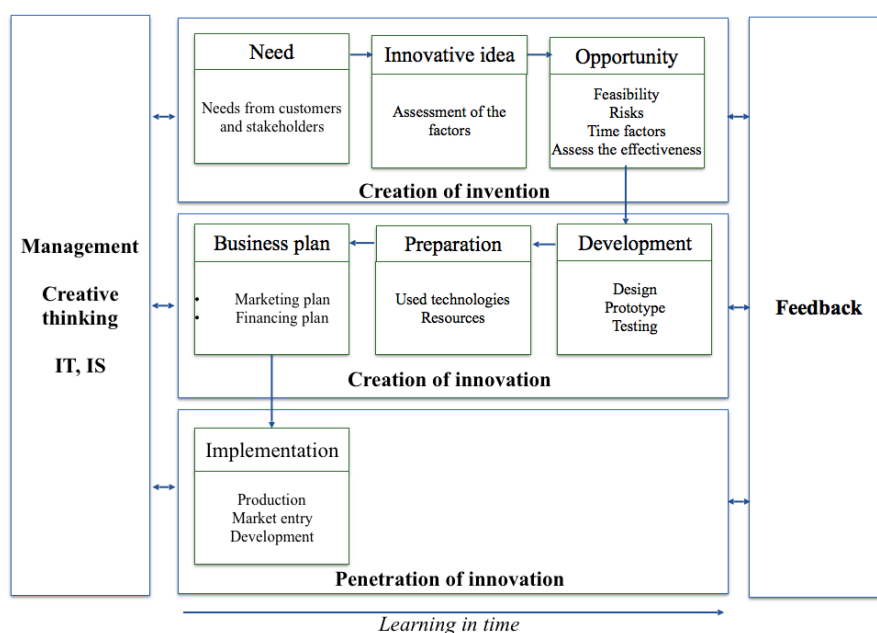


Figure 2 Model of innovation management in company

5. CONCLUSION

Creation and management of innovation processes in company plays for the company and its economic and social growth a very important role. Corporate executives are increasingly beginning to realize the importance and significance of innovation. Product innovation represents a shift in the competitive position, which nowadays can lead

to market leadership, even in the industry (Lendel, Hittmár, Siantová, 2013).

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