



# Innovation makes a difference .....

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# Innovation makes a difference .....


Read the table below (taken from 'Innovation and entrepreneurship' 3<sup>rd</sup> edition, chapter 1) and explore some of the case studies and examples.




Research other case examples which show the different ways in which innovation makes a difference.


Can you think of additional ways – and find examples?

Prepare a presentation based on your research.

Table 1.1: Where innovation makes a difference ....

Innovation is about ....	Examples
<b>Identifying or creating opportunities</b>	<p>Innovation is driven by the ability to see connections, to spot opportunities and to take advantage of them. Sometimes this is about completely new possibilities – for example, by exploiting radical breakthroughs in technology. New drugs based on genetic manipulation have opened a major new front in the war against disease. Mobile phones, tablets and other devices have revolutionised where and when we communicate. Even the humble window pane is the result of radical technological innovation - almost all the window glass in the world is made these days by the Pilkington float glass process which moved the industry away from the time consuming process of grinding and polishing to get a flat surface</p> <div style="background-color: yellow; padding: 5px;">  <p><b><i>Go online to read the case study of James Dyson and his innovation-led business</i></b></p> </div>

<p><b>New ways of serving existing markets</b></p>	<p><b>Innovation isn't just about opening up new markets – it can also offer new ways of serving established and mature ones. Low cost airlines are still about transportation – but the innovations which firms like Southwest Airlines, Easyjet and Ryanair have introduced have revolutionised air travel and grown the market in the process.</b> Despite a global shift in textile and clothing manufacture towards developing countries the Spanish company, Inditex (through its retail outlets under various names including Zara) have pioneered a highly flexible, fast turnaround clothing operation with over 2000 outlets in 52 countries. It was founded by Amancio Ortega Gaona who set up a small operation in the west of Spain in La Coruna – a region not previously noted for textile production – and the first store opened there in 1975. They now have over 5000 stores worldwide and are now the world's biggest clothing retailer; significantly they are also the only manufacturer to offer specific collections for northern and southern hemisphere markets. Central to the Inditex philosophy is close linkage between design, manufacture and retailing and their network of stores constantly feeds back information about trends which are used to generate new designs. They also experiment with new ideas directly on the public, trying samples of cloth or design and quickly getting back indications of what is going to catch on. Despite their global orientation, most manufacturing is still done in Spain, and they have managed to reduce the turnaround time between a trigger signal for an innovation and responding to it to around 15 days.</p> <p> <i>Go online to read the case study of Zara and how it has used innovation around design and 'fast fashion' to create new opportunities in a crowded and mature marketplace</i></p>
<p><b>Growing new markets</b></p>	<p>Equally important is the ability to spot where and how new markets can be created and grown. Alexander Bell's invention of the telephone didn't lead to an overnight revolution in communications – that depended on developing the market for person-to-person communications. Henry Ford may not have invented the motor car but in making the Model T – 'a car for Everyman' at a price most people could afford – he grew the mass market for personal transportation. And eBay justifies its multi-billion dollar price tag not because of the technology behind its on-line auction idea but because it created and grew the market.</p> <p> <i>Go online for a case study of the Model T Ford</i></p>
<p><b>Rethinking services</b></p>	<p>In most economies the service sector accounts for the vast majority of activity so there is likely to be plenty of scope. And the lower capital costs often mean that the opportunities for new entrants and radical change are greatest in the service sector. On-line banking and insurance have become commonplace but they have radically transformed the efficiencies with which those sectors work and the range of services they can provide. New entrants riding the internet wave have rewritten the rule book for a wide range of industrial games – for example, Amazon in retailing, eBay in market trading and auctions, Google in advertising, Skype in telephony.</p> <p> <i>Go online for a case study of AliBaba and the Taobao online shopping mall which is one of the world's top ten most visited websites</i></p>

<b>Meeting social needs</b>	<p>Innovation offers huge challenges – and opportunities – for the public sector. Pressure to deliver more and better services without increasing the tax burden is a puzzle likely to keep many civil servants awake at night. But it’s not an impossible dream – right across the spectrum there are examples of innovation changing the way the sector works. For example, in healthcare there have been major improvements in efficiencies around key targets such as waiting times. Hospitals like the Leicester Royal Infirmary in the UK or the Karolinska Hospital in Stockholm, Sweden have managed to make radical improvements in the speed, quality and effectiveness of their care services—such as cutting waiting lists for elective surgery by 75% and cancellations by 80%— through innovation.</p> <p> <a href="#">Go online to read cases – Karolinska Hospital, Aravind, NHL Hospital – of innovation in public services</a></p>
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<b>Improving operations – doing what we do but better</b>	<p>Kumba Resources is a large South African mining company which makes a dramatic claim – <i>‘We move mountains’</i>. In their case the mountains contain iron ore and their huge operations require large-scale excavation – and restitution of the landscape afterwards. Much of their business involves complex large-scale machinery – and their ability to keep it running and productive depend on a workforce able to contribute their innovative ideas on a continuing basis.</p> <p> <a href="#">Go online to read more about Kumba's innovation activities</a></p>
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