Innovation Management

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Context:

Today's firms are faced with a number of unique challenges that demand an increasing pace, volume and complexity of organizational changes. This is due to the dynamic nature of the external and internal environments of the firms. Customer preferences change fast, and competitors from unconventional industries come in to fill the new needs. Traditional industry boundaries collapse, changing the nature of competition. Innovations displace older sources of competitive advantage with new ones. Change has become increasingly discontinuous, thereby making its prediction a near impossible task. Some firms believe that the "only way to predict change is to create it". Thus, innovating rapidly and adapting to change have become the mainstays of survival in this new economy. This course is geared towards deepening the understanding of the challenges, the techniques, and the burdens associated with initiating and implementing major innovation based change in an organization.

In the United States there is a move to revive the competitive advantage of US firms through innovations in all sectors. Emerging markets have started emphasizing innovation. They feel that the growth rate that they have achieved cannot be sustained by imitation and effective production systems alone. The way innovations are structured and organized is changing. The efficient and effective management of innovations requires that these be globalized. Firms are locating their R&D centers globally and managing many parts of the innovation value chain in different countries. Partnerships in innovation have become the norm even in highly intellectual property sensitive industries such as pharmaceuticals.

Content:

This course will cover the context of innovation, the strategy of innovation and organizing for innovation and change.

Case Materials and Readings: go to:
https://cb.hbsp.harvard.edu/cbmp/access/18374768
And acquire the coursepak electronically (you may have to register with Harvard Book Store)
### (Very) Tentative Schedule:

#### March 11

<table>
<thead>
<tr>
<th>Session</th>
<th>Title</th>
<th>Key concepts</th>
<th>Readings (in your Harvard pack)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to strategy and innovation</td>
<td>Framework for integrating innovation to strategy, defining the innovation “ecosystem”</td>
<td><em>Match your innovation strategy to your innovation ecosystem</em></td>
</tr>
<tr>
<td>2</td>
<td>Innovation in context</td>
<td>The industry context: learning about the Pharmaceutical Industry</td>
<td><em>In class handout</em></td>
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<td></td>
<td><strong>Lunch break</strong></td>
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<tr>
<td>3</td>
<td>Innovation Models</td>
<td>Stage gate; concurrent/synchronous; External sourcing</td>
<td><em>Innovation: A customer driven approach; User Driven Innovation</em></td>
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<tr>
<td>4</td>
<td>Group exercise on “growth gaps” matrix</td>
<td>Application of growth gaps tool</td>
<td><em>Class Handout</em></td>
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<tr>
<td>5</td>
<td>Selecting an Innovation Project and Team Formation</td>
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#### March 12

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<tbody>
<tr>
<td>1</td>
<td>Source of ideas</td>
<td>Environmental scanning; technology forecasting;</td>
<td><em>Myths about innovation; Is your company ready for open innovation</em></td>
</tr>
<tr>
<td>2</td>
<td>Building an Innovation Strategy Process</td>
<td>Thinking “in the box” and “out of the box”; Leadership for strategic innovation</td>
<td><em>Mahindra and Mahindra case study</em></td>
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<tr>
<td></td>
<td><strong>Lunch</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Design innovation and designing of innovations</td>
<td>The creative process; role of product design; designing creative teams</td>
<td><em>IDEO Video; Design thinking and innovation at Apple</em></td>
</tr>
<tr>
<td>4</td>
<td>Disruptive innovations</td>
<td>Creating and managing disruptions</td>
<td><em>Putting the innovators DNA into practice; How GE is disrupting itself</em></td>
</tr>
<tr>
<td>5</td>
<td>Social Innovations; and Project work</td>
<td>Conscience, concern and change</td>
<td><em>Informal discussion</em></td>
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#### March 13

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<tr>
<td>1</td>
<td>From adaptation and imitation to innovation</td>
<td>Building absorptive capacity, supplier-based innovations, role of R&amp;D, integration of dispersed innovations</td>
<td><em>Tata Nano: The People’s Car; Oral Insulin: breakthrough innovation at Biocon</em></td>
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### 2. Leveraging innovative capabilities

**Strategic Alliances, consortia, licensing in and out**


| 3 | Implementing innovation | Structure, strategy, process, people | 3M- Taiwan, 10 Rules for managing global innovation |
| 4 | Leveraging hidden assets and capabilities | Bottom –up innovations | Nokia - India |

#### Lunch

| 5 | Social Entrepreneurship and Innovation | March 14 |

| 1 | Innovation and the firm | Innovation portfolio, Business model innovation | Creating value through Business model innovation; Managing your innovation portfolio |
| 2 | Preparation for Project presentation | |

#### Lunch

| 3 | Presentation by Groups |
| 4 and 5 | Presentation and Conclusion |

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**A. Scan as many of the cases and articles before the program begins as possible.**

**As you read them please think of the following questions identified below with these cases.**

1. **Match your innovation strategy to your innovation ecosystem.**

   *Will you be able to develop a map of a company’s innovation eco-system. What types of information would you like to have?*

2. **Mahindra and Mahindra case study**

   *Identify three areas where a supplier contributed to the success of the innovation “Sactor”*

3. **Nano Tatology: the people’s car**

   *Much of the success of the Nano lies in the ability to coordinate a large number of supplier based innovation – what can we learn from this case about supplier based innovations?*
4. Innovative Capabilities of a firm and the use of technical alliances

*If one can learn most from technical alliances that supplement a firm’s capabilities rather than complement them then what really is the use of alliances to build innovative capabilities*

5. How GE is disrupting itself

*Can you identify one disruptive technology in the areas your firm or a firm you have ever worked for competes in? How will your firm respond if it becomes a reality?*

**B. Grading for the course (details will be discussed on the first day of class):**

- **Individual paper:** 30%
- **Class Participation:** 30%
- **Group project:** 40%

**REFERENCES (for future interest)**

**General Theory of Strategy and Innovation:**


**Formulating Innovation Strategy**

Implementing Innovation strategy 

How BMW turns art into profit. HBR Jan. 2001 

New Product development 

Sobek, D. Et al., Another Look at how Toyota integrates its product development. HBR 1998 July-August. 

Innovation Networks 

Amabile, T. How to kill creativity. HBR September-October 1998 
Kanter, R. Innovation: the classic traps. HBR December 2006 