

THE IMPORTANCE OF INNOVATION IN INTERNATIONAL BUSINESS

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“Change is the law of life. Those who look only to past or present will certainly miss the future“

John F. Kennedy

Abstract:

To face competition, companies must have innovations. No longer an issue whether we should have or not innovations, but a condition that must be created to establish an effective innovation management. Great companies put under pressure of international competition have instruments for the management of innovation. Coordination specialists and organizational impediments are the main problems facing companies.

Innovation is generally considered as the main engine of economic growth in the global economy today. By introducing innovations into practice you may obtain products with improved quality characteristics, quality service, new production processes, more efficient and clean (environmental) management system, improved models of business, modern management methods of employment etc

There are many reasons for companies and organizations to innovate, including: increasing market share, capture new markets, improve product quality, choice of products, replacing outdated products, reducing environmental impact, etc.

Keywords: innovation, company, market, creativity, management

JEL classification: M16

1. UNDERSTANDINGS OF THE TERM "INNOVATION"

Innovation is inextricably linked with creativity. Innovation and creativity processes are interrelated, because finding a solution to the problems in the process of innovation requires creativity. Innovation covers a practical application of a marketable invention; however, innovation is possible without a prior invention.

Innovation has been defined in many different ways by different specialists, without a generally accepted definition. DEX online states that innovation is

- novelty, change, change.
- solving a technical problem or to improve the organization of work (productivity) of work, improving or streamlining technical solutions applied.

Innovation is a process (the act of innovation) and innovation is the result of a process innovation. There is also the view that innovation is both a process and outcome of this process, the term is polysemic.

Innovation Management is the process oriented organization and available resources, both human and technical, in order to acquire new knowledge, generate ideas leading to new processes or improving existing services and transfer the best ideas to phases manufacturing, marketing and distribution services.

Innovation is not limited to science and tehnologie. In broad sense, innovation can be and social (social system), artistic, administrative, business, etc. in healthcare. In sociology, innovation is defined as a process of influence leading to social change and whose effect is the rejection of existing social rules and adopting new rules.

2. TYPES OF INNOVATIONS

Type of innovation is a differentiator commonly used in literature. OSLO Manual version 3 of the 2005 proposed classification of innovations in four categories:

- 1) *product innovation*;
- 2) *process innovation*;
- 3) *marketing innovation*;
- 4) *organizational innovation*

OSLO Manual recommends the following conceptual definition of innovation (technical): "An innovation is the implementation of new or significantly improved product (good or service), or a process, a new marketing methods, or new methods of organization business practice in employment organization or external relations. " The minimum requirement for an innovation is that product, process, marketing method or method of organization must be new (or significantly improved) to the firm.

A product innovation is "introducing a good or service that are new or significantly improved in terms of their characteristics or intended uses." These include significant improvements in technical specifications, components and materials, the embedded software, the user-friendly attitude of other functional characteristics. Product innovations can use new knowledge or technology, or may be based on new uses or combinations of existing knowledge and technologies. Product term is used to cover both goods and services.

Process innovation is implementing a new or significantly improved methods of production (eg new manufacturing processes or technology flows) or a new method of delivery. This includes significant changes in techniques, equipment and / or software. The result of process innovation should be significant in terms of: the production, product quality or reduce production costs and distribution.

Marketing innovation is implementing a new marketing method involving significant changes in product design or packaging, new sales methods, product placement, product promotion or pricing on the policy. Marketing innovations are designed to better meet customer needs, pursue new markets or opening a ninth position of company products on the market, with the objective of increasing company sales.

Organizational innovation is implementing a new way of organizing the company's business practices in employment organization or external company's relations. Such an innovation aimed at enhancing business performance by reducing administrative and transaction costs, improving satisfaction at work (and thus labor productivity) or reduce supply costs.

In the U.S. many organizational innovations have taken place in distribution. Examples of organizational innovations include the introduction of supply chain management, quality management system etc.. In a general sense, the term "organizational innovation" refers to the creation or adoption of new ideas or behaviors organization through change and innovate the organization's internal adjustments may be introduced changes in strategy, structure, skills, processes, systems or cultural stimulation innovation of organization, reorganization of the whole organization.

Abernathy and Clark (1985) evaluated that in terms of innovation brings benefits to an organization over its competitors, resulting in four types of innovations:

a) "**architectural innovation** (substance) that recombine certain components of a product or process so that produces a new "architecture". An example of architectural innovation can replace steel with plastic in some applications,

b) "**niche business innovation** "which allows creation of new markets using existing technology,

c) **regular innovation** "(current) which are incremental changes, continue to have significant cumulative effects on cost and performance products. Continuous improvement of current innovations taking place in the automotive industry, computers, etc.,

d) **"revolutionary" innovation** (the break) that produces completely new technologies or products, involving radical changes (rupture) of industries or the creation of new industries. .

3. INNOVATION ACTIVITIES

Innovation activities are proceedings of scientific, technological, organizational, financial and commercial innovations involving all the materialization and implementation. Innovation activities include R & D even if aren't directly related to the development of specific innovations, but pursuing the accumulation of new knowledge in mechanics, kinematics, electromagnetism and thermodynamics, which will be necessary in modern innovative design of technical systems. Innovation process includes a series of activities non R & D, as subsequent phases of production and distribution of new products, staff training on new processes, implementation of innovation activities, eg new marketing methods or new organizational methods.

Systematic innovation begins with analysis of sources of new opportunities for innovation. Drucker, Peter (1985) argues that there are many sources of innovation, internal and external innovation firmei. For domestic sources of firm or industry can be considered:

- Unexpected events. Any unexpected commercial success must be exploited in a business opportunity for innovation by developing a new product variant or a new product to be launched in the next generation.
- Discrepancies between expectations and outcomes or between assumptions and reality can create opportunities for innovation.
- Process needs: improvements in processes can create new oportunit i.De example, the invention of linotype allowed to print large quantities of newspapers, with high efficiency in the media.
- Changes in industry and market: increasing market demand and industry growth opened new opportunities to launch innovative processes.

The Company's external sources (the social environment and intellectual) are:

- Demographic changes in population, eg age distribution, in education, occupations, etc. concerns are opportunities for innovative entrepreneurs.
- Changes in perception. Understanding customer perceptions of products is the key to exploit opportunities.
- New knowledge of categories of inventions, patents, know-how etc.vor bring new products or market opportunities. Managers must consider all these sources of new opportunities.

Joel Fréry Broustail (2003) has proposed other important sources for innovation, such as suppliers and customers, technology transfer from one industry to another or between different industries, market demands. Should not be ignored other sources and methods of collecting information and innovative ideas, such as competitors, the company's current staff, business partners.

Achieving innovation success depends largely on decisions made by people. The concept "complex man" created by Edgar H. Schein is based on the following assumptions:

- People are very adaptable. Hierarchy needs change according to situation and time
- People are able to learn, and this is done through workplace experiences.
- It's no singular management concept to achieve the same results for all categories of employees. Depending on the motives, abilities and activities of people, everyone responds differently to management concepts and their instruments.

To generate creative ideas needed people who could be defined as a combination of known elements and new elements, combined operations made by people's thinking. Thus, creativity it's not a defining characteristic of an elite, but how different is the fulfillment of creative potential. Creativity is not taught, but can be developed and that the task managers in the company is to provide a work environment conducive to developing creativity.

While creativity belongs to the sphere of "can", be willing to innovate the field of 'want' depends of people. Be willing to innovate in other words means not against change. This can be improved through better information, cooperation and training.

4. FEW EXAMPLES OF INNOVATIONS

Worldwide happened enough things that give us a hint to what is going communication in the years ahead. Three words I think best define the new direction in the communication world, and they are: mobile, mobile, mobile. So let's see what happened in the world:

- **Texans order their coffee trough Twitter**

Groundz Coffee Company offers clients a chance to make their cup of coffee and order a post on Twitter. Company owner says that the number of customers has doubled since it introduced the idea. You probably remember the Baker Tweet two weeks ago, are curious when someone appears to us to implement something similar.

- **People in Madrid buy Coca-Cola trough sms**

Media agency Universal McCann has made an interactive megaposter Coke Zero which proved to be very beneficial for the brand. A building under construction was completely covered with posters imitating a very good coffee machine. Poster was displayed on a phone number to which to send a message puteu Spanish with the word "zero." As a reward, they receive a code that could get a free bottle of Coke.

- **The Dutch follow their phone to find ATM's**

ING Wegwijzer is an application for mobile, which allows users to find the nearest ATM. For this, the application uses the phone's camera and GPS. The user must choose one of the camera settings and positioning it as if taking a picture. The application displays the picture immediately above that which is the fastest way to a nearby ATM.

- **Londoners send their content on Facebook in the first MMS phone**

Fun Text, a provider of mobile messaging, has developed a function that allows users to send MMS content on Facebook. This can send animations, videos and virtual gifts.

- **Danes can view their site directly to Lego shops**

Lego in Copenhagen content boxes are brought to life in 3D before being purchased through a company in Munich on Metaio name. How it works: if you fix a cell phone camera on a box of Lego, your phone will appear on an animation that shows you some 3D combinations that you can do with Lego pieces. The new package, known as Digital Box stores are expected to enter in the fall.

5. CONCLUSIONS

Innovation process is a necessary and very important step in companies development. Innovations make the difference, offering companies an important competitive advantage on domestic and foreign markets.

To innovate means to be truly entrepreneurial. But leaders of companies fail to do everything themselves, so we need to spread the "virus" in the company's environment. Managers

often do not focus their forces to find and use the funds to stimulate innovation, but follow their own ambitions and visions. Only an entrepreneurial flair is not enough. Management tools must be employed consistently for both routine tasks and processes of innovation. Companies size is not decisive for the use of certain instruments, the only thing that matters is the existence of stimulation that cause the desire to innovate.

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