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ИННОВАЦИИ В БИЗНЕСЕ: ПЛЮСЫ И МИНУСЫ

Аннотация. Быстрый рост бизнеса привел к формированию новой конкурентной среды с преобладанием инновационных решений, которые пытаются повысить эффективность различных процессов путем внедрения новых подходов. Статья посвящена внедрению инноваций для повышения эффективности бизнеса. Отмечается, что из-за ограничений традиционных подходов руководители предприятий должны постоянно искать новые способы внедрения инноваций. С этой целью используются историческая и описательная методологии для получения доступа и оценки эффективности инноваций в бизнесе «за» и «против».

Ключевые слова: инновации, бизнес, производительность, оценка эффективности инноваций

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INNOVATION IN BUSINESS: PROS AND CONS

Abstract. The rapid growth of business resulted in the formation of a new competitive environment with the dominance of innovative solutions that attempt to increase the effectiveness of various processes by introducing new approaches. Hence, the article is focused on innovation implementation in bringing effectiveness into business. The article further observes that due to the limitations of traditional approaches, business executives must constantly seek out novel ways to innovate. To this end, the article employs historical and descriptive methodologies to access and evaluate the performance of innovation in business pros and cons.

Keywords: innovation, business, performance, innovation performance assessment.

Introduction

A valuable and novel product, service, business model, or approach is considered innovative. Innovations don't always involve significant advances in technology or novel business strategies; they can be as straightforward as improvements to customer service at a company or the addition of features to an existing product. Since changes are occurring so quickly in the contemporary environment, organizations must offer unique products and services using cutting-edge technology to maintain their survival. This needs creativity and innovation. To thrive in the globalized market, creativity rules in all fields. Humans

must be creative in order to function, which sets us apart from other animals. The growth of an individual is based on his contribution of innovation to his team, project, account, customer, or organization in the current business environment. Despite profits from innovations, there is always a corresponding loss on the other side. The advantages and disadvantages of business innovation at such an organization will be covered in length in this article.

Review of Literature

When we have international consumers, innovation becomes a requirement for practically all firms. Organizations need to be innovative

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since our goods and services must be widely accepted. Innovation typically leads to challenging results [1, p. 22]. Nearly all organizations are now working to address client challenges in an effort to stand out from rivals. Cognizant supplied not only consulting, and System integration services to the client, but also a system by which Cognizant employees could propose ideas and solutions to the client problems [2, p. 92]. It extremely well captures the most recent management trends. It offers research on current issues including Business Analytics, Product, Service, and Process Innovation, among others. A Global, Innovative, and Entrepreneurial Perspective on Management “The introduction of a new or significantly improved product or process, a new marketing strategy, or a new organizational method in business operations, workplace organization, or external interactions” is how corporate innovation is defined. To achieve continuous improvement, businesses must utilize all of their assets and efforts to the utmost extent possible. Tushman and O’Reilly (1997) suggest creating organisations with separate units pursuing transformational change and incremental change in the existing business model [3]. Brown and Eisenhardt (1998) urge to keep the firms on the “edge of chaos” through, improvisation, coadaptation, regeneration, experimentation and time pacing [4].

Innovations in Business

Business innovation can be divided into two types: disruptive and sustaining. Sustaining innovation improves organization’s

procedures and technological capabilities to boost its product range for a current clientele. It’s frequently undertaken by established companies who wish to maintain their market leadership. Sustaining innovation takes place in marketplaces that currently exist and that customers and consumers have shown they value. Example of sustaining innovation is smart phone market. When smaller enterprises take on bigger companies, disruptive innovation happens. Depending on the markets those businesses compete in, it can be divided into groups. While new-market disruption refers to enterprises forming a new market segment to serve a client base the present market does not reach, low-end disruption refers to companies entering and claiming a sector at the bottom of an existing market. Both sorts of innovation are incorporated into business strategy by the most prosperous organizations. Being competitive means pursuing growth as well as retaining one’s current place in the market. Additionally, it aids in defending a company against rival businesses harming its reputation. Business innovation important because it adds value, plain and simple. Being constantly innovative and developing is essential for your company to succeed. With the introduction of originality to current product lines or business practices, market share, revenue, and customer happiness all grow.

Innovation can also be utilized to introduce new automation technologies or modernize the business’s operating systems. It is thought that the combination of automation and innovation might aid businesses in exper-

encing enormous growth. Finding new revenue streams, maximizing current channels, and eventually creating bigger profits are all necessary components of a successful business innovation. Additionally, it ought to give businesses an edge over rivals. Generally, any organization that wants to introduce innovation for business purposes would implement a variety of changes in accordance with general principles including

- creating new service offerings;
- introducing new items into the market;
- modifying organizational processes and systems;
- enhancing the quality of deliveries and services;
- creating the simplest and best internal services;
- employing methods to boost productivity while spending less money and time;
- reducing service level agreements;
- coming up with innovative ways to serve consumers;
- engaging ways to involve all stakeholders in goal-achieving;
- creating means of information dissemination;
- introducing improvements that would improve living conditions for everyone in society.

To achieve their innovation goals when making such changes, corporations must undertake a few required activities. Only a small number of organizations believed that the freedom of the individual led to many inventions, and only a small number of other organizations believed that the purpose of change itself brought in money. However, it remains to be seen whether or not an individual's independence and an organization's objective can coexist in order to produce breakthroughs.

What is the best way for businesses to develop new goods and services? Regardless

of the numerous obstacles, all organizations must constantly remain in line with the competition on the global market. Organizations can benefit from and lose money on such endeavours. In this paper, we're going to look at the benefits and drawbacks of business innovations in all types of organizations.

The Pros of Business Innovations

Another aspect that makes technological innovation crucial for company is the capacity to achieve higher performance levels. An exceptionally high level of rivalry is one of the key and important characteristics of relationships between businesses. To lay the groundwork for future expansion, numerous efforts are made to increase client attraction and lower costs. Modern technology offers a fantastic opportunity to accomplish this. The truth is that utilizing modern hardware or software can result in a sizable decrease in costs by optimizing the working process. For instance, by using new analytic and software tools to streamline supply-chain management and produce better results, wasteful spending can be reduced. Following cutting-edge plans that heavily rely on technology can reduce the amount of time spent on crucial tasks, which is important in the present corporate climate. For instance, many businesses employ digital marketing extensively with the main objective of attracting new customers, expanding the target market, and popularizing certain products or services. Time is saved and the clientele is increased with this strategy. As it continuously fosters an atmosphere that is advantageous for the emergence of new ways to engage with customers and earn revenue, technological innovation may be seen as one of the key driving forces of the modern business world. For instance, modern huge worldwide firms like Google, Amazon, Apple, or Facebook originated as a result of a new

advancements that gave their founders the chance to release a new good or service and gain popularity within the intended market. The employment of robots in manufacturing or other operations is beneficial in many different fields. As with 52% of overall sales, the automotive industry continues to be industrial robots' top customer (Lazar). The figures show that innovation in technology is still a powerful tool for streamlining different procedures and achieving better results.

The Cons of Business Innovations

It's hazardous to take a chance on something new, unverified, or untested. However, given the current environment of a tendency toward globalization that is accelerating, the emergence of new market players, and concurrently shorter product. Innovation in today's world is primarily focused on technology. Along with the further innovations in technology and their incorporation into the commercial world, there are certain environmental issues. The fact is that society is defined by a high level of pollution produced by several enterprises, which goes hand in hand with science's rise. There must be some action taken to stop further deterioration because the situation is still complicated and keeps getting worse. The demand for new ideas and innovations provides a fresh impetus for the development of the industries with the highest pollution levels and the greatest environmental risk. One of the most commonly brought up problems with technology advancement in the business world is excessive power usage. It causes various environmental issues and a slow rise in CO₂ pollution. Organizations are in a position to invest a sizable sum of money due to life-cycles with proportionately expanding R&D. The learning curve for organizations is rising as a result of the quick rate of technological change.

Therefore, most start-up businesses have relatively low returns on investment, which makes it difficult for them to survive in the market.

Conclusion

Education continues to have a direct impact on innovation, and this influence extends to the corporate world and how successfully it develops. The formulation and development of new ideas that resulted from the in-depth and wide knowledge of those who are responsible for innovation are what led to the contemporary degree of technical advancement. But the modern society's particular rate of advancement also fuels the field of education. In other words, when technological innovation grows, it encourages improvements in the field of education, which is crucial for the corporate sector. All things considered, innovation should be viewed as a fundamental aspect of modern society. By lowering the costs and time required to do specific tasks, it offers a variety of new options for different companies to advance. Additionally, the adoption of new technologies aids in problem-solving and the removal of roadblocks that have historically prevented entrepreneurs from making progress. It is therefore possible to draw the conclusion that, despite the existence of some environmental concerns, innovations will play a crucial role in the development of the business world and be used by organizations with the primary aim of creating a competitive advantage and maintaining leadership positions. They can also be seen as the sector's transition into a new stage of growth that is necessary for improved results. Although each organization will have a unique experience with business innovation, there are several common mistakes that may and ought to be avoided. Three experts provide their advice on what to be on the lookout for.

Don't fixate on distant goals.

“A solid strategy must avoid all-encompassing initiatives without careful understanding and planning. Instead, taking on board ‘quick wins will help to bring a clear impact on operations and obvious benefits This can be done by running multiple small projects in parallel to ensure the best ideas are progressed rapidly and the bad ones fail early” (Matt Jones, lead analytics strategist at data science consultancy Tessella) [5].

Don't neglect design.

“An increasing number of fast-growth startups are founded by designers. The design course on Stanford University's MBA is one of the most popular and it's increasingly understood as a powerful strategic tool. That said, many businesses still don't realise this and not only neglect to create a leadership role around design, but also fail to invest in growing design capabilities more broadly in the business. Done properly this will force a company to entirely rethink how it brings new products and services to market as well as how it runs and organises itself” (James

Haycock, founder and managing director of innovation and change consultancy Adaptive Lab) [5].

Be wary of rivalry between change leaders.

“Herd instinct driven by the kind of digital disruption that is ubiquitous in today's global economy can lead to confused, ‘me too’ efforts by businesses to transform. Nothing is more symptomatic of this failing than the bewildering cast of characters that variously present themselves as digital leaders – chief information, marketing, digital, data, customer, technology and digital transformation officers to name but a few. According to research by Digital McKinsey, a third of company executives do not know which leader is responsible for digital and technology functions within their business. In most cases these are either people who have successfully ‘made a play’ for the digital piece or they are brought in to spread some digital pixie dust across some previous perceived success.” (Chris Porter, digital transformation director at cybersecurity and transformation consultancy 6point6) [5].

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