

# Managing Innovation Effectively to Retain the Competitive Edge

## -Outsmarting Corporate Rivals

In today's fast paced and extremely competitive global business environment, innovation is the compass that helps organizations to successfully navigate turbulent waters. But innovation alone is not enough. Managing innovation effectively and continuously enables successful organizations to gain that cutting edge, placing them a few steps ahead of their competitors. Continuous innovation also provides critical support when organizations are confronted with difficult market conditions or business scenarios.

### Introduction

Innovation is driven by the capability to spot opportunities and **February 2008** capitalize on them.  
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Innovations help open new markets as well as provide new ways of servicing established ones, with technology frequently being the enabler for creating radical options. Innovation is not confined to manufactured products, but is found in services too, in both the public and private sectors. Innovation impacts different facets of the product-to-market continuum.

In fiercely competitive markets, market performance is often linked to new products, which help capture or retain market share and increase profitability. In mature markets, competitive sales growth is achieved through product customization, quality and improved design. Innovation could also help lower prices. For most firms, in all sectors and industries, shortening product life cycles and having the ability to replace products frequently with improved versions are imperative. Businesses are under pressure not only to introduce new products but also to do so faster than the competition.

Organizations achieve success largely through managing innovation. While size, assets etc provide competitive advantage, organizations that can mobilize skills, technology and experience at short notice to differentiate their offerings and delivery methods emerge winners.

### This four page Insight also includes:

- Characteristics of Innovation
- Managing for innovation
- More Industry Perspectives
- 8 Additional Readings

### Employee Support Programs – Industry Best Practices

**Coloplast** – Involving users in innovation as a part of the innovation process and obtaining feedback in terms of ideas and improvement enables the design and development of the innovation. Coloplast, a Danish medical devices firm, was established on these principles in 1954, when Nurse Elise Sorensen created the first self-adhering ostomy pouch to help her sister, who was suffering from stomach cancer. She approached several plastics

manufacturers with her invention but all rejected it until Aage Louis-Hansen decided to give it a chance on being persuaded by his wife, a nurse herself. Hansen's firm Dansk Plastic Emballage manufactured the world's first disposable plastic ostomy bag. Sales exceeded expectations and patents were registered in several countries, resulting in the formation of Coloplast.

Maintaining close contact with users is critical in this field and Coloplast has achieved this by creating a panel of users, nurses and healthcare professionals based in different countries. Post-operative care professionals can provide the right perspective and identify needs that patients find difficult to express. This also enables inclusion of different cultural patterns and concerns in product design.

The Coloplast Ostomy Forum (COF) board works to involve key players as customers or influencers by selecting them based on their technical experience and competencies as well as the willingness to act as opinion leaders by influencing hospitals, patients and colleagues etc, besides involvement in the clinical trials process. COF has identified and selected authors of clinical articles and people with extensive experience of different operations suitable for the board. Their key role in innovation is:

- To identify, discuss and prioritize user needs
- Evaluate product development activities from idea to international marketing

COF boards are integral to their product development system, providing market and technical inputs in the decision process, which is helpful in testing perceptions about actual user needs and new concepts.

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