



Innovation Management

"Above all, innovation is not invention. It is a term of economics rather than technology. Non technological innovations – social or economic innovations – are at least as important as technological ones."

Peter F. Drucker

This management field contains thematically all that is related to innovation in organizations and businesses. Summarized below are the various management methods and analytical techniques, whose subject is innovation. Without innovation, business, organization or company does not develop forward. The ability to manage innovation is a natural ability which helps to introduce new or improved goods, services, processes, procedures and other things. Innovation is closely linked to quality management, because quality improvement also brings innovation and therefore the mentioned methods overlap each other considerably.

Innovation represents generating and implementation of new thoughts, ideas into practice. Therefore it is closely linked with **creativity** - innovation is the result of a creative approach and it produces a **qualitative change** in management, processes, goods or services and the **customer** will appreciate this change as a new added value for which he is willing to pay.

Basic innovation fields:

- › Product innovation - implementation of new or significantly improved goods or services into production and to the market
- › Technology Innovation - implementation of new or significantly improved production technologies
- › Marketing innovation - implementation of new sales channels (e.g. e-Commerce) or other sales or marketing activities
- › Innovation in processes - improvement, optimization and process reengineering
- › Organizational management innovation - implementation of new management methods, management procedures, incentive systems, processes (e.g. Lean, Six Sigma approaches etc.)

Innovation management methods:

- › Blue Ocean Strategy
- › CAF
- › Deming cycle (PDCA)
- › DMAIC
- › EFQM Excellence Model
- › Kaizen
- › Open Innovation
- › Quality circles
- › Six Sigma
- › TQM – Total Quality Management
- › TRIZ
- › User Centered Design

Analytical techniques used in innovation management:

- › Brainstorming
- › Mind maps
- › Pareto principle
- › SMART – objectives suggestion

Key terms in a field of innovation:

- › Creativity
- › Disruptive technology, disruptive innovation
- › Innovation
- › Intelligence
- › Invention
- › Metrics
- › Objectives

Related management fields:

- › Quality Management
- › Strategic Management