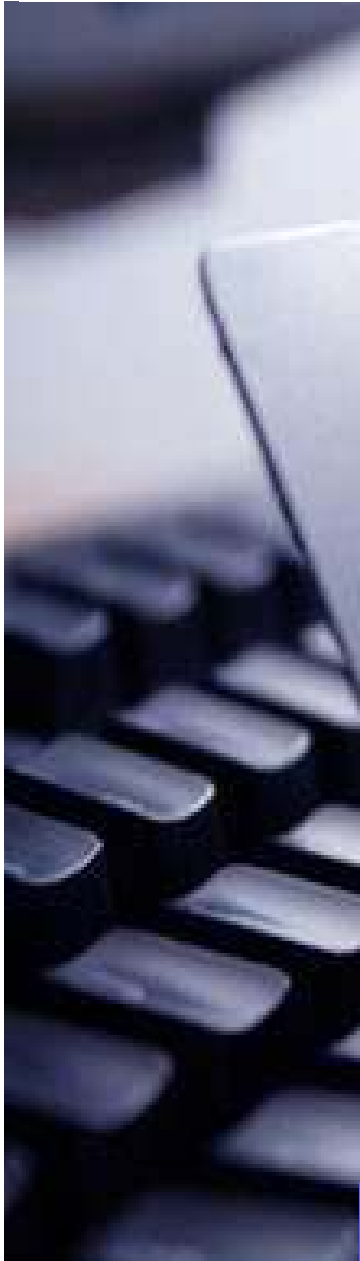


The Second On-line Conference on  
*Competitiveness and Economic Development: Challenges, Goals  
and Means in a Knowledge based Society*





## INNOVATIONS AS A BUSINESS GROWTH TOOL

**Izet Zeqiri, PhD & Brikend Aziri, PhD**

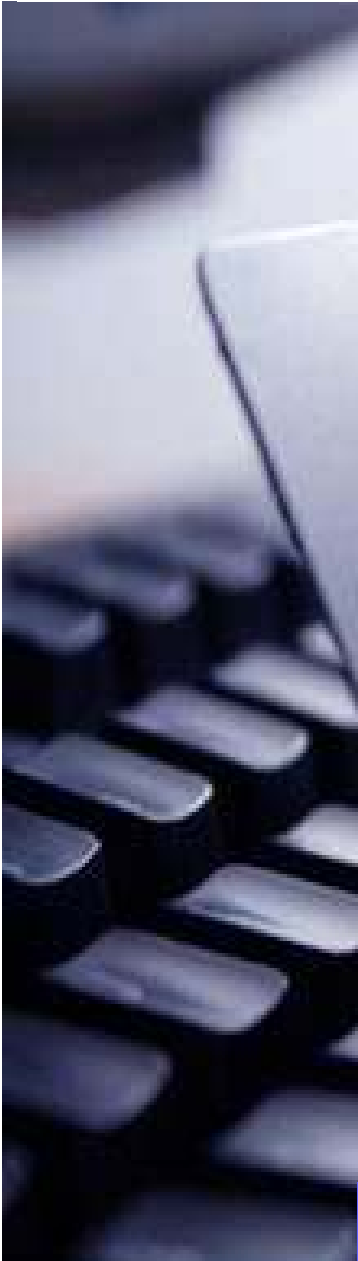
Faculty of Business and Economics , SEEU

[i.zeqiri@seeu.edu.mk](mailto:i.zeqiri@seeu.edu.mk), [b.aziri@seeu.edu.mk](mailto:b.aziri@seeu.edu.mk)

**Abstract:** The goal of this paper is to provide a review of the main theoretical approaches regarding the correlation of innovations with business growth. The focus of the paper will be placed more on the nature, role and importance of innovations than on business growth models.

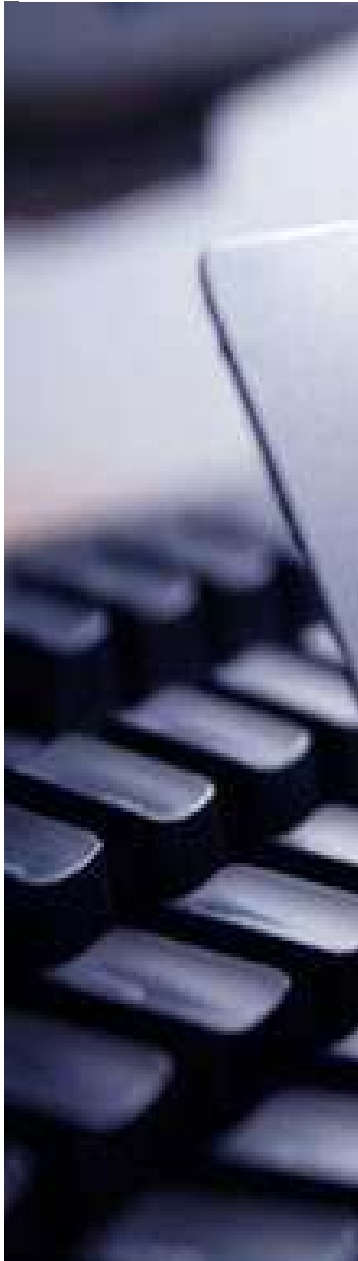
**Key-words:** innovations, inventions, business, growth, strategies

**JEL Classification:** O30, 031, 032, O40



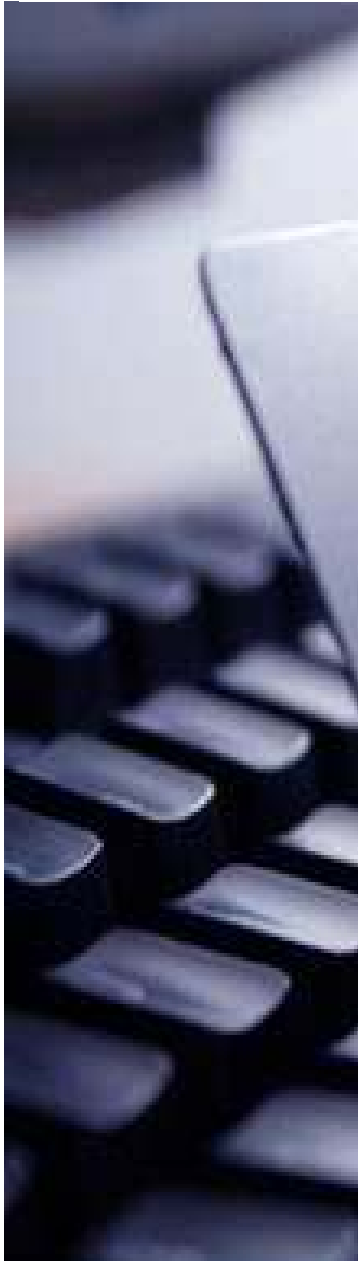
## 1. Aims and scope of the paper

The goal of this paper is to provide a review of the main theoretical approaches regarding the correlation of innovations with business growth. The focus of the paper will be placed more on the nature, role and importance of innovations than on business growth models.

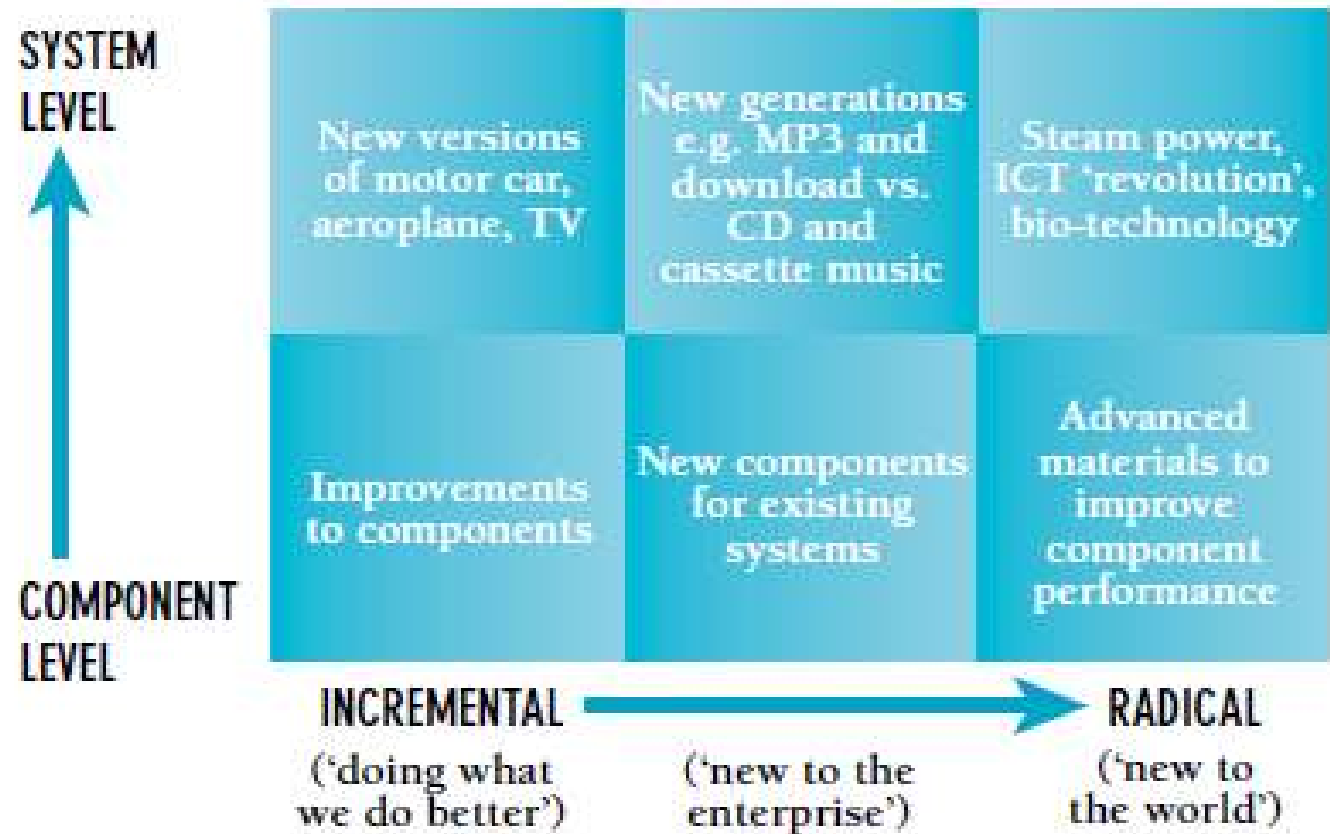


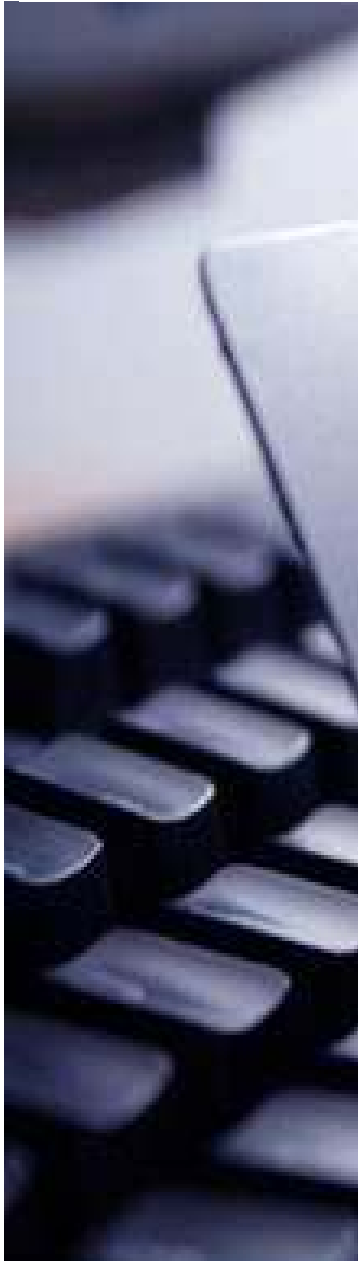
## 2. Review of the Literature

Author	Definition
Webster's New World Dictionary	Innovation: the act or process of innovating; something newly introduced, new method, custom, device, etc; change in the way of doing things; renew, alter.
Christofer Freeman	An invention is an idea, a sketch or model for a new or improved device, product, process or system...An innovation in the economic sense is accompanied with the first commercial transaction involving the new product, process, system or device, although the word is used to describe the whole process.
George Land, Beth Jarman	Innovators can hold a situation in chaos for long periods of time without having to reach a resolution...won't give up...have a long term commitment to their dream...innovators introduce a maximum of tension into the thinking process, unifying concepts that often appear to be opposed, solving problems which appear impossible.
James Botkin, Dan Dimancescu, Ray Stata	Innovation cuts across a broad range of activities, institutions and time spans. If any part of the pipeline is broken or constricted, the flow of benefits is slowed. This is felt ultimately in lower productivity and lowered standards of living. In this sense, the cost of capital is crucial not only at the early stages of research and product development but also at the later stages when high-technology products are installed in production processes, in both manufacturing and service industries, as new tools to improve worker effectiveness.
Peter Drucker	To be effective, an innovation has to be simple, and it has to be focused. It should only do one thing; otherwise it confuses people.



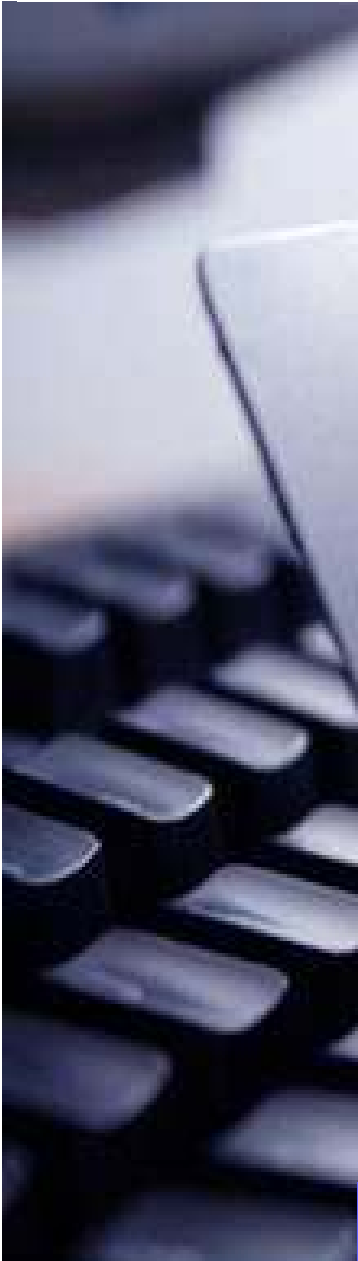
## 4. Findings and dates





## 5. Results and Discussions

Mechanism	Strategic advantage
Novelty in product or service offering	Offering something no one else can
Novelty in process	Offering it in ways others cannot match-faster, lower cost, more customized etc.
Complexity	Offering something which others find difficult to master
Legal protection of intellectual property	Offering something which others can not do unless they pay a licence or other fee
Add/extend range of competitive factors	More basis of competition- e.g. from price of product to price and quality or price, quality, choice etc.
Timing	First mover advantage and fast follower advantage
Robust/platform design	Offering something which provides the platform on which other variations and generations can be built
Rewriting the rules	Offering something which represents a completely new product or process concept-a different way of doing things-and makes the old ones redundant
Reconfiguring the part of the process	Rethinking the way in which bits of the system work together- e.g. building more effective networks, outsourcing and co-ordination of a virtual company etc.
Transferring across different applications context	Recombining established elements for different markets
Others	Innovation is all about finding new ways to do things ad to obtain strategic advantage-so there will be room for new ways of gaining and retaining advantage



## 6. Concluding Remarks

Innovations are the main moving force of technical-technological development. Without innovations it would be very difficult to imagine how the world would look today. Innovations are an element of great importance for the total development of the human race. Contemporary organizations tend to rely more and more on innovations to foster their growth and development. Innovations are probably the main force fostering the development of knowledge, knowledge management and knowledge based economy.

## 8. References:

- Ettlie J. E (2006), **Managing Innovation: New Technology, New Products and New Services in a Global Economy**, Elsevier Butterworth-Heinemann, Oxford
- Fagerberg J, Mowery D.C., Nelson R.R (2007), **The Oxford Handbook of Innovation**, Oxford University Press, Oxford
- Tidd J, Bessant J, Pavitt K (2005), **Managing Innovation: Integrating Technological, Market and Organizational Change**, Third Edition, John Wiley & Sons Ltd, Chichester
- Dundon E (2002), **The Seeds of Innovation: Cultivating the Synergy that Fosters New Ideas**, AMACOM
- Van de Ven A.H, Angle H.L., Poole. M.S. (2000), **Research on the Management of Innovation**. Oxford University Press, Oxford
- Bryntenson R (2010), **The Manager's Pocket Guide to Innovations**, HRD Press Inc., Massachusetts
- Berkun S (2010), **The Myths of Innovation**, O'Reilly, Sebastopol
- Jolly A (2008), **The Innovation Handbook: How to Develop, Manage and Protect Your Most Profitable Ideas**, Kogan, London