

10. Innovation Management and Entrepreneurship Development

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Abstract:

In today's business organizations, entrepreneurship and innovation are regarded as key components of strategic thinking due to their complex effects on the planning and execution of the various activities of these organizations, particularly the marketing activities that form the foundation of all other activities. Conceptually deeply entwined, innovation and entrepreneurship both play critical roles in corporate growth and economic development. Numerous publications have emerged from the intense attention that has been paid to both subjects. With special emphasis to current research trends, the goal of this study is to present an overview of the coevolution of innovation and entrepreneurship over the last few decades. In order for a business to survive at the highest level of competition and to develop marketing leaders, innovation is essential. Because entrepreneurship and innovation get along well, entrepreneurship and innovation-infused marketing strategies are produced. These strategies use creative techniques to turn products and services that already exist into brand-new, high-quality ones that enhance the value of already-existing businesses. We will talk about in this essay. Development of Entrepreneurship and Innovation Management.

Keywords:

Innovation Management, Entrepreneurship, Development, Organization, Marketing Leaders, Technology, Emerging Market, Internal Environment, Digital Transformation, Financial System, Economic Growth.

10.1 Introduction:

Innovation management and technology entrepreneurship are important business drivers in all industries as new goods and services significantly improve our lives at a rapid pace. To take advantage of process and product development opportunities, technology innovation managers and entrepreneurs who possess the ability to drive technical change in an entrepreneurial manner are highly sought after. As a business owner and innovator, you will participate in today's innovation management as you seek to provide original and imaginative solutions to challenges by recognizing them and viewing them through the prism of technological innovation. [1] Any company's long-term success now depends on its ability to manage innovation and entrepreneurship. Entrepreneurship, which may spur a nation's economic growth and has actually become a social and economic phenomenon worldwide, is a global phenomenon and the order of the day in this century. In today's globalized environment, innovation and entrepreneurship management are essential

competitive advantages. According to studies, in order for a business to succeed in today's dynamic and ever-changing world, it needs to have a strong entrepreneurial component as well as an equally important innovation component. In any industry, innovation is what propels advancement. It is the process of creating new and improved methods for carrying out tasks, ranging from creating new goods and services to enhancing already existing ones. Numerous things, such as new technologies, shifting consumer demands, and developing market trends, can spur innovation.

10.2 Innovation Management:

In the current economic environment, innovation is one of the most crucial components of success for any kind of business, spanning from R&D, through manufacture, distribution, and marketing, maintenance, and ultimately product withdrawal, disposal, and recycling. Any company that wants to fully benefit from the innovation effect must develop and implement a strong innovation management strategy. Innovation is becoming a crucial aspect of everyday operations for firms as the economic environment grows more dynamic, complex, nonlinear, and adaptive. Achieving this goal now requires adding the innovation parameter to the competitiveness equation, whereas in the past, quality and productivity were the primary factors in ensuring an organization's completeness. It is believed that innovation is what drives an organization's expansion. The practice of overseeing an organization's innovation process from its inception through to its successful execution is known as innovation management. The process of creating and executing an innovation strategy includes all choices, actions, and procedures. [2] The general administration of the organization includes innovation management, which establishes how an innovation process is managed through policy and strategy. Figure 10.1 illustrates the overall design concept of innovation management as a component of the organization's general management that is utilized in this standard.

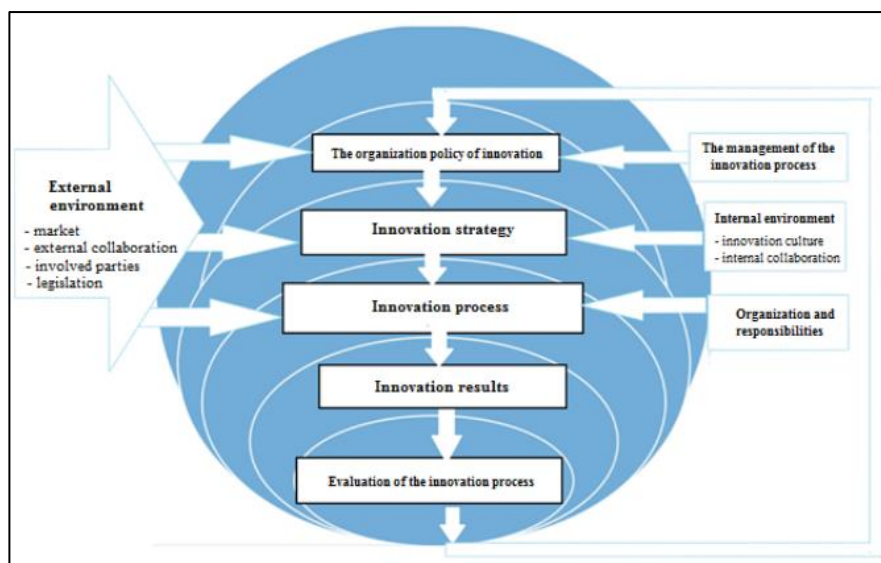


Figure 10.1: Innovation Management as A Part of General Management of the Organization

The organization needs to regularly evaluate its internal and external environments, both present and future. It is advised that the organization consider the following factors when analyzing the external environment: market conditions, laws, regulations specific to innovation, such as those pertaining to intellectual property law, economic, social, and technical aspects, such as standards, the state of the art and advancement of science, etc. The company has to periodically assess its capacity for innovation, both now and in the future. It can consider a number of significant factors for this, including the degree of innovation skills and knowledge ingrained in the organization culture and business models; the effectiveness of the equipment and the potential for investing from internal or external sources; and the current innovation management practices. [3]

A limited, purely technological approach concentrates on technological innovation, also known as product and process innovation, which is frequently described as the outcome of (technological) entrepreneurship with a strong emphasis on knowledge. Innovation can take many forms, including the creation of new products, procedures, and suppliers as well as new markets and organizational structures. It is possible to discern between more radical and more progressive inventions. It is crucial to remember that innovation encompasses both the initial introduction of innovation by a first mover and the subsequent spread of innovation among other economic actors. The distinction between innovations that are new to the company, new to the home market, and new to the world is made clear by innovative literature. The majority of new technologies are found in the world's advanced economies. [4]

One of the most important aspects of a company's and consequently a country's competitiveness is innovation. Due to the recent wave of globalization, countries with low production costs and rising quality are competing in a new market where it is harder to thrive using more established strategies like cost leadership and quality differentiation. In order to establish a sustained competitive edge in the current market, it is crucial to develop a unique value based on innovation in goods, services, and overall business procedures.

Innovation and entrepreneurship in the digital age pertain to the application of digital technology to traditional business models. Both fields benefit from the revolutionary advancements brought about by the digital transition. According to the literature, digital technologies blur barriers that have long existed and change the agency of innovation and entrepreneurial processes and results. This could make theories that have long existed outdated and call for further research into these intersections as new phenomena. The idea is that digital technologies are essentially distinct from their analog counterparts and not just another technological advancement.

These days, understanding innovation and developing an innovative culture and mindset are essential components. Innovation efforts with the potential to create value are the most appropriate means of ensuring one's survival and gaining a sustained competitive advantage in the global marketplace. Companies should have an innovation culture in this situation in order to be creative. In the early years of invention, laboratory-based research and development was the only source. Businesses did agree, though, that innovation ought to be dispersed throughout the company and not just in lab settings. A culture of innovation also requires the creation, management, and coordination of several elements.

For innovation management to be effective, senior management needs to modify these components for their processes. These elements:

- Well-organized financial system,
- Distinctive knowledge and competence,
- Differences between requirements and possibilities,
- A society which has cultural diversity,
- Effective communication [5]

The innovation discipline is the methodical study of various fields that present entrepreneurial prospects. It is sometimes referred to as the knowledge foundation of entrepreneurship. Seven sources of creative opportunities are pursued by systematic innovation. These are the following:

- Unexpected (unexpected success, unexpected failure, unexpected external event)
- Discrepancy
- Process needs (Perfecting to existing processes, weak connections, innovations and redesigning an old process)
- Exchanges in sector or market structure
- Demography
- Exchanges in picture, temperament and meaning
- New information

High-innovation organizations' capacity promotes creativity and a sustainable approach to product creation. Enhancing the spirit of entrepreneurship can help companies become more proficient in corporate innovation.

Small businesses must prioritize developing a stronger sense of entrepreneurship and maximizing the potential of market analysis.

10.3 Entrepreneurship:

On the other hand, entrepreneurship is the act of transforming an original concept into a profitable commercial endeavor. A market need must be identified, a product or service must be developed to fill that need, and a business plan must be developed to enable the product or service to be sold and expanded.

The people who take on the dangers and difficulties of launching a new company are known as entrepreneurs, and it is they who provide novel goods and services to the market. The number of definitions of entrepreneurship that exist is about equal to the number of authors that have written about it. Some define entrepreneurship as the process of generating new chances for individuals or the company through strategic thinking and risk-taking behavior.

Others characterize entrepreneurship as the traits and actions that initiate, plan, and manage a firm. Accept its dangers and use your imagination to handle them. An entrepreneur is a person who possesses these qualities. He is a unique person with the capacity for risk tolerance, opportunity transformation, original planning, and managing oneself. "

A person who observes changes, responds to changes, and converts changes into possibilities" is how Peter Drucker characterizes an entrepreneur." The concept of entrepreneurship, in general, is the result of how the components in the following figure interact. (2). [6]

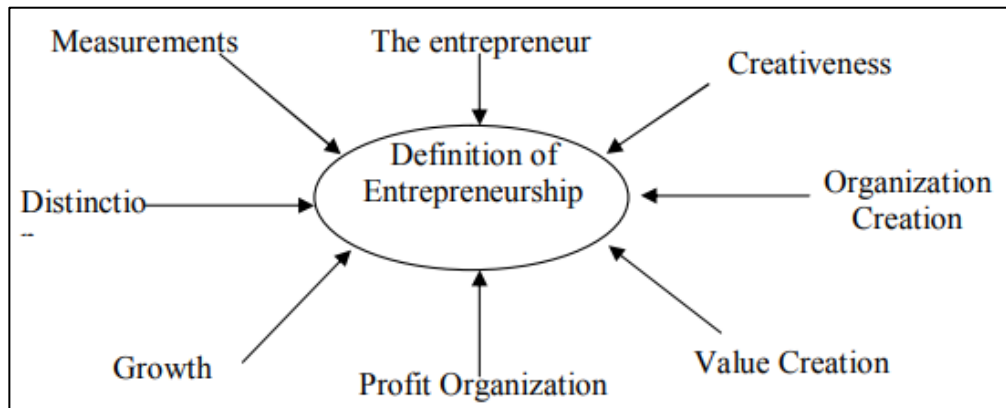


Figure 10.2: Elements of Entrepreneurship Definition

In contrast with the past, we urgently need to imagine new corporate environments, methods, tactics, and manpower kinds in light of the global economic conflict. This economic conflict has been dubbed "the war to create talents" by others.

Those who are keen to join business organizations should prepare themselves by learning in advance what the company expects of them. As its employees, they ought to align their properties with the company's requirements.

These requirements refer to key competencies, which are increasingly important in the context of the knowledge-based economy. These qualities include digital literacy, global competency, creativity, openness to learning, and having strong work ethics. Entrepreneurship, which is founded on an adventurous spirit, defiance, and enthusiasm, is where these fundamental talents first appear. Since entrepreneurship is the cornerstone of self-innovation, it is a quality that all members of society and businesses should possess. Innovation grounded on entrepreneurship is the only way society can advance.

The introduction of new business initiatives, such as founding a new firm or business (including self-employment) and coming up with new projects for already-existing companies, is a sign of entrepreneurship. It is a procedure that can be created independently or as part of an organization that already exists, by one person or by several. Under the present circumstances and the weight of COVID, "entrepreneurship, defined as the process of starting and running a new business, is of primary importance."

All components that participate in entrepreneurial activity need to be coordinated and managed in order to successfully manage entrepreneurship. Generally speaking, Figure 10.3 defines entrepreneurship and lists some characteristics of entrepreneurs. [7]

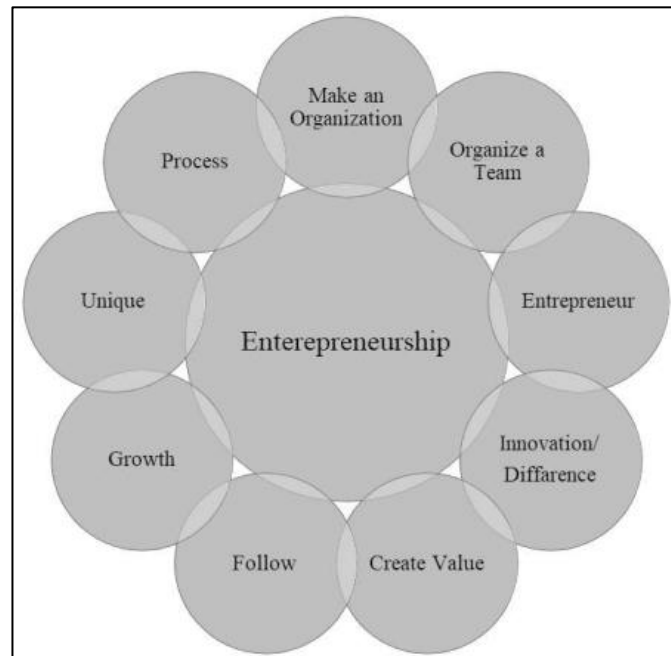


Figure 10.3: Elements of Entrepreneurship Source: (Ergen, 2014:40)

A backdrop cannot be created by all market situations. An entrepreneur's actions may be influenced by expectations, the state of the market, and regulatory constraints. Markets with stable conditions, simple production technologies, and long-term agreements have low potential and little need for entrepreneurs, whereas markets with a multitude of alternative sources, a complex production process, intense technological development, and numerous competitors from different sectors have high potential.

Table 10.1: Advantages and (Potential) Disadvantages of Entrepreneurship [8]

Advantages	(Potential) Disadvantages
The opportunity to create self-destiny	Vagueness of income
Opportunity to make a difference	The risk of losing the full capital spending
Opportunity to reach full potential	Long hard-working periods
Effective profit-taking opportunity	Works as low as life quality from beginning to gaining money
The opportunity to contribute to the community	High stress
Opportunity to do business that you enjoy	Direct responsibility
	Discouragement

Source: (Scarborough, 2014: 9-14)

Activities related to entrepreneurship have benefitted as well as drawbacks. These can be summed up as Table 10.1 illustrates. Entrepreneurial individuals and organizations should choose their approach based on the benefits and drawbacks of the market, the industry they wish to operate in, and other relevant factors.

In addition to conducting economic "cost discovery," "gap filling," and "input-fulfilling" tasks and supporting structural change, entrepreneurs can aid in the redistribution of resources from less productive to more productive uses. There have been more and more listings for these positions lately.

This literature fails to recognize the potential role of entrepreneurs as innovators in developing nations. It was noted a century ago that entrepreneurs are often innovators, promoting new goods and technology as well as creating new markets, procedures, concepts, and ways to sell new information.

It is a prevalent misunderstanding, meanwhile, that the innovation of businesspeople in low-income developing nations has less of an impact on growth than it does in developed economies. [9]

10.4 Factors Affecting Entrepreneurship:

- **Capital:**

A nation's financial market development level has a big influence on how quickly entrepreneurship develops in a given region. When starting risky firms, entrepreneurs need money. If their ideas work, they also need money immediately to expand them quickly. Thus, countries have sophisticated mechanisms in place for providing funding at various phases, including seed money for private equity, venture capital, and robust stock and bond markets.

- **Labor Market:**

Labor is a vital component of production for almost any good or service. The ability to find qualified labor at reasonable prices is therefore essential to the entrepreneurs' success. However, many countries currently have unionized labor. They force the owners of the businesses to give them a higher salary and prohibit other workers from accepting lower pay. This has a detrimental effect on entrepreneurship since it raises production costs.

- **Infrastructure:**

Almost every industry needs certain services in order to thrive. Transportation, energy, and other services are among them. These services are so essential that they can be viewed as the foundation required to launch any business. Therefore, the businesses of almost all local entrepreneurs would probably be impacted if any country focuses on enhancing the efficacy of the above services. Because of this, entrepreneurship thrives in countries with highly developed infrastructure, and vice versa.

- **Raw Material:**

Natural resources, like labor, are an essential part of any organization because they are employed as raw materials. This raw material has reasonable prices on the market in many different countries.

But in certain countries, such as those in Asia and Latin America, cartels that deal in natural resources take total control over them. By selling the raw materials at inflated prices, they usurp most of the money that the businessman could make. As a result, the number of entrepreneurial ventures gradually declines in nations where there are issues with the raw material supply.

Entrepreneurship is a tool, method, or process that fosters innovation and new ideas for improving society. It is essential to economic growth and involves the identification, assessment, and utilization of opportunities during the business startup phase.

Creative ideas are time and space insensitive; they can even breakthrough in the economic world and make the seemingly impossible attainable. Therefore, strong levels of creativity typically require high levels of innovation from entrepreneurs, and innovation is the act of inventing something new. [10]

The terms "entrepreneur," "enterprise," and "entrepreneurship" are three that are very similar.

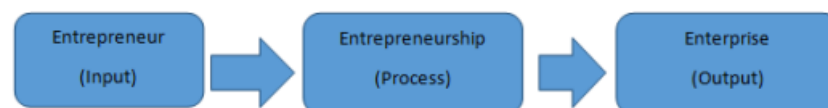


Figure 10.4: Entrepreneurship Process

An entrepreneur is a person who establishes a business unit that is regarded as an input, and an enterprise is the result of entrepreneurship. The process of the labor known as entrepreneurship plays a significant role while shifting from input to output. In other words, it's the process of setting up a business unit to make money in the face of risk and uncertainty. In this case, innovation is focused on outcome, and creativity is focused on process.

Process of Entrepreneurship Even though the environment and the entrepreneur themselves foster it, entrepreneurship is not innate. The environment has a lot of elements that are related to entrepreneurship. It is closely tied to economic development, which includes a sound infrastructure, reasonable inflation, a taxation policy, a rate of interest, and other factors.

There is a close relationship between the economic climate and entrepreneurship. Individual elements include competency, or ability, and willingness; if a person possesses both, there is a good chance that their business will succeed.

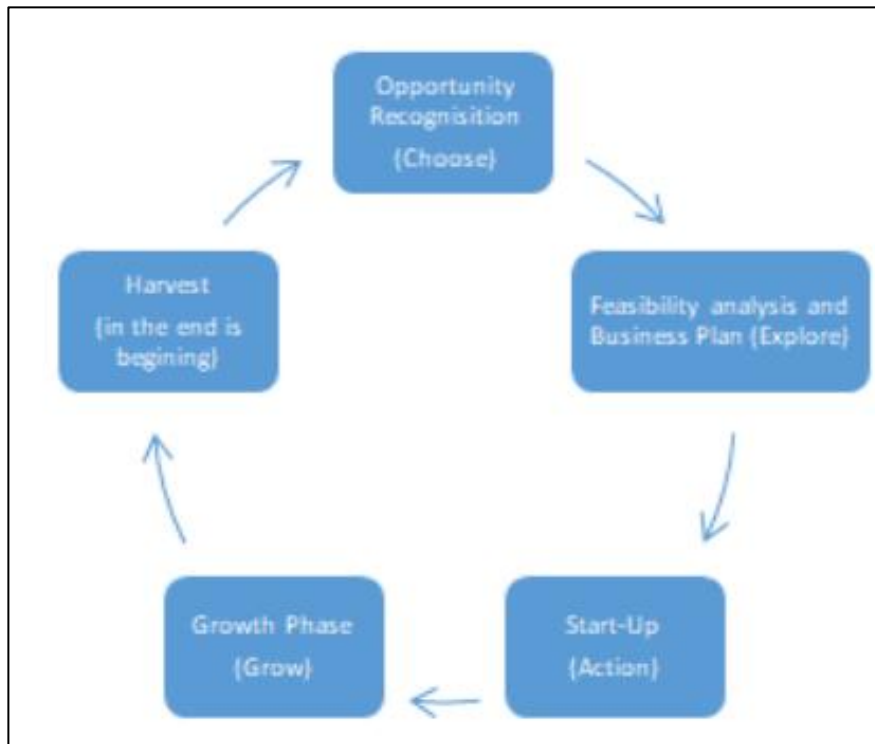


Figure 10.5: Entrepreneurial Process

(Source: <https://en.wikipedia.org/wiki>)

Choosing or recognizing an opportunity (creating a business model) is the first step in the entrepreneurial process. Next, the market or sector is explored with a few assumptions and implications, and a business plan is created. After determining the viability of the business plan, implement the plan with the aid of many variables. Once the companies are formed, the entrepreneur maximizes the value of his business by using creativity and innovation to help the business progress to the growth phase. [11]

Even though they are two different ideas, innovation and entrepreneurship are closely intertwined. Since innovative ideas are the cornerstone of successful businesses, innovation plays a crucial role in entrepreneurship. To remain competitive in their sector, entrepreneurs need to be continuously searching for new and innovative ways to enhance their goods and services. Additionally, innovation can be stimulated by entrepreneurship. Entrepreneurs frequently create something that has never been seen before when they recognize a need in the market and build a product or service to fill that need. New technologies or business models that have the potential to upend entire sectors may result from this, encouraging additional innovation. Thus, although they are sometimes used synonymously, innovation and entrepreneurship are two different but linked ideas. While entrepreneurship helps to transform those ideas into profitable enterprises, innovation is the process of coming up with fresh concepts and techniques. Both are vital parts of the corporate world and are necessary for promoting development and expansion in any sector.

It is challenging to distinguish between entrepreneurship and innovation if the pursuit of novel combinations is characterized as an enterprise's primary function. Do innovation and entrepreneurship actually matter? In an article that aims to connect two research traditions—those of innovation and entrepreneurship, respectively—we must define the connections between these ideas. In the tradition of dynamic capitalism, the entrepreneur is the hero. An entrepreneur usually mixes things up by coming up with new goods, markets, and materials. Innovation and enterprise are almost interchangeable. Entrepreneurship in a managerial bureaucracy has often become a feature, and innovation occurs in R&D labs. Innovation and enterprise are distinct entities. It also fails to acknowledge the fact that a large portion of innovation originates from businesses managed by managers rather than entrepreneurs. As a result, it makes analytical sense to identify entrepreneurship and innovation as two separate but equally important development forces. There are several sources of creativity than entrepreneur enterprises, and some entrepreneurs are simply far more innovative than others. Being diligent, creative, and resourceful is essential in any business. Businesses that are more inventive will be better able to adapt to changing conditions and create new skills that will help them operate better. Your company can survive and expand by embracing innovation to help it adapt and change. Innovation in your company could be sparked by the desire to find a solution to a dilemma or seize a fresh opportunity. [12]

10.5 Conclusion:

Technology innovation and advancement are critical to the growth of entrepreneurship in a nation like India. The current study was centered on the reasons behind launching a new company, the steps entrepreneurs took to better their own abilities, the innovative strategies they utilized, and the relationship between the type of organization and the improvement factors brought about by innovation. It was discovered that a variety of driving factors influence the growth of entrepreneurship, with government policies and programs promoting a range of businesses being the most influential element. The majority of entrepreneurs are using training to adopt innovation and improve their skill sets. The process of advancing economically and socially is intrinsically tied to the concepts of innovation and entrepreneurship. Businesses are crucial in integrating different production variables that are enmeshed in a variety of innovation, technology, and entrepreneurship strategies. This specific kind of creativity serves the common good and stimulates economic progress. Innovation in business needs to transcend conventional perspectives and embrace modern management techniques in order to flourish in the 21st century. These procedures seek to reconcile the demands of businesses with those of society at large. This research has presented the conceptual frameworks for entrepreneurship in a clear and concise manner, indicating a crucial understanding of the obstacles and challenges associated with global entrepreneurship, innovation, and sustainability in company operations.

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