

# Innovation Management, its Importance, and Main Applications

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**Abstract**— Innovation management is the process of managing and nurturing the creative and innovative ideas and activities within an organization, with the goal of achieving long-term growth and success. It involves a systematic approach to identifying, developing, and implementing new ideas, products, services, and processes that can create value and provide a competitive advantage. Innovation management includes various activities such as idea generation, idea selection and prioritization, resource allocation, project management, and commercialization. It is a key driver of organizational growth and success in today's dynamic and rapidly changing business environment.

**Keywords**— Management – Innovation management – Innovation – Systematic approach.

## I. INNOVATION MANAGEMENT: WHAT IT IS AND WHY IT MATTERS

Innovation is a buzzword that is often used in business circles, but what does it really mean, and how can organizations manage it effectively to achieve success and growth? Innovation management is the process of managing and nurturing the creative and innovative ideas and activities within an organization, with the goal of achieving long-term growth and success.

Innovation management involves a systematic approach to identifying, developing, and implementing new ideas, products, services, and processes that can create value and provide a competitive advantage. It is a key driver of organizational growth and success in today's dynamic and rapidly changing business environment.

## II. THE IMPORTANCE OF INNOVATION MANAGEMENT

Innovation management is essential for organizations that want to stay ahead of the competition and remain relevant in their respective industries. It enables companies to create new products, services, and processes that can differentiate them from their competitors and create new sources of value for their customers.

Innovation management also helps organizations to adapt to changes in the market and the broader business environment. It enables companies to identify new opportunities and challenges and respond to them quickly and effectively. Innovation management is, therefore, crucial for organizations that want to remain agile and adaptable in the face of uncertainty and change.

## III. THE BENEFITS OF INNOVATION MANAGEMENT

Innovation management provides numerous benefits for organizations. First and foremost, it enables companies to create new products, services, and processes that can generate additional revenue streams and provide a competitive advantage. This can help organizations to grow their business and increase their profitability.

Innovation management also fosters a culture of creativity and innovation within organizations. It encourages employees to think outside the box and come up with new ideas and solutions to problems. This can lead to increased employee engagement and job satisfaction, as well as improved organizational performance and success.

Moreover, innovation management can help organizations to build stronger relationships with their customers. By creating new products and services that meet their needs and expectations, companies can build greater customer loyalty and trust. This can lead to increased customer retention and

repeat business, as well as improved brand reputation and customer satisfaction.

#### IV. THE PROCESS OF INNOVATION MANAGEMENT

The process of innovation management involves several stages, each of which is critical for success. These stages include:

**Idea Generation:** This involves identifying and generating new ideas that have the potential to create value and provide a competitive advantage. Idea generation can be done through various methods, such as brainstorming, customer feedback, market research, and employee suggestion programs.

**Idea Selection and Prioritization:** This involves evaluating and selecting the most promising ideas for further development. The selected ideas are then prioritized based on various factors, such as their potential impact, feasibility, and alignment with organizational goals and strategies.

**Resource Allocation:** This involves allocating the necessary resources, such as funding, personnel, and technology, to develop and implement the selected ideas. Resource allocation is critical for ensuring that the most promising ideas are developed and implemented effectively.

**Project Management:** This involves managing the development and implementation of the selected ideas. Project management involves various activities, such as planning, execution, monitoring, and evaluation, and is critical for ensuring that the selected ideas are developed and implemented on time and within budget.

**Commercialization:** This involves launching and marketing the new products, services, and processes to customers. Commercialization is critical for ensuring that the new ideas are successfully introduced to the market and generate revenue for the organization.

#### V. APPLICATIONS OF INNOVATIVE MANAGEMENT

**Product Development:** One of the most important applications of innovation management is product development. Organizations use innovation management to identify customer needs, develop new products, and improve existing products. Innovation management helps organizations to stay competitive by staying ahead of the curve and providing products that meet the needs of their customers.

**Process Improvement:** Innovation management can also be used to improve processes within an organization. This involves identifying areas of the organization that can be improved and developing innovative solutions to address these areas. Process improvement can help organizations to

reduce costs, increase efficiency, and improve the quality of their products and services.

**Competitive Analysis:** Innovation management can also be used to analyze the competition. This involves identifying the strengths and weaknesses of competitors, as well as potential threats and opportunities. Competitive analysis can help organizations to develop strategies to stay ahead of the competition and remain competitive in the market.

**Customer Engagement:** Innovation management can also be used to engage with customers. This involves understanding the needs and preferences of customers and developing innovative solutions to meet their needs. Customer engagement can help organizations to build stronger relationships with their customers and increase customer loyalty.

**Idea Management:** Innovation management can also be used to manage ideas within an organization. This involves creating an environment where employees are encouraged to generate and share ideas. Idea management can help organizations to tap into the creativity of their employees and generate new ideas for products, services, and processes.

**Resource Allocation:** Innovation management can also be used to allocate resources within an organization. This involves identifying the resources that are needed to achieve innovation objectives and allocating these resources in the most effective way. Resource allocation can help organizations to achieve their innovation objectives while minimizing costs.

**Risk Management:** Innovation management can also be used to manage risk within an organization. This involves identifying potential risks and developing strategies to mitigate these risks. Risk management can help organizations to minimize the potential negative impact of innovation and increase the likelihood of success.

**Strategic Planning:** Innovation management can also be used to support strategic planning within an organization. This involves developing a clear understanding of the organization's strategic objectives and identifying the innovation initiatives that will support these objectives. Strategic planning can help organizations to align innovation with their overall business strategy and achieve their long-term objectives.

Performance Measurement: Innovation management can also be used to measure performance within an organization. This involves developing metrics to track the success of innovation initiatives and using these metrics to make data-driven decisions. Performance measurement can help organizations to identify areas of success and areas that need improvement and make adjustments to improve performance.

## **VI. CONCLUSION**

Innovation management is the process of managing and nurturing the creative and innovative ideas and activities within an organization, with the goal of achieving long-term growth and success. It is a key driver of organizational growth and success in today's dynamic and rapidly changing business environment.