

**daventryhouse**

consultancy in technology management and communication from Neil Rathbone

# Technology, innovation and business

Day Three

How do you introduce a leading edge product in an existing company?

# What do they teach you on an MBA degree?

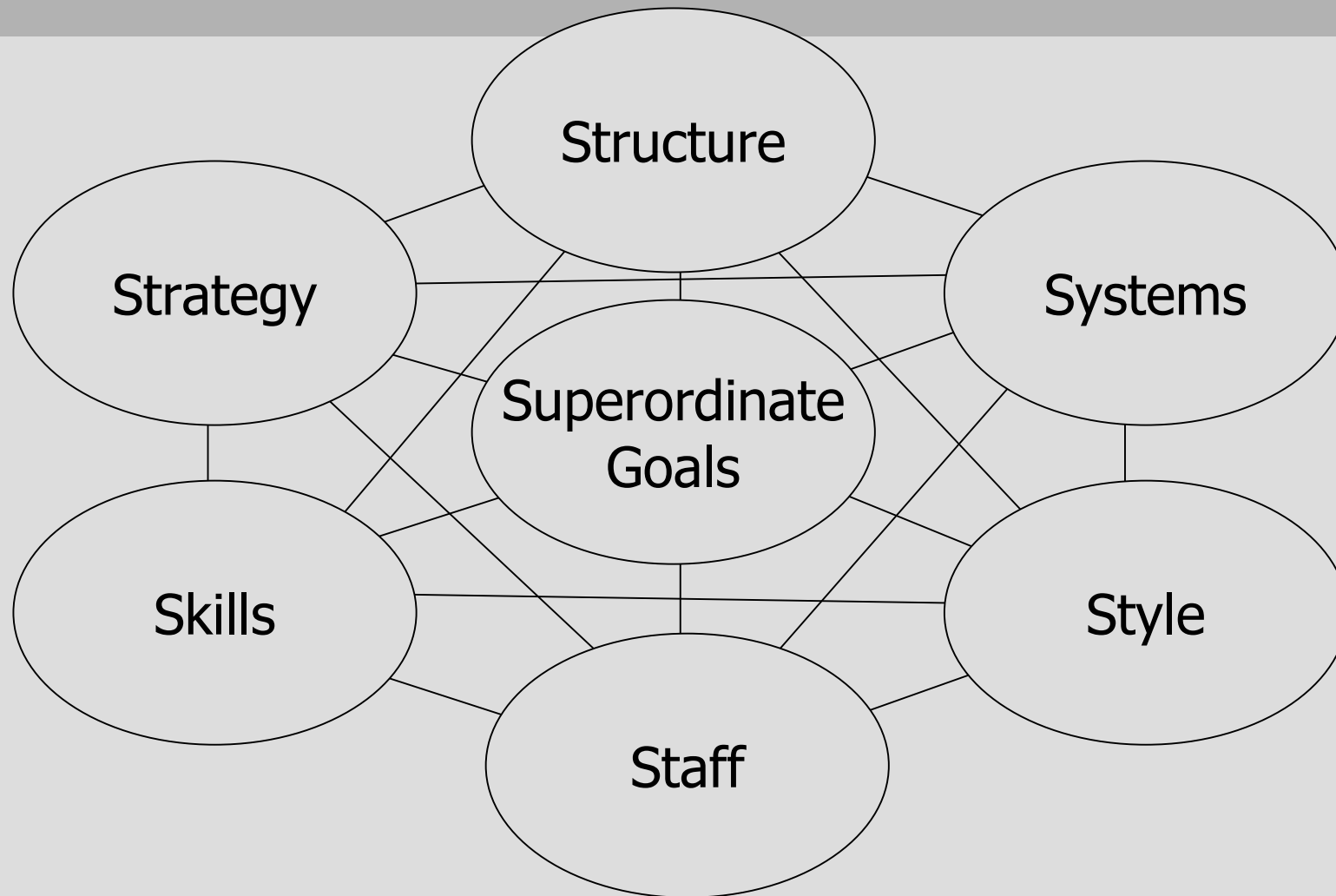
- Strategy
- Marketing
- Economics
- Ethics
- Accounting
- Finance
- Operations
- Organisations
- Analysis (quantitative)
- Presentation and communication

What don't they teach you on an MBA degree?

How to run a small company!

(but 99% of all EU companies are SMEs  
and they account for two thirds of employment)

# The seven 'S' model



# The real meaning of strategy

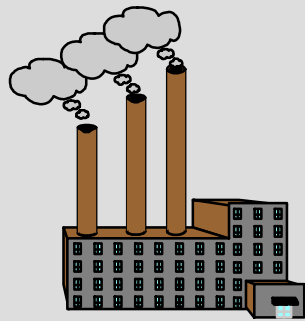
**G**eneralship, the art of war, the art of so disposing ones troops or ships or aircraft so as to impose upon the enemy the time, place, and conditions of battle preferred by oneself.

# Company types

## Classical description

- o Product
- o Size (turnover, employees)

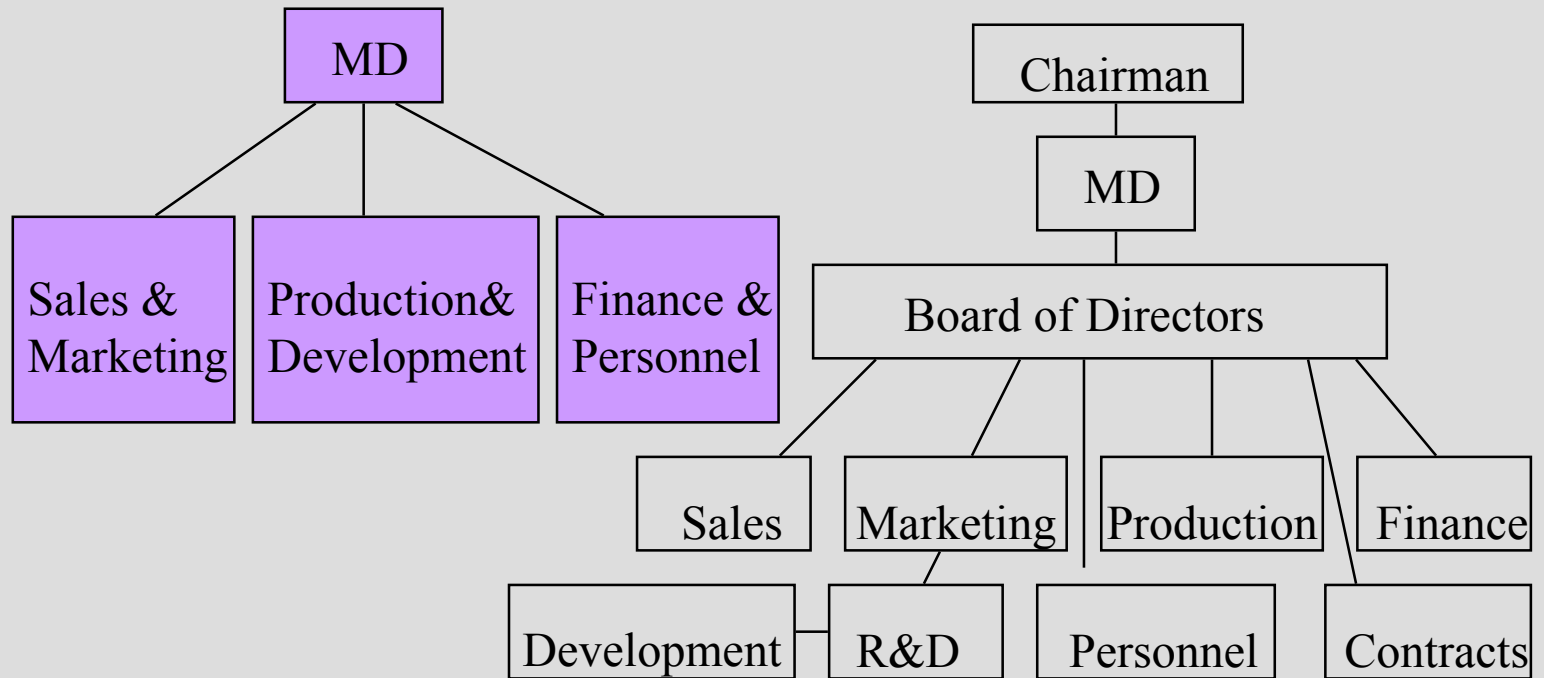
# Company types



How do they add value?

# Company types

- MD
- Sales
- Production
- Finance
- Personnel
- Development
- Marketing



What growth stage are they at?

# Company types



What 'personality' do they belong to?  
(ownership and management type)

# Company types

Coarse code

C

2

H

Full code

C3(m)

2+

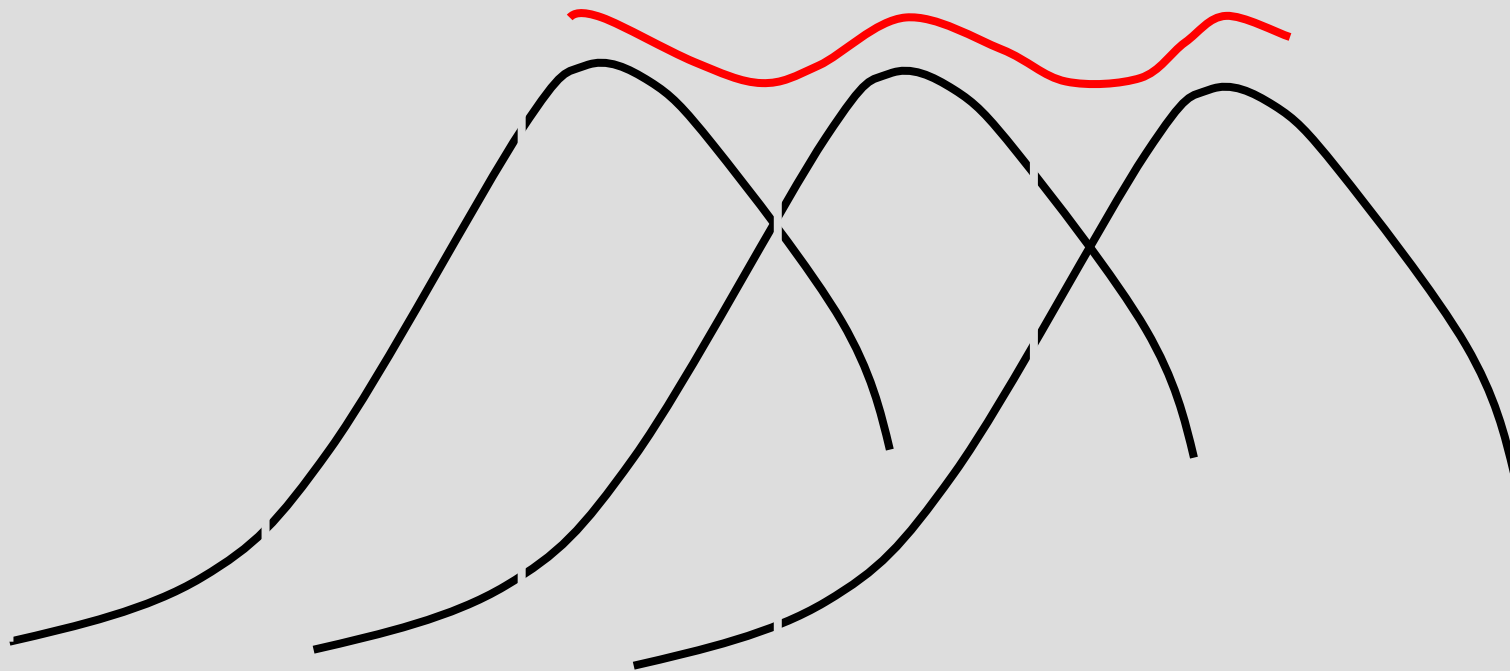
H3

Converter assembling  
their own product

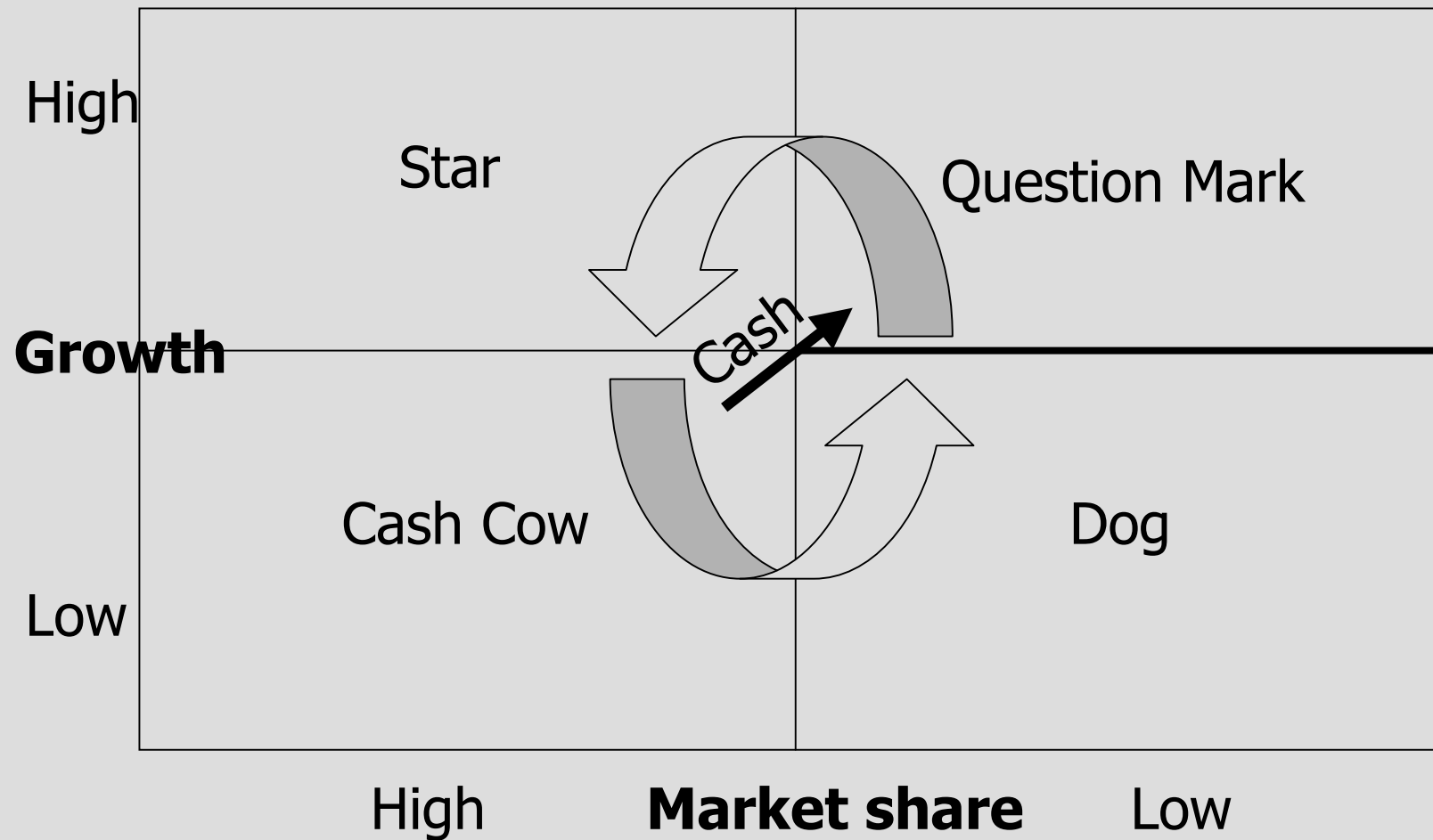
High-growth business  
under family control

Separate management  
but at a pain barrier

# Product life cycles



# The Boston box and cash



# Expansion strategies

Existing products Existing markets	New products Existing markets
Existing products New markets	New products New markets

# Innovation

- ‘Innovation’=technology+enterprise
- *‘Innovation can be incremental or radical, it can result from technology transfer or through the development of new business concepts, it can be technological, organisational or presentational’ – Commission Communication March 2003*
- Extent of link with R&D questionable

# Innovation management techniques

- Invention – R&D, prime mover
- Adoption – second stage follower
- Adaption – from another sector/discipline
- Generation – from internal cultural values (less connected to R&D)

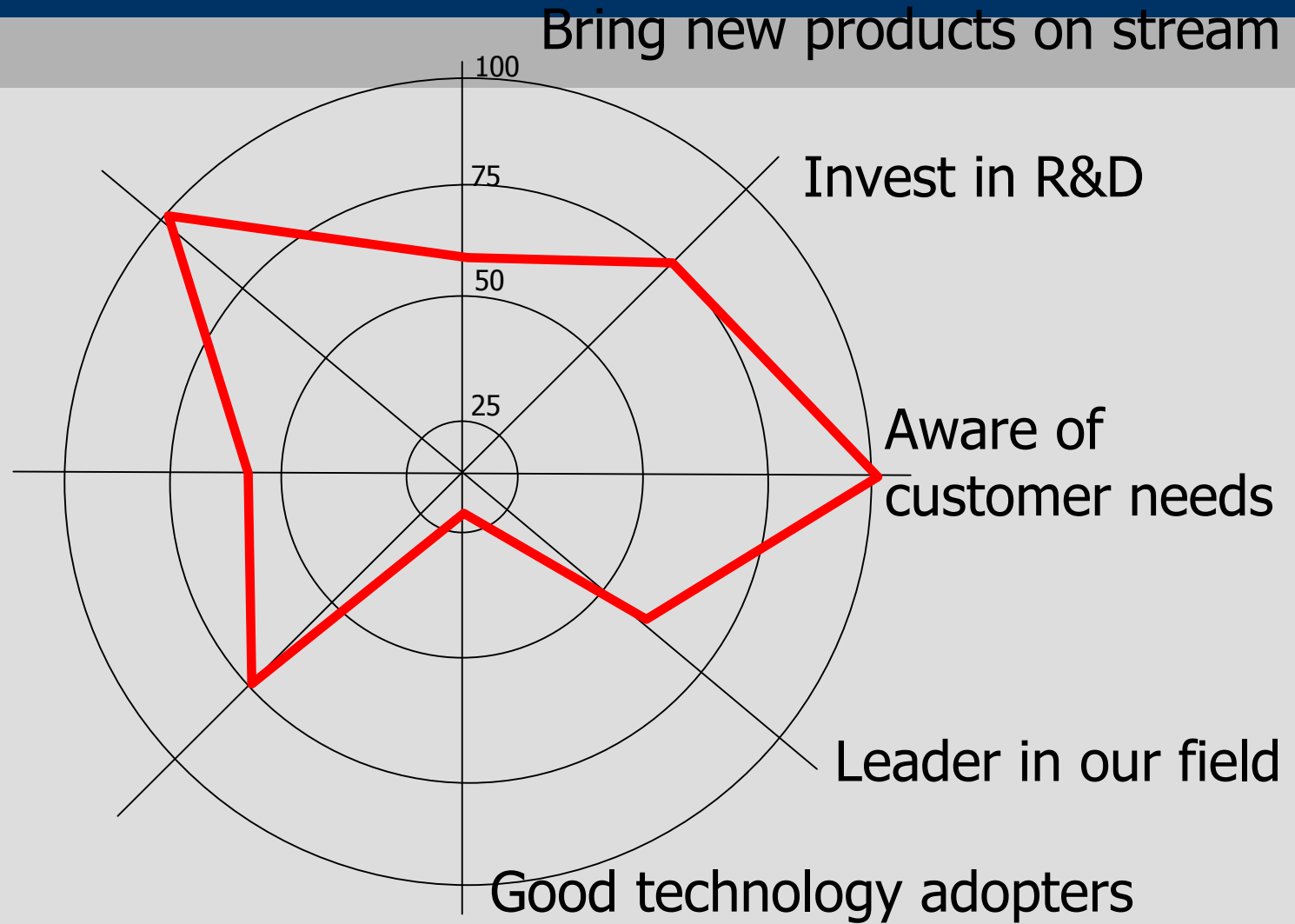
# Innovation management techniques

- Auditing and diagnosis
- Forecasting
- Ideas generation
- Project selection
- Planning and implementation
- Organisational development
- Resources development

# Innovation auditing

- **EU level** - Innovation Scoreboard/Trend Chart/Innobarometer/CIS
- **Government level?**
- **Enterprise level** – Technology audits/MINT (Managing Introduction of New Technologies)
- **Individual level?** – motivation/self help books?

# Polar diagram



# Market research methods where markets don't exist

- Pull side
  - o How many potential users?
  - o How many will buy (at realistic price)?
  - o Of buyers how many will buy yours?
- Push side
  - o How many can you make?
  - o How many can your sales people sell?

# Market research methods where markets don't exist

The most convincing market research is to sell some of your product – no matter how small a sample or how 'prototype' the form

# Product champions

- All products/technologies need a champion
- Best champion is the Chief Executive
- Champions have to persuade others to contribute their skills/resources

# Case examples - Easyjet

- Regulation kept profits artificially high for national carriers and encouraged oligopoly behaviour like cartels
- Incumbents became fat and competed on frills until EU deregulated air travel
- 'No frills' airlines are low cost base and deliver the prime service (transport) efficiently
- Low prices encouraged more air travel so low cost airlines prospered
- Traditional carriers like Olympic collapsed

# Case examples - Filofax

- Product for clerics and military since the 1930s
- Got into hands of journalists who publicised it
- Became 'Yuppie' fashion accessory
- 'Me too' competition soon emerged
- Product quickly became a 'dog'
- Company was a one product company

# Case examples - Apple

- Company got the seven 'S's right
- Made good product by designing from scratch
- Strong player in growth market
- Met competition from IBM clones and Microsoft OS and took them on directly
- Lost out to *de facto* standardisation
- Re-birth in high value market niche by making computer and peripherals different but compatible

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Preparation for group  
practical exercise

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