

The Pros & Cons of Business Innovation at IT Organisations

OPEN ACCESS

Geetha Swaminathan

Manager, Cognizant Technology Solution, Chennai, Tamil Nadu, India

Volume: 7

Issue: 1

Month: July

Year: 2019

ISSN: 2321-4643

Received: 03.06.2019

Accepted: 27.06.2019

Published: 01.07.2019

Citation:

Swaminathan, Geetha.
“The Pros & Cons of
Business Innovation at IT
Organisations.” *Shanlax
International Journal of
Management*, vol. 7, no. 9,
2019, pp. 82–85.

DOI:

[https://doi.org/10.34293/
management.v7i1.541](https://doi.org/10.34293/management.v7i1.541)



This work is licensed
under a Creative Commons
Attribution-ShareAlike 4.0
International License.

Abstract

In the 21st Century, the buzzword is often used in all fields is “Innovation”. It is no wonder using Innovation in day to the conversation as well as striving for innovation execution at organisations in Information Technology (IT) sectors. When we need to talk about innovation in IT sectors in the fast-moving technology IT organisations, they are in a position in increasing its capability in its innovative product and services. There is a lot of benefits out of business innovations that are being reaped in IT companies; there are apparent disadvantages are also the outcome of them. It is quite common, despite all benefits and drawbacks, they are in apposition to survive in the global market. That becomes a great challenge to all IT organisations. In IT organisations which consist of departments such as Development, Testing, Consulting, Networking, Infrastructure, Process and having common platforms and legacy languages, Apart from that they are in the way of invading new technologies such as Digital, Mobile, IoT, Artificial Intelligence, Machine learning Cloud computing. In all the fields, as mentioned above and area, they need to do innovation to sustain their business. This paper will provide elaborate results on Pros and Cons of Business Innovation in IT Organization.

Key words: Information Technology (IT), Internet of things(IoT), Creative Problem Solving (CPS) Deoxyribonucleic acid (DNA), USP (Unique selling proposition), R&D (Research & development)

Introduction

In the current situation, the rapid changes are happening so fast that has prompted today’s organisations to ensure their survival by the launch of innovative products and services with advanced technology, and this requires creativity & innovation. Creativity dominates in all fields to survive in the market of globalisation. Creativity is an essential part of being human and divides us from the animal world. Carl R. Rogers said, “The very essence of the creative is its novelty, and hence we have no standard by which to judge it.” Nowadays, in all IT sectors, the ability to innovate and deploy faster and profitable innovation becomes mandatory, and a lot of training is being facilitated to improve employees creativity. Few of the IT organisation striving to bring Innovation as DNA of an organisation. Each & every employee need to think innovatively and come with some innovation in their day to day activity, which will conserve time and money. Most of the IT organisation the growth of an individual based on his innovation contribution towards his team/ project/account/customer /organisation. Despite revenues through Innovations, there is always equal loss at another side. This paper will bring out in detail of Pros and Cons of business innovation at It organisation.

Review of Literature

Innovation becomes a mandate for almost all organisations, especially IT organisations in which our customers are from different countries. Since our product and services need to be globally accepted, Organizations need to be innovative. Innovation is usually linked to hard outcomes:

like a visible product, a service or a business model and yet some of the most significant transformations have happened by innovating upon an entrenched model of people engagement (Orbit-shifting Innovations by Rajiv Nerang, Devika Devaiah, 2013, pg 22). To become a differentiator among the competitors, every IT organisations started to work for solving customer Challenges. Cognizant supplied not only consulting, and System integration services to the client, but also a system by which Cognizant employees could propose ideas and solutions to the client problems (Judgment Calls, by Thomas H. Davenport& Brook Manville, Pg 92). It encapsulates the latest trends in management in a very effective manner. It includes a study on contemporary topics such as Business Analytics; Product, Service, and Process Innovation; Management: A Global, Innovative, and Entrepreneurial Perspective, Corporate innovation is defined “the implementation of a new or significantly enhanced product or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations “Companies need to harness all their resources and energy to the fullest to result in continuous improvement. Tushman and O’reilly (1997) suggest creating organisations with separate units pursuing transformational change and incremental change in the existing business model. Browne and Eisenhardt (1998) urge to keep the firms on the “edge of chaos” through, improvisation, co-adaptation, regeneration, experimentation and time pacing.

Innovations in Business

In General, in any organisations they want to bring innovation for business purpose will do all kinds of changes following general principles such as

- Making new types of service
- Bringing new products in Markets
- Improvisations in organisations Process & System
- Quality enhancements in delivery & services
- Making the easiest and best way in internal services
- Techniques for increasing productivity with less time & cost

- Reduction of service level agreements
- Inventing new methods of rendering services to customers
- Fun means of involving all stakeholders in goal achievements
- Novel ways of disseminating information
- Bringing out innovations that would serve the entire society in better living

When doing such changes, Corporations need to adopt a few mandatory activities to be followed up to attain their innovation objectives. Few organisations thought individual freedom brings a lot of innovations, and few of the other organisations thought that organisation goal itself towards change brought revenues. But an individual’s freedom & Organization goal will go together to bring up innovations is a big question mark altogether. Then how can organisations come up with new products & services? Despite the lota of challenges, all organisations need to be aligned with global market competition at all times. In pursuing such ventures, organisations have both advantages and disadvantages. We are going to examine both the advantages and disadvantages of business innovations in IT organisations in this paper.

The Pros of Business Innovations

Most of the IT organisations go for a lot of technology-related innovations. Let us analyse each aspect as Pros in IT organisations. In an IT organisation concerned, we can categorise First Movers & Fast Followers. First Movers are in that case take a lot of risks and not having a complete understanding of customers’ requirement. They are in a position to lose more money on both experimental learning and investing money on software. But when we talk about Fast Followers, their approach would be to avoid the mistakes of others before them that is the First Movers - and then adopt best practice for a customer community already familiar with the innovative changes are more.

Few organisations go for Process Innovations. A lot of process innovation, in general, brings a reduction in unit costs. This might be achieved by improving the production capacity and flexibility of the business activities to enable it to exploit possible economies. Practical innovation is a great way to establish a unique selling proposition (“USP”) for a

product, which is something the customer is prepared to pay more for and which helps a great differentiator from competitors. By making better quality, products and services are more likely to meet customer needs. In case they are effectively marketed, that should result in higher sales and profits.

With the use of automation, a small manufacturer can reduce his dependence on human beings to perform some of the necessary production processes. As a result, the business can reduce employee expenses such as salary, benefits and turnover. Technology can also help to streamline the production process, eliminating costly waste. Implementing a “lean” manufacturing process like Six Sigma, for instance, offers the opportunity to meet customer demand more quickly and efficiently. Even Scrum methodology is being followed to render high-speed services to customers against their fast orders.

The Cons of Business Innovations

The First Movers have already set the benchmark. So Fast Followers need to give a complete solution. There is no room for error. The Fast Follower needs to get it just right. The Fast Follower also needs to take into account a continually changing market. You may think you understand the customer, but their needs change - often, and in some cases dramatically. Especially when a new competitor or new product enters the market and shakes things up. Standing still is not an option, and Fast Followers need to act quickly.

Doing something new, untested or unproven is risky. But at the current scenario of the increasing trend towards globalisation, new market participants, and simultaneously shorter product

life-cycles with correspondingly increasing R&D, the organisations are in a position to invest a lot of money. Since there is a fast pace of change in technology, the learning curve of organisations is being increased. So return on Invest is very less in most of the start-up companies as well as it becomes their survival problem in the business market.

Conclusions

Having said all Pros & Cons of Innovations in IT organisation, we must innovate at any problems

we face. However, the most significant risk of all for a modern business may be not innovating in a breakthrough way or changing business model to generate revenue in a novel way. The reluctance or inability to improve your products or services may leave your business unable to compete, diversify or simply operate. Companies that fail to innovate run the hazard of such as losing market share to competitors, falling productivity and efficiency, losing key staff and finally going out of business. So early testing of innovation product may help to conserve money and time. Most of the IT organisations go far an excellent way of balancing view on “Pros “ & “Cons” before undertaking new Products and services. But in practice what they need to do is they need to encourage their employees into think of “Cons” ideas and giving similar weight to “Pros”, which may result in them to go in a right track on choosing the beneficial option. In a worst-case scenario, many organisations will count the pros compared to the cons to see which has more merits, and that becomes the basis of their decision.

References

- <http://www.destination-innovation.com/articles/apply-your-creativity-everywhere-like-dali/>
date accessed 14/12/2016
- <https://www.wikipedia.org/>
- <http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/leadership-and-innovation->
Fredrik Haren, *The Idea book*.
- Osborn, AF. *Applied Imagination: Principles and procedures of creative thinking*. Scribners and Sons, 1963.
- Davenport, Thomas H and Sven C. Völpel. “The Rise of Knowledge Towards Attention Management.” *Journal of Knowledge Management*, vol. 5, no. 3, 2001, pp. 212-221.
- Gifford Pinchot and Ron Pellman. *Intrapreneuring in Action: A Handbook for Business Innovation*. Berrett-Koehler Publishers, 1999.
- Hamel G and Prahalad CK. *Competing for the Future*. Havard Business School Press, 1994.
- Humble J and Jones G. “Creating a Climate for Innovation, Long Range Planning.” *Long*

- Range Planning*, vol. 22, no. 4, 1989, pp. 46 -51.
- Christensen, CM. *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. Harvard Business School Press, 1997.
- Kaplan Robert, S and Norton DP. *The Balanced Scorecard: Translating Strategy into Action*. Harvard Business School, Press, 1996.
- Collins, J. *Good to Great: Why Some Companies Make the Leap ... and Others Don't*. London, Random House Business Books.
- David Livermore, *Driven by Difference: How Great Companies Fuel Innovation Through Diversity*, AMACOM, 2016.

Author Details

Dr.Geetha Swaminathan, *Manager, Cognizant Technology Solution, Chennai, Tamil Nadu, India.*

Email.ID: *geetha86@yahoo.com.*