

# Information Pack

## Unit 504

### Leading Innovation and Change



## INTRODUCTION

New ideas and innovations have always been important drivers for organisational growth. In an increasingly fast-paced global economy, an organisation's ability to innovate for competitive advantage can mean the difference between survival and extinction. Interestingly, breakthrough innovations are more likely to occur when market conditions are harsh, and resources are limited.

Change is often necessary so that a company remains relevant and delivers viable solutions to a growing customer base. But, while a company and its executives may recognise the need for change management, employees may be resistant since change can be hard and uncomfortable.

A strong awareness of the external environment and an understanding of the driving forces that affect your organisation is essential for effective short- and long-term planning.

Successfully leading and managing change is not one single skill; it is a range of skills that can be learned. One side is understanding the business environment, how change will impact all aspects of it, and what will be required to reach the new state. The other is understanding how people react to change and how to coach them successfully through the transition process. In applying this mix of skills, leaders bring about lasting, transformational change.

To understand change and, therefore, to be able to plan and implement change in the workplace successfully, managers need to be aware of the different types of change, the origins of change, and how people react to and cope with change.

This information pack introduces you to innovation and change and explores how to implement change within the workplace efficiently and effectively.

## GUIDANCE

This document is prepared to break the unit material down into bite-size chunks. You will see the learning outcomes above treated in their sections. Therein you will encounter the following structures;

### Purpose

Explains *why* you need to study the current section of material. Often, learners are put off by material that does not initially seem relevant to a topic or profession. Once you understand the importance of new learning or theory, you will embrace the concepts more readily.

### Theory

Conveys new material to you in a straightforward fashion. To support the treatments in this section, you are strongly advised to follow the given hyperlinks, which may be useful documents or applications on the web.

### Example

The examples/worked examples are presented in a knowledge-building order. Make sure you follow them all through. If you are feeling confident, then you might like to treat an example as a question, in which case, cover it up and have a go yourself. Many of the examples given resemble assignment questions which will come your way, so follow them through diligently.

### Question

Questions should not be avoided if you are determined to learn. Please take the time to tackle each of the given questions in the order in which they are presented. The order is essential, as further knowledge and confidence are built upon previous knowledge and confidence. As an Online Learner, the answers to questions must be immediately available to you. Contact your unit Tutor if you need help.

### Challenge

You can really cement your new knowledge by undertaking the challenges. A challenge could be to download software and perform an exercise. An alternative challenge might involve a practical activity or another form of research.

### Video

Videos on the web can be useful supplements to your distance learning efforts. Wherever an online video(s) will help you, it will be hyperlinked at the appropriate point.

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SAMPLE

## Defining Innovation

Innovation is necessary in successful organisations as organisations need to evolve and adapt to the times. Let us start by defining innovation. Dictionary.com defines innovate:

*'To introduce something new; make changes in anything established'.*

Or

*'To introduce (something new) for or as if for the first time'.*

Innovation is the process of making a product new or better. It can also be the process of doing some service or action in a new way. In business, innovation also must include the concept of improvement. To innovate in business is not just to do something differently, but to do or make something better.

### Invention Vs Innovation

Invention can be defined as the creation of a product or introduction of a process for the first time. Innovation, on the other hand, occurs if someone *improves on or makes a significant contribution to* an existing product, process or service.

Consider the microprocessor. Someone invented the microprocessor. But by itself, the microprocessor was just another piece on the circuit board. It is what was *done* with that piece — the hundreds of thousands of products, processes and services that evolved from the invention of the microprocessor — *that* required innovation.

In management literature, innovation is often broken down into two different types: radical and incremental. Radical innovation tends to involve dramatic change. When it is successful, it can transform the market or industry in which the organisation operates - or even create new ones. Radical innovation involves high levels of uncertainty and risk, with no guarantee of results. New technology often lies at the heart of radical innovation.

Although you often hear about innovation in terms of technology, and although technological innovation has indeed been, and will likely continue to be, the most apparent form of innovation, it comes in a variety of other forms too.

Most innovations are more minor, gradual improvements on existing products, processes and services, while some innovations can be those ground-breaking technological inventions or business models that transform industries.

Because the environment and the needs of your customers are constantly changing, you need to be able to improve different areas of your business to solve emerging problems and to keep creating new value for your customers.

Knowing what types of innovations are for an organisation to pursue can help you discover the most suitable for your business. Understanding and focusing on the most potential ones help you respond to these changing needs and allow you to improve your ability to grow the business.

Example

Camera film producers Polaroid and Kodak are a typical cases in point. To remain truly competitive, it would seem that organisations may fare better by trying to intersperse incremental innovation with bursts of more radical or 'disruptive' innovation, as organisations such as Apple have done with great success.

Other examples:

Technology companies triggering a paradigm shift by impacting industries

- A. Apple** – changed music and consumer electronics
- B. Uber** – changing the taxi business
- C. Airbnb** – changing the accommodation industry
- D. Amazon** – changing retailing

Technology companies creating new markets/industries

- A. Google** – with "Search, etc." for a much better online experience
  - changed the Advertising world with AdWords
  - impacting the mobile, car, utility, etc., industries
- B. Facebook** – established the "social network" market
- C. WhatsApp** – established the personal communications market
- D. Steam** – established the online market for licensing games

3. Companies making something old and new again

The following brands have taken familiarity and made it relevant with modern technology to create a winning product/service –

1. Nest

Nest successfully revolutionized the stagnant thermostat industry by taking something we all use and asking, "How can we make this (much) better?" They listened to people's complaints (ex: energy use, comfort levels) and went about applying answers to these problems. When you are in tune with public demands and create the appropriate solutions, you will be successful. — [Nicolas Gremion, Free-eBooks.net](#)

2. Nintendo

Pokemon Go is a world-class example of how Nintendo became relevant again by simply reinventing itself through a modern game that activated gamers of all ages and genders. Pokemon Go incorporates virtual

reality elements, gamification, and commerce at scale in a way that has never been done with such precision. I believe the reason for the success was well-executed timing. — [Kristopher Jones, LSEO.com](#)

### 3. Snapchat

Snapchat brought photo sharing into the modern age and brought back a genuine interest in photos and communicating through photos. They were successful because they incorporated the social element and added ways to edit the pictures and add things to them that made them even more fun for their audience. They also brought the photo-sharing concept into the digital online age and made it interactive.

### 4. Slack

Chat rooms on the internet have always been around, and in the old days, asking someone for their age/sex/location was just what you did to them. Slack brought chat rooms back and made them more productive by highlighting their usefulness for teams. Today you would be hard-pressed to find a company not using Slack, or at least someone from the company not active in a Slack community.

### 5. Polaroid

Polaroid cameras used to be these ugly, old-looking things that resembled View-Masters, and with everything going digital, Polaroid's future did not seem very promising. But they have found a way to make their cameras kitschy, cool and popular through unique branding and an engaging aesthetic. I doubt they will ever be dated again.

### 6. Unwelcome Greetings

The team behind Unwelcome Greetings knew that traditional Hallmark cards were boring. At least, among Millennials, they felt that there was a better way to congratulate a friend or share a funny meme. And so far, their outrageous greeting cards have been a hit among consumers who prefer to communicate in memes, emojis and pranks.

### 7. Dollar Shave Club

Dollar Shave Club made it easier and cheaper to buy razors and did it with style. They were successful, in part, because of their innovative approach to advertising. But the real key was taking on an established industry that had been overcharging for generations and making the product cheaper and more convenient. Companies like Casper are doing the same for mattresses.

### 8. GoPro

GoPro effectively took an old product everyone had, re-purposed it, and made a fortune. GoPro is nothing but a good-quality camera. However, they managed to make it attractive, target a large niche of passionate customers and create a new category for themselves. The beauty behind this brand targets a group of people who are tight-knit and large enough to build a sizable business.

### 9. Netflix

As one of the cornerstones of the home entertainment industry, brick-and-mortar DVD rental stores seemed like they would be around forever. Then along came Netflix. Not only did the brand reinvent the delivery of