

COURSE CODE:(UBGS 402)

COURSE TITLE: (Business Policy)

SESSION 12: TITLE: (Innovation and Entrepreneurship)

LECTURER: (Dr. Obi Berko Damoah)

DEPARTMENT: (OHRM, UGBS)

(Contact Information:obodamoah@ug.edu.gh)



UNIVERSITY OF GHANA

College of Education

School of Continuing and Distance Education

2017/2018 – 2018/2019 ACADEMIC YEAR

Course Information

Provide the following information:

Course Code:

UGBS402

Course Title:

Business Policy

Course Credit

3 Credit(s) Hours

**Session Number &
Session Title:**

Session 12 & Innovation and Entrepreneurship

Semester/Year:

Second Semester / 2017/18

Course Information (contd.)

Provide the following information:

Lecture Period(s)

3 Hours per week

Prerequisites

Insert Course Prerequisites: (if applicable)

Teaching Assistant

Insert Teaching Assistant's Information: (where applicable, provide name and contact information)



Course Instructor's Contact

Provide the following information:

**Course Instructor(s)
Name**

Dr. Obi Berko Damoah

Office Location

**GBS13, Graduate Block, 3rd Floor, Main
Campus**

Office Hours

**Wednesdays 12:00pm – 2:00pm
Fridays 12:00pm – 2:00pm**

Phone

0303963756

E-mail

obodamoah@ug.edu.gh

Introduction/Subject or Session Overview

It is prudent that organizations innovate towards implementation of the policy plan. This is influence what new ways managers can implement their policies towards gaining more competitive advantage. Innovation is the initial commercialization of invention by producing and selling a new product, service, or process.

Therefore, this session presents the need to understand the concept of innovation and summarize the difference between incremental and breakthrough innovation.

Session Outline

The key topics to be covered in the session are as follows:

- Invention vs. Innovation
- The DMAIC Six Sigma Approach
- Integrating Shareholder Value and Organizational Activities across Organizational Levels
- Entrepreneurship



Session Learning Objectives

At the end of the session, the student will

- Through, self-reading of the required chapter of the required text and attending the lecture, explain what is meant by continuous improvement and how it contributes to incremental innovation;
- Based on 1) above, appreciate and summarize the risks associated with an incremental versus a breakthrough approach to innovation;
- Through the case analysis and by attending the lecture have the capacity to describe the three key elements of the entrepreneurship process;
- Based on 3) above, explain intrapreneurship and how to enable it to thrive.

Session Learning Outcomes

Upon completion of this course, the student will have had the demonstrated the ability to:

- Through, self-reading of the required chapter of the required text and attending the lecture, explain what is meant by continuous improvement and how it contributes to incremental innovation;
- Based on 1) above, appreciate and summarize the risks associated with an incremental versus a breakthrough approach to innovation;
- Through the case analysis and by attending the lecture have the capacity to describe the three key elements of the entrepreneurship process;
- Based on 3) above, explain intrapreneurship and how to enable it to thrive.

Session Activities and Assignments

This week, complete the following tasks:

- Log onto the UG Sakai LMS course site: <http://sakai.ug.edu.gh>
- Watch the Videos for Session 12
- Review Lecture Slides: Session 12
- Read Chapter 14, Case #5 of the Recommended Text - Pearce, J. A. and Robinson, R. B. (2014). Strategic management: managing for global and domestic competition; (14th edition), McGraw-Hill/Irwin Inc., New York.;
- Visit the Chat Room and discuss with your group the part of the term paper which session 12 throws light on; monitored by the instructor;
- Complete the individual self-assignment questions or Session 12

Topic One

INNOVATION VS. INVENTION



Innovation Vs Invention

Invention is the creation of new products or processes through the development of new knowledge or from new combinations of existing knowledge



Innovation Vs Invention Cont.;

- **Innovation** is the initial commercialization of invention by producing and selling a new product, service, or process
 - Product innovation
 - Service innovation
 - Process innovation

Innovation Vs Invention Cont.;

- **Incremental innovation** refers to simple changes or adjustments in existing
 - products
 - services
 - or processes

Innovation Vs Invention Cont.;

Continuous Improvement

The process of relentlessly trying to find ways to improve and enhance a company's products and processes from design through assembly, sales, and service. It is called *kaizen* in Japanese. It is usually associated with incremental innovation.

Innovation Vs Invention Cont.;

Incremental Innovation

- Toyota's **CCC21**: construction of cost competitiveness for the 21st century
- **Six Sigma** is a rigorous and analytical approach to quality and continuous improvement with an objective to improve profits through defect reduction, yield improvement, improved consumer satisfaction, and best-in-class performance

Innovation Vs Invention Cont.;

Essential Elements that Lead to Incremental Innovation

1. Define quality and customer value
2. Develop a customer orientation
3. Focus on the company's business processes
4. Develop customer and supplier partnerships
5. Take a preventive approach
6. Adopt an error-free attitude
7. Get the facts first
8. Encourage every manager and employee to participate
9. Create an atmosphere of total involvement
10. Strive for continuous improvement

Topic Two

THE DMAIC SIX SIGMA APPROACH



The DMAIC Sigma Approach

The DMAIC Six Sigma Approach

Define

- Project definition
- Project charter
- Gathering voice of the customer
- Translating customer needs into specific requirements

Measure

- Process mapping (as-is process)
- Data attributes (continuous vs. discrete)
- Measurement system analysis
- Gauge repeatability and reproducibility
- Measuring process capability
- Calculating process sigma level
- Visually displaying baseline performance

Analyze

- Visually displaying data (histogram, run chart, Pareto chart, scatter diagram)
- Value-added analysis

- Cause-and-effect analysis (a.k.a. Fishbone, Ishikawa)
- Verification of root causes
- Determining opportunity (defects and financial) for improvement
- Project charter review and revision

Improve

- Brainstorming
- Quality function deployment (house of quality)
- Failure modes and effects analysis (FMEA)
- Piloting your solution
- Implementation planning
- Culture modification planning for your organization

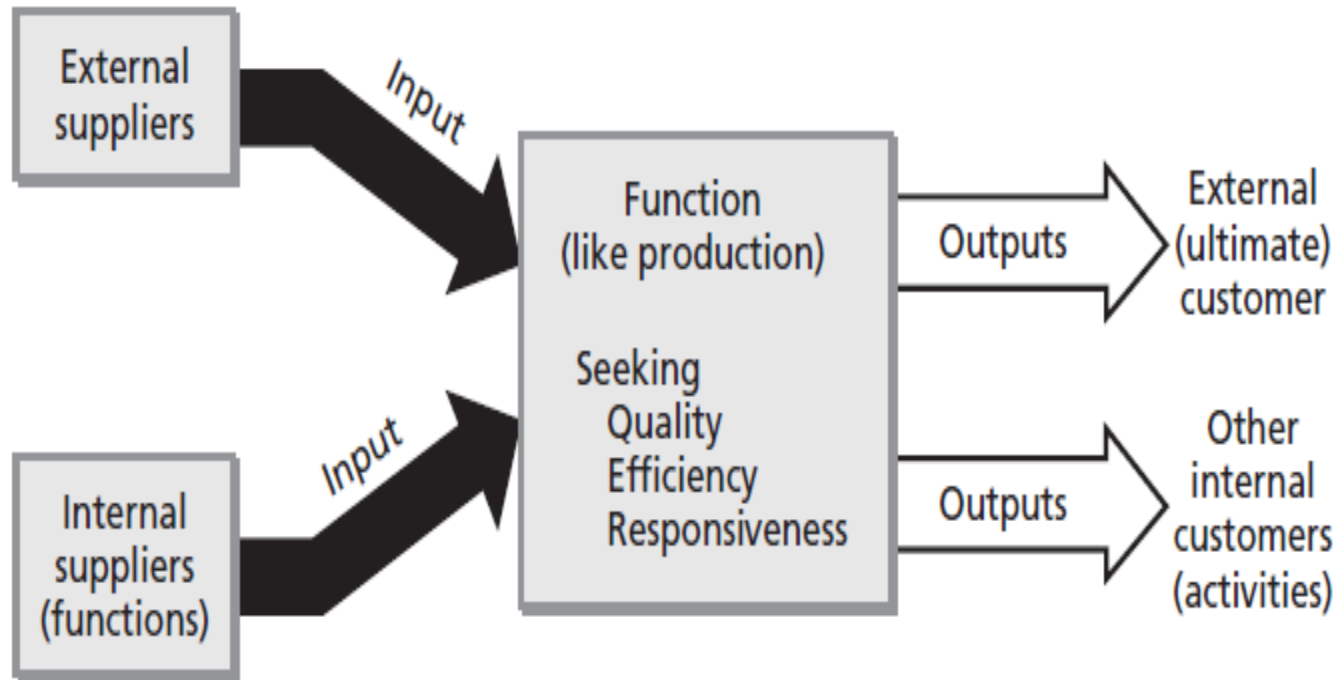
Control

- Statistical process control (SPC) overview
- Developing a process control plan
- Documenting the process



The DMAIC Sigma Approach Cont.;

Six Sigma – Developing a Customer Orientation



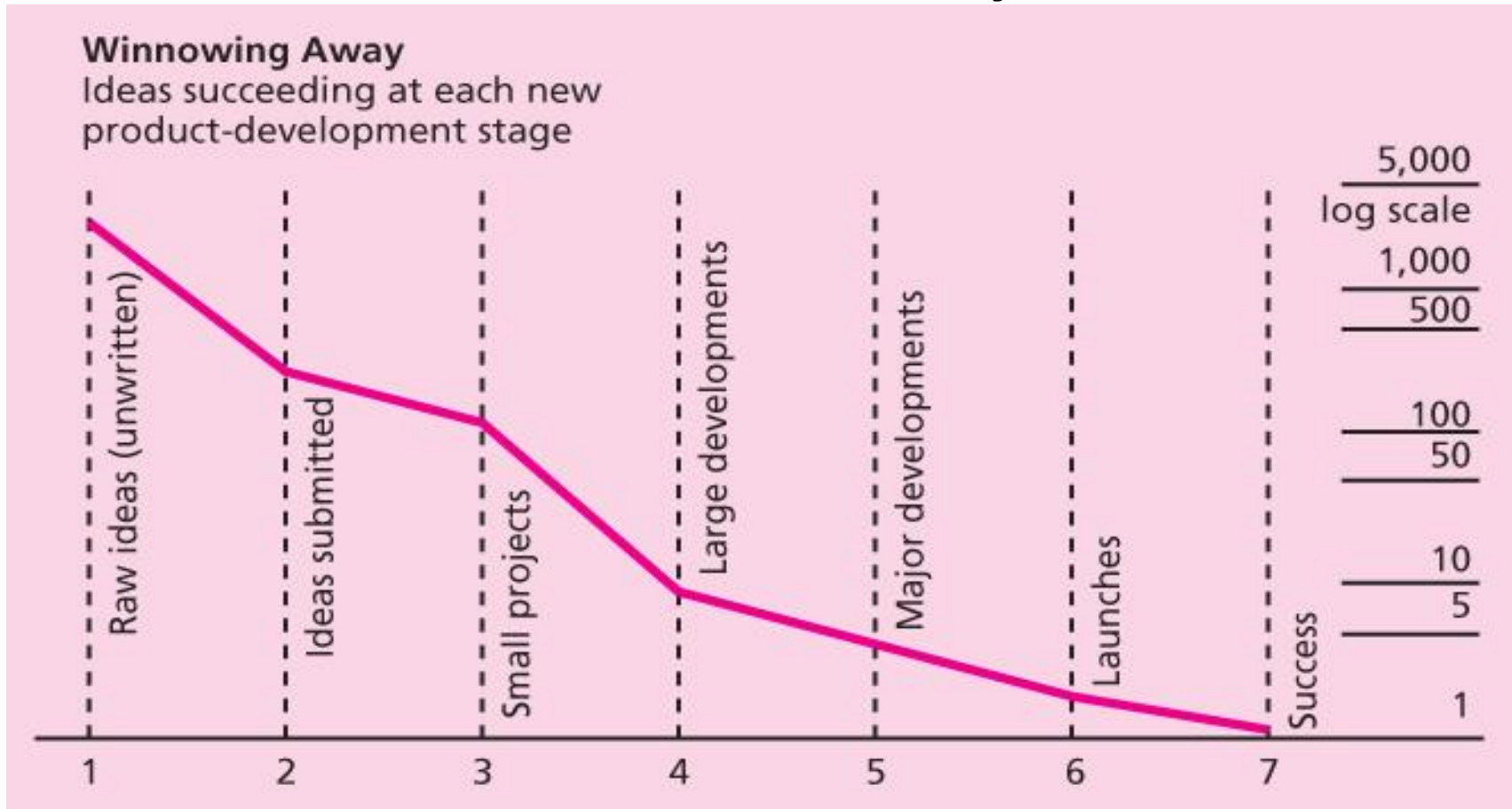
The DMAIC Sigma Approach Cont.;

Breakthrough Innovation

- A **breakthrough innovation** is an innovation in a product, process, technology, or the cost associated with it that represents a quantum leap forward in one or more of those ways
- Breakthrough approaches to innovation are inherently more risky than incremental innovation approaches

The DMAIC Sigma Approach Cont.;

From Idea to Profitable Reality



The DMAIC Sigma Approach Cont.;

Characteristics of Successful Innovations

1. Moderately new to the marketplace
2. Based on tried and tested methodology
3. Saved money for users of the innovation
4. Reportedly met customer needs
5. Supported existing practices

The DMAIC Sigma Approach Cont.;

Idea Factors

- Need spotting
- Solution spotting
- Mental inventions
- Random events
- Market research
- Trend following

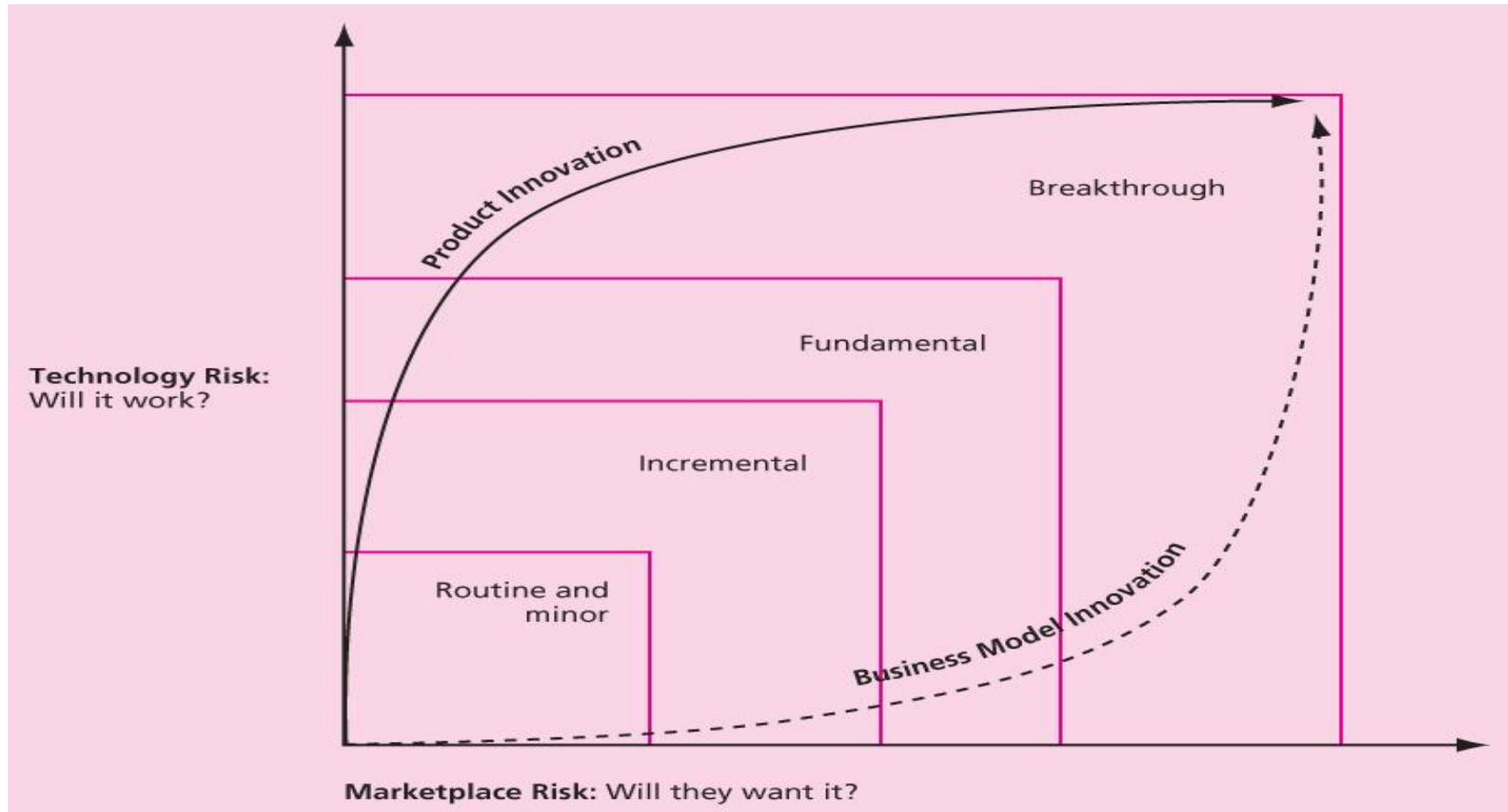
The DMAIC Sigma Approach Cont.;

Risks Associated with Innovation The Balanced Scorecard Methodology

- Innovation involves creating something that doesn't now exist
- Long odds for success
- Market risk
- Technology risk

The DMAIC Sigma Approach Cont.;

Risks Associated with Innovation



The DMAIC Sigma Approach Cont.;

Disruptive Innovation

A term to characterize breakthrough innovation popularized by Harvard Professor Clayton Christensen; usually shakes up or revolutionizes industries with which they are associated even though they often come from totally different origins or industry settings than the industry they “disrupt.”

Topic Three

INTEGRATING SHAREHOLDER VALUE AND ORGANIZATIONAL ACTIVITIES



Integrating Shareholder Value of Organizational activities Across Organizational Level

- The point of innovation is growth
- Get the most from the minimum innovation
- Incremental product innovations can lock in existing customers
- Incremental business process innovations can generate more revenue gain or cost savings with less risk than radical ones
- Radical innovations are often too radical
- The time to launch breakthrough innovations is when they are essential to the marketplace



Integrating Shareholder Value of Organizational activities Across Organizational Level Cont.;

Ways to Lower Risk

- Product teams
- Cross-functional groups
- Joint ventures
- Cooperation with lead users
- “Do it yourself” innovation
- Acquiring innovation
- Outsourcing innovation

Integrating Shareholder Value of Organizational activities Across Organizational Level Cont.;

Ideagoras

A web-enabled, virtual marketplace which connects people with unique ideas, talents, resources, or capabilities with companies seeking to address problems or potential innovations in a quick, competent manner.

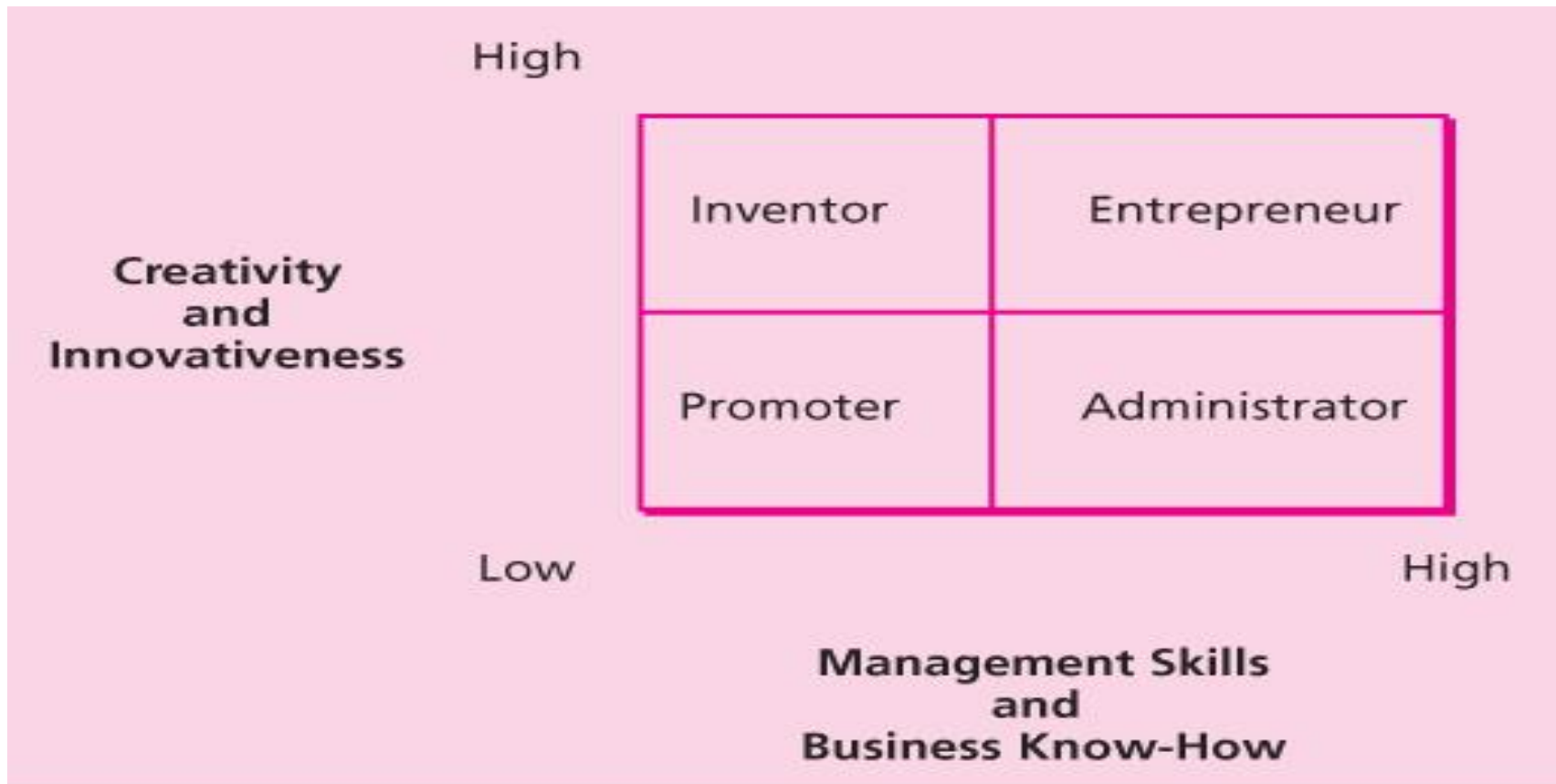
Topic Four

ENTREPRENEURSHIP



Issues of Entrepreneurship

Who is the Entrepreneur?



Issues of Entrepreneurship Cont.;

Entrepreneurship is the process of bringing together creative and innovative ideas and actions with the management and organizational skills necessary to mobilize the appropriate people, money, and operating resources to meet an identifiable need and create wealth in the process

Issues of Entrepreneurship Cont.;

Entrepreneurs vs. Others

- Entrepreneurs are different from
 - Inventors
 - Promoters
 - Administrators
- Entrepreneurs (unlike the above three) are high on both creativity/ innovativeness and management skills/business know-how.

Issues of Entrepreneurship Cont.;

Three Elements Central to Entrepreneurial Process

1. Opportunity
2. Entrepreneurial Teams
3. Resources

Issues of Entrepreneurship Cont.;

Resources

1. **Debt financing** is generally obtained from a commercial bank to pay for property, equipment, and maybe provide working capital
2. **Equity financing** is usually obtained from one or more of three sources: friendly sources, informal venture investors, or professional venture capitalists

Issues of Entrepreneurship Cont.;

Intrapreneurship

Intrapreneurship, or entrepreneurship in large companies, is the process of attempting to identify, encourage, enable, and assist entrepreneurship within a large, established company so as to create new products, processes, or services that become major new revenue streams and sources of cost savings for the company

Issues of Entrepreneurship Cont.;

Pinchot's 10 Freedom Factors

1. Self-selection
2. No hand-offs
3. The doer decides
4. Corporate “slack”
5. End the “home run” philosophy
6. Tolerance of risk, failure, and mistakes
7. Patient money
8. Freedom from turfness
9. Cross-functional teams
10. Multiple options



References

- ***Required and indicative reading***

- Pearce, J. A. and Robinson, R. B. (2014). Strategic management: managing for global and domestic competition; (14th edition), McGraw-Hill/Irwin Inc., New York.

- ***Supplementary Reading***

- Dess, G. G. & Lumpkin, G. T. (2003), Strategic Management: Creating competitive advantages, McGraw-Hill/Irwin Inc., New York.

- Johnson, G., Scholes K. & Whittington R (2008), Exploring Corporate Strategy: Text and Cases, Pearson Education Limited, England

- **In addition:**

- Any good introductory text in Strategic Management/Business Policy
- Business section of any newspaper
- Strategic Management publications (consult the library).



References Cont.;

Journals

- Management decision
- Strategic management journal

Youtube

- <https://www.youtube.com/watch?v=bPMyUQoGJms>
- <https://www.youtube.com/watch?v=M4AifEoM1ME>