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CURRENT TRENDS IN MANAGING THE INNOVATIVE DEVELOPMENT OF ENTERPRISES

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ABSTRACT

Innovation management as a field has gained dominance globally as a way for companies to compete and advance in the global marketplace. With the introduction of AI organizations are trying to find the best way to use the technology to support innovation initiatives. In bringing together a company's culture, ways of working, people and products, companies can operationalize innovation and bring every team member together under an predominant goal. With the help of AI, companies will support an Innovations ideology more flawlessly and innovate at scale more easily.

Keywords: Innovation Management, Technology, AI.

1. INTRODUCTION

Innovation management refers to supervising and systematic approach to overseeing and nurturing an organization's innovation process. It involves creating an environment that encourages and supports the generation of new ideas. Innovation management involves the development of innovative products or services and implementing those ideas into practical solutions. It encompasses idea generation, evaluation, selection, and implementation. Technology and innovation management education is now regarded as a critical area of study in most business schools. This growing importance is partly a strategic response to managing knowledge-driven industry development. In a changing business climate, traditional management education needs to combine with pragmatic technology management education that provides rich ground for developing managerial theories that are less "fuzzy" and practically more relevant to industry needs. Management studies are not just about theoretical constructs, but must, instead, address practical resolutions and problem solving in the real business world. Organizations which operate in today markets, where global competition, rapid technological advances and resource insufficiency are pressing issues, must innovate in order to grow, to be effective and even to survive.

2. LITERATURE REVIEW

(Seetharaman et al., 2019) states that the world has the potential to connect milliards more people to digital networks, dramatically improve the efficiency of processes and even manage assets in ways that can help regenerate the natural environment, potentially undoing the damage of previous industrial revolutions. Industrial Internet of Things (IIOT) technology enables perpetual connectivity with customers. Key factors for new products or design such as value proposition and change in demand or expectation are available in no time.

(Pinheiro & Tigre, 2015) states that the innovation management is a mechanism that allows the innovation process to be formalized, facilitating companies to generate new ideas, practices and products in a systematic way producing a positive effect of innovation in the performance of small, medium and large companies.

(Dereli, 2015) states that if a company intends to be successful in achieving competitive advantage by developing innovation, it must have an effective implementation of innovation

management, for which it needs to define strategies and build an administrative structure to support its innovations.

(Danilevicz & Correa, 2017) define an innovation management system (IMS) to guide the decision-making process in the selection of potential projects. In addition, propose indicators to monitor the selected projects. It consists of three pillars: stimulation towards innovation, selection of ideas, and implementation of projects.

3. OBJECTIVE OF THE STUDY

This research paper is prepared for the purpose to come across with the following objectives:

1. To study the emerging trends in innovation management in the present business scenario.
2. To study the impact of innovation management in business.
3. To study the applications of various technologies including AI in managerial functions.

4. METHODOLOGY

This study is mainly based on secondary data and information has been extracted from data in websites, various publications of central and state level, other sources like books, magazines, trade journals, newspapers, reports, articles, seminar papers published by universities and research institutions and research is descriptive in nature.

5. EMERGING TRENDS IN INNOVATION MANAGEMENT

Innovation management is crucial for organizations to adapt, thrive, and remain at the forefront of their industries in today's dynamic and fast-paced business landscape. Some of the emerging trends in innovation management are:

a) **Open Innovation :** This trend emphasizes collaboration and knowledge sharing with external partners, such as customers, suppliers, and research institutions. Collaboration helps co-create and influence new ideas and technologies.

b) Design Thinking : Design thinking is a human-centric approach focusing on understanding user needs and experiences to drive innovation. It involves empathy, ideation, prototyping, and iteration. Design thinking helps to develop user-friendly and impactful solutions.

c) **Agile Innovation :** Agile methodologies, popular in software development, are applied to innovation management. It involves iterative and incremental processes, cross-functional teams, and adaptive planning to quickly respond to changing market needs and quickly improve time-to-market.

d) **Digital Transformation :** Integrating digital technologies, such as artificial intelligence, big data analytics, and the Internet of Things, revolutionizes innovation management. Digital transformation enables organizations to collect and analyze vast amounts of data and gain insights. It also involves developing technology advancements for innovative products, services, and processes.

e) **Lean Startup :** The lean startup approach accentuates rapid experimentation, minimum sustainable products (MVPs), and customer feedback twists to validate ideas. This leads to reduced time and cost of launching new initiatives. It helps organization’s test assumptions, iterate, and pivot based on market feedback.

f) **Sustainable Innovation :** With the growing focus on environmental sustainability, organizations are incorporating sustainable practices into their innovation strategies. This includes developing eco-friendly products, reducing waste, and adopting clean technologies to address societal and environmental challenges.

g) **Innovation Ecosystems :** Organizations recognize the importance of collaborating with external stakeholders to create innovation ecosystems. This includes collaboration with startups, academia, incubators, and venture capitalists. These ecosystems foster knowledge exchange, resource sharing, and co-innovation opportunities.

h) **Data-driven Decision Making :** Leveraging data analytics and insights are becoming crucial in innovation management. Organizations use data to identify trends, consumer preferences, and market gaps. Data-driven decision-making aids in making informed decisions and augmenting innovation outcomes.

These trends shape how organizations approach innovation, foster creativity, and stay competitive in a rapidly changing business setting.

6. IMPACT OF INNOVATION MANAGEMENT IN BUSINESS

According to the McKinsey global survey, 84% of executives is of the opinion that innovation is extremely or very important to their companies' growth strategy. To achieve this growth businesses have to formalize the process of innovation, negotiate with the stakeholders, find the right talent, collaborate with inter-departmental teams, and incorporate innovation into their long-term plans. This is where innovation management helps. It is a definite process that provides a range of organizational benefits, some of which are:

a) **Promotes Employee Engagement and productivity :** Innovation promotes an 'out-of-the-box' thinking approach. When there is formulation of a strategy to introduce innovation at the workplace, encouraging the workforce to ground in their creative ideas reserves a major place. This provides a platform for the employees to vitrine their talent and go the extra mile to add value. Employees will feel a sense of belonging and at the same time feel valued, which will, in turn, promote engagement.

b) **Fosters inclusion and diversity :** The advent of globalization and remote work culture has empowered firms to cross geographical boundaries and hire the best talent. This means the workforce is a blend of cultures, races, generations, and so on. When the innovation culture is embedded, every employee is allowed to voice out their ideas. The best idea can come from anyone, this means innovation has no race, gender, or label and focuses on sheer talent, thus promoting inclusion and diversity.

c) **Improves business performance :** A business's performance is assessed after evaluating individual metrics like increased customer retention, employee performance, profitability, competitive advantage, and so on. Thus, improving business performance implies taking care of each of these factors. Implementing outstanding ideas can help to take the business performance to the next level.

d) **Enhances quick problem solving and project's performance :** Innovation is not restricted to rolling out new products or services in the market. Being creative and

different from the rest is the essence of innovation which can be implemented in multiple surfaces of the business.

7. ROLE OF AI IN INNOVATION MANAGEMENT

a) **Idea Generation:** AI can analyze large datasets to identify potential gaps in the market, generate new product concepts, and even assist in brainstorming sessions by suggesting novel combinations of existing technologies or ideas.

b) **Market Analysis and Trend Forecasting:** AI algorithms can analyze market data to predict customer preferences, emerging trends, and potential disruptions, enabling companies to proactively adapt their innovation strategies.

c) **Idea Evaluation and Prioritization:** AI can evaluate the feasibility of different innovation ideas based on various factors like market potential, technical viability, and financial return, helping companies prioritize the most hopeful projects.

d) **Optimized Development Process:** AI can automate routine tasks like data entry, analysis, and reporting within the product development process, freeing up human resources to focus on creative aspects.

e) **Risk Assessment and Mitigation:** By analyzing historical data, AI can identify potential risks associated with new products or projects, allowing companies to take preventive measures.

f) **Collaboration and Knowledge Sharing:** AI-powered platforms can facilitate collaboration between different teams and departments, enabling knowledge sharing and cross-functional innovation.

g) **Customer Insights:** AI can analyze customer feedback and behavior data to identify pain points and unmet needs, guiding product development decisions.

EXAMPLES OF AI APPLICATIONS IN INNOVATION MANAGEMENT

a) **AI-powered idea management systems:** Platforms that collect, categorize, and evaluate employee-generated ideas using natural language processing (NLP).

b) **Predictive analytics for market trends:** AI models that forecast future market conditions based on historical data and current trends.

c) **Design optimization tools:** AI algorithms that can optimize product designs based on performance criteria and material constraints.

d) **4 Customer sentiment analysis:** AI tools that analyze customer reviews and social media data to understand customer perceptions and needs.

CHALLENGES OF AI APPLICATION IN INNOVATION MANAGEMENT

a) **Data Quality:** The effectiveness of AI in innovation management heavily relies on high-quality data, which can be a significant challenge.

b) **Human Expertise:** While AI can automate tasks, human judgment and creativity remain crucial for evaluating complex ideas and making strategic decisions.

c) **Ethical Implications:** It's important to consider ethical considerations related to data privacy and potential biases when developing AI-powered innovation tools.

d) Overall, AI is becoming a powerful tool for businesses looking to accelerate innovation by providing insights, automating processes, and enabling better decision-making throughout the innovation lifecycle.

SUMMARY OF FINDINGS AND SUGGESTIONS

From the study it was found that the technology has created a revolution in the field of innovation management thereby contributing for the increased efficiency and performance of the business. It has also resulted in improving the customer-owner relationship.

Even though application of technology in innovation management has increased efficiency in business, there are some challenges like cyber security, ever changing technology and availability of qualified and skilled staff to be taken care of.

CONCLUSION

Innovation concept is in continuous evolution today and it can take on different manifestations, depending on its dimensions, frequency, realization modality and outputs. Many studies on this topic have been developed in recent decades and, today, criteria to classify it and the environments to guarantee innovation development are increasingly clear. Linear innovation models have moved forward greatly, since efforts have been made by researchers as well as firms to include many feedback factors within the innovation models.

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