

Innovation: What is it all about?

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**National Rural Tourism & Artisan Food Conference
Athlone
14th October 2009**



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Overview of Presentation

■ **Notion of “innovation” is everywhere**

- Aim today – clarify notion of innovation
- Focus today – enterprise innovation

■ **Content**

- What is innovation?
- How does it happen?

What is innovation?



What is innovation?



What is innovation?



What is innovation?



Definition

- **Innovation = profitable novelty**

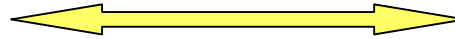
- **Profitable**
 - Temporary monopoly/competitive advantage

- **Novelty**
 - New or improved product/service
 - New or improved process
 - New market
 - New way of organising

Definition (2)

■ **Novelty**

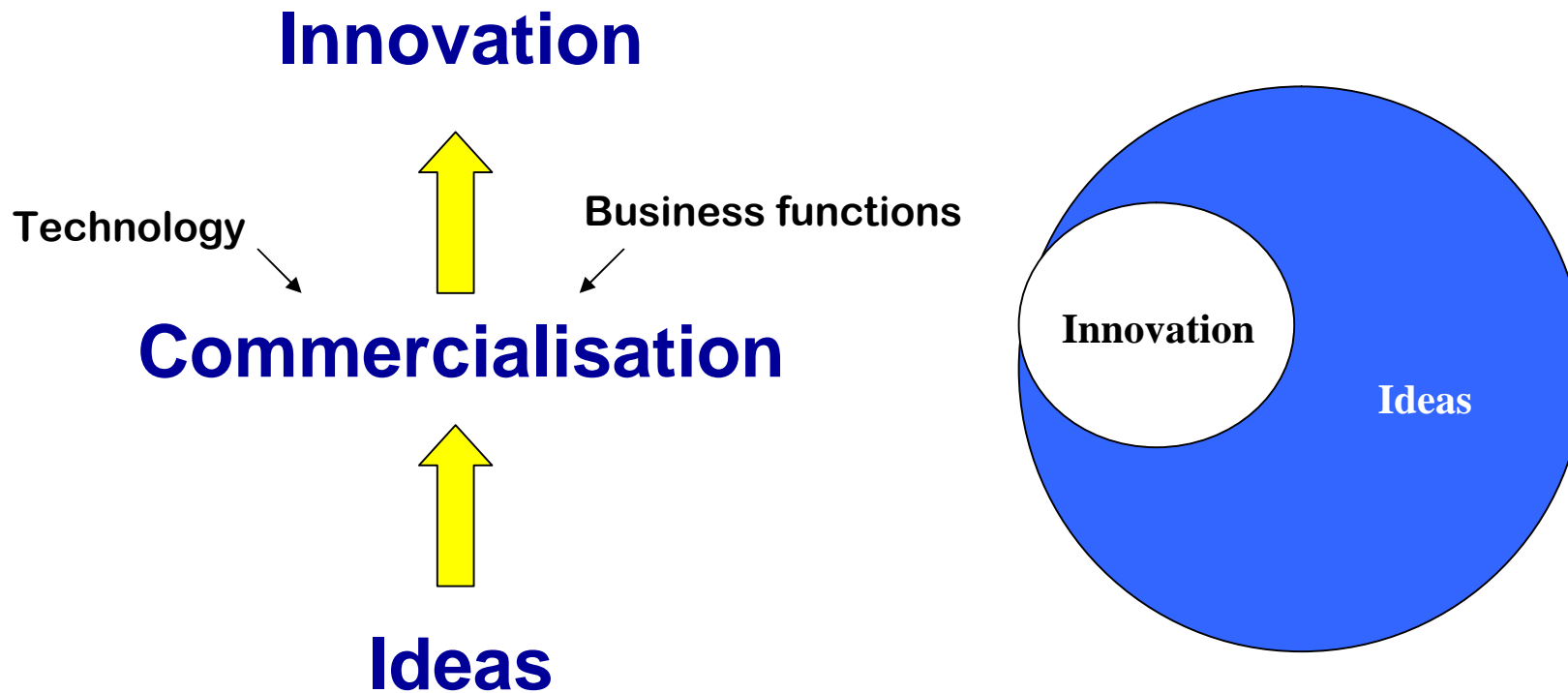
Incremental



Radical

- **“New combinations” of existing ideas, knowledge, resources, skills & capabilities**
- **This combining activity = entrepreneurship**

How does innovation happen?



Where do ideas come from?

■ **Gaps**

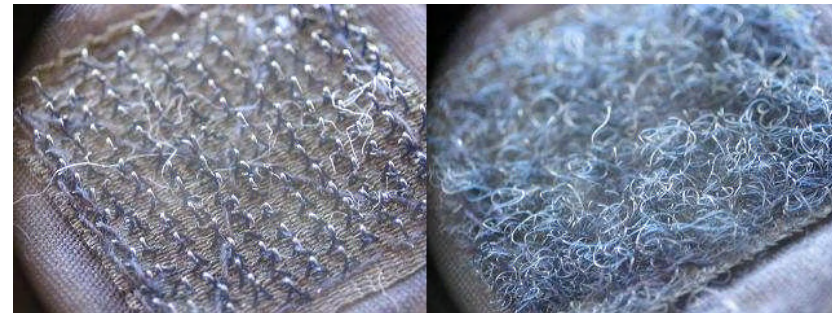
- Can't find particular product/service
- Poor quality existing product/service
- Not done before
- Import substitution

■ **Often problem-solving, adaptation, association, application of technology, chance**

■ **Also systematic processes of idea generation**

- Brainstorming
- Edward de Bono Six Thinking Hats

Where do ideas come from?



What about the commercialisation side?

- **Innovation development**

- **Business functions/planning**
 - Market demand
 - Pricing
 - Financing
 - Marketing
 - Barriers to entry: distribution

Poor commercialisation



How can innovation be promoted?

■ Facilitate idea generation

- Brainstorming
- Edward de Bono Six Thinking Hats

■ Facilitate commercialisation

- Business planning courses/other assistance
- Networking
- Market intelligence

Finally

- **“I think there is a world market for maybe five computers”** – *Thomas Watson, chairman of IBM, 1943*
- **“This ‘telephone’ has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us”** – *Western Union internal memo, 1876*

Thank You



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