Management and Innovation

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Abstract. One of the key priorities of creative and realistic management – a today's must for every enterprise – is the continuous search of the innovation. Envisaging the future and analysing the market, either in the traditional way or using modern methods like SWOT Analysis, can be of great assistance. They offer a combined knowledge, regarding the company and the business environment, its departments, the products or services and the competition. They help managers recognize the strong and weak points of their organization, and be better prepared to face the opportunities and threats just ahead of them. Discipline in strategy, diversified for the different types of businesses, is also important. A unique case study, with more negative than positive hints, is quoted.

Keywords. Innovation, market analysis, competition, strengths-weaknesses-opportunities-threats: SWOT analysis, combining strategies, transforming or neutralising strategies, competitive situation analysis, company evaluation

1 Envisage

Too often, profitable companies become comfortable companies and then ... they are no longer profitable.

Every person, who around the year 2010 will be part of the active buying population, has already been born. What is then expected from today's businessmen, is to locate now their needs for the year 2010 and make sure they can fulfill most of them. Demographic evolutions are of major importance to the way modern business activities are long-term planned.

Envisage is one of the characteristics corporate leaders (Presidents, Managing Directors or CEO's) are expected to show. But very often in everyday's business practice, other staff members, from the bottom to the top range of the hierarchy, have proved they can also have envisages.
1.1 ATT and the PABX

It was in 1909, when a statistic analyser of the big American telephone company ATT, was studying the statistic diagrams of the American public telephone needs for the last 15 years. Statistic data projection into the near future indicated that by 1920, the company should have to employ one telephone operator for every American family using a telephone!!

The message was very clear. ATT did not lose time. Within two years the first PABX (Public Automatic Branch Exchange) was available for the market. What followed, is known to everybody.

1.2 Mail Order

All right answers seem very obvious ... afterwards. As Peter Drucker mentions, everybody believed, around 1900, that a promise for money return, following a purchase by mail, if customer was not fully satisfied by the product, was not in favour of the merchant. The slogan satisfaction guaranteed or your money back, was only going to result to the merchant's bankruptcy. This did not stop American businessmen Sears & Roebuck to start mail order sales, which today have reached enormous turn-overs.

1.3 Super Markets and Shopping Centers

It was also known to everybody, around 1925, that people preferred to buy from small specialized shops, spread over the city's market area. Nobody could dare to propose anything like today's Super Markets. Also everybody knew, until the late 1950s, that people preferred to buy from the city center. And today we see a very strong trend of both Super Markets and Shopping Centers to be located far from the city's center, and still attract the vast majority of the consumers.

1.4 Mass Media

What we today call Mass Media, would not have been there, if two major innovations had not taken place at the end of the last century (around 1890). The first was technological: the printing press that allowed newspapers and magazines to be printed at high speeds, superior quality and yet low prices. The second was social-economic: advertisement invasion which started with the 'New York Times' and 'New York World' as well as the Randolph Hearst's media. Advertising, through marketing mechanisms, provided to the media the funds that allowed them to be sold at reasonably low prices.