



# INNOVATIVE ENTREPRENEURSHIP



# Innovation



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*This factsheet explains what innovation is, the various types of innovation and how it can be promoted within a business.*

Innovation is a real buzzword in today's business world, and is often associated with high growth IT businesses and with many of the world's largest companies such as Apple, Microsoft and Google. However, for many small businesses being innovative is a fundamental part of not just growing a business, but surviving in business. It is vital to the life cycle of a business but for some, a lack of time, or funds means that tapping into their innovation ambitions is only a dream.

## WHAT IS INNOVATION?

Innovation is the development and application of ideas that improve the way things are done or what can be achieved. Innovation may result in new products or services, new or improved business processes, changes in the way your products are marketed or the introduction of new technology. Innovation can help your business grow by improving productivity and efficiency. Your ability to innovate will also help your business to remain competitive and respond to changes. Innovation has the potential to reduce operational costs and improve profitability.

## TYPES INNOVATION

Innovation in business generally falls into the following categories:

- **Product or service** – developing new products or services, enhancing existing products or services, or introducing technology.
- **Process** – improving operational processes such as financial systems, human resource management, internal methodologies and information and communications technologies.
- **Marketing** – how products or services are promoted, and the channels used to distribute them – e.g. new social media platforms
- **Business model** – revising the structure of a business or developing strategic relationships with suppliers, distributors and customers.





## HOW TO PROMOTE INNOVATION IN YOUR BUSINESS?

Innovation doesn't just happen; it is something that needs to be encouraged. You can promote innovation by:

- engaging your staff to provide ideas and be creative
- rewarding innovative thinking/ideas
- getting feedback from your customers
- building innovation into your day to day work and strategic objectives
- investing in resources for the promotion of innovation
- setting aside time and resource to undertake research and development activities

Innovation is about taking calculated risks that require you to adapt to change and respond quickly to new opportunities that present themselves to your business.

