EDUCATIONAL IMPERATIVE FOR PRINCIPLES: RISK DUALITY AND STRATEGIC ALTERNATIVES OF CONTINUOUS INNOVATION

C. Scott Greene, Marketing Department
California State University, Fullerton, CA 92834 (714-773-2223)

ABSTRACT

Students learn that decreasing investment in R&D and waning innovation constitute principal underlying causes of U.S. declining international competitiveness. Convinced though students may be, are they prepared for senior management resistance to innovation?

Though virtually every going concern originated and prospered by developing something new to a market, managers may lose sight of that origin, the salience of which accelerates with ever increasing competition. Marketing educators must prepare students for management innovation avoidance brought about by complexities of greater international competition, monumental technological changes, and risks of innovation. That preparation in the form of explicating risk duality: risks of avoiding innovation as well as inherent risks of innovation, should be presented first to students in introductory marketing courses to sensitize students from all business disciplines.

If our students are to advocate innovation they must initially acknowledge arguments against it. They must be prepared to cite the high rates of new business failures, of new product failures, and the demise of some specific companies or products.

Students must then demonstrate how advantages outweigh the disincentives. Business as usual, with cost cutting for efficiency, aggressive promotional spending and tactical price manipulation are quickly matched by competitors in a zero sum tug-of-war. Today’s aggressive global competitors innovate, building upon the nonintermittent changes in technology, customer tastes, the economy or other environmental factors. Since those factors continually change, non-innovators can expect long-term losses to competitors utilizing continuous innovation policy. Doing the unexpected as with continuous innovation keeps competitors off guard. Also, continuous innovation engenders anticipation of changes in environmental factors.

Pedagogy may then turn toward choosing the best innovation strategies. Traditional approaches such as environmental scanning for innovation opportunities using conditions analysis to determine competitive advantage could be introduced. Ansoff’s Grid then provides a useful tool for identifying very general innovation alternatives.

Time permitting in the highly comprehensive introductory marketing course, specific examples of the appropriate conditions and applications of each of Ansoff’s alternatives may be discussed. The overriding focus, however, must be on preparing all students graduating from our business schools to meet senior management resistance to the exigency of market driven, continuous innovation. Any business, subject to competition and environmental changes, constantly faces risk. Managers must appreciate the perspective that continuous innovation affords the optimum means for coping with that risk, since it applies adaptation to changes and keeps competitors scrambling to catch up.