



GROWING AND SUSTAINING INNOVATIVE ENTERPRISES: A LESSON FOR THE NEXT GENERATION OF INNOVATORS

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ABSTRACT: *Countries all over the world, are gradually approaching a new level of technological disruption with innovation being the major catalyst. However, many entrepreneurs are struggling with strategies to initiate innovative activities for their enterprises. Most innovators come up with completely new ideas and turn them into viable businesses. They tend to be extremely passionate and obsessive, deriving motivation from the unique nature of their business ideas. In this paper, we discussed the value of innovation as a strategy to engage entrepreneurial actions to achieve a competitive advantage. A lack of innovative actions in today's global economy could be a recipe for enterprises failure, hence this paper revealed that, innovators can have a renewed dynamism of approach for the disruptive future they will soon confront. The paper further discusses strategies to create innovative enterprises and innovative approaches to consumers' needs in order to increase sales, revenue and ultimately profitability for business sustainability. Finally, we discussed strategies for reinvention of new products and how businesses can compete successfully in the new face of technological disruption.*

KEYWORDS: Entrepreneurship, Innovation, Innovative Enterprises, Technological Disruption, Sustainability

INTRODUCTION

The development, application, and enhancement of new technologies are occurring at a breathtaking pace, and innovation is driving the way businesses are conducted. As the number of new products, processes, technologies, and patents literally explode worldwide, enterprises can either innovate their future or become victims of innovation (Kuratko, Covin, & Hornsby, 2014). For researchers in this field, this is a critical component to examine if contemporary entrepreneurs are to be prepared for the disruptive future they will confront.

It is very important to note that, today's environment is filled with many contradictions, and dealing with paradox becomes a critical aspect of entrepreneurship in the new innovative landscape (McNulty 2017). Therefore, entrepreneurs must innovate and operate with less risk in order to achieve greater autonomy and a sense of centrality. The pathway through such paradoxes involves fostering and promoting innovative activities. If history is the true roadmap of the future, then any innovative advancement will rise from the energy and passion that define



the entrepreneurial spirit within individuals, hence entrepreneurial activity is the result of each individual's creativity, passion, and tenacity (Kuratko & Morris, 2018).

Entrepreneurs globally are demonstrating disruptive predispositions and this has assisted in complementing modern and dynamic businesses models. Fundamental to this is an enthusiasm for risk taking. They are flexible with vigor, fine-tuning their creative and innovative products and services to be trendy to meet customers' needs and expectation. Entrepreneurs like never before, must make sure that enterprises have not only the proper technology to innovate and sustain the consumers, but also employee's requirements of today's creative and innovative world.

Innovators are the types of entrepreneurs that come up with completely new ideas and turn them into viable businesses. In most cases, these entrepreneurs change the way people think about and do things. Such entrepreneurs tend to be extremely passionate and obsessive, deriving their motivation from the unique nature of their business ideas.

Okpara (2000), defined an entrepreneur as anybody who actualizes his potentials and develops a character that is independent. He exploits opportunity through value creation by bringing together a special package of materials. He has the ability to form something new from practically nothing by initiating and building an enterprise. An entrepreneur believes to have new and special goods and services to bring to the market place. Entrepreneurs see life as a fantasy until their dreams are realized. Most often, they are people who have capacity to analyze business opportunities, by combining the relevant materials to take advantage of them, in order to initiate the most important action to ensure success (Merdith et al 1991).

Entrepreneurs are goal-oriented and responsible for their actions and dislike routine work. They have at their disposal a tremendous vigor and high level of endurance, which is combined together to take calculated risks to enable them to transform their new ideas into a viable product. According to Harris (1998), an entrepreneur demonstrates a special blend of energy, originality and shrewdness. He is the life blood of an enterprise, a master of motivation and knows how to get the best out of people. It is very important to know that, entrepreneurs are the propellers of any nation. They add value and create wealth of nation and its potential to create jobs.

Creating Innovative Enterprises

There is a great consensus in conceptualizing innovation as "something new", however, there is a disagreement about what may be considered "new". Once newness is a situational quality, it is possible to presume innovation as situational too. If something is new for some sort of environment, it may be seen as innovation, even if it is well known by others (Moreira & Queiroz, 2007). Chris Freeman pointed out that one of the problems of managing innovation is that, the great range of understandings people have of this word, frequently confuse its meaning with invention.

Innovation is the process of making new ideas from opportunities and putting them into practice of an extensive use (Plonski, 2005). For Plonski (2005), confusion happens because of three misunderstandings: reductionism (considering innovation only as a technological basis), enchantment (considering technological innovation as spectacular), and mischaracterization (relaxing on the technological change requisite for the innovation). By the end of the nineteenth century and beginning of twentieth century, entrepreneurs and managers



were not distinguished. So, in order to make a difference between those who never invented anything, but would adapt a new technology in creating products to reach an economic vitality, the notion of entrepreneur was established as an innovative person (Hisrich & Peters, 2001). Schumpeter (1934) pointed out that, “the function of any entrepreneur is to rebuild or to revolutionize the production pattern by exploring an invention or, more generally, a non-experimented method, in order to produce a new good or a new commercialization for goods, organizing a new sector”. Entrepreneurship, for the economists, is the engine of the economic system. According to Schumpeter, taking profit from new opportunities is connected to innovation.

Entrepreneurs are agents of changes; they make things new and different. One can only call a person entrepreneur if he contributes with something new. Paiva (2002), conceptualize the practice of entrepreneurship as the act of creating an economical and innovative organization for the purpose of getting profit or increasing under conditions of risks and uncertainty. The difference between the entrepreneur and the inventor is that the first one uses his creativity connected to his management abilities and business knowledge to identify opportunities to innovate. The inventor does not have the commitment of creating something with economic objectives; his motivation is the creation itself, the discovery, and nothing else (Dornelas, 2003).

Innovation in entrepreneurship is one of the most incredible means of achieving competitive advantage, hence the key for growth and expansion. The ingredient of innovation differentiates entrepreneurs from others. Moreover, innovation has the propensity to amplify competitiveness through works focusing energy on renewal, redefinition of products and markets if business is to be really entrepreneurial (Minola, et al 2016).

Fitzpatrick identified the following elements of innovation:

- i. Challenge: what we are trying to change – the pull;
- ii. Customer focus: creating real value for your consumers – the push;
- iii. Creativity: breeding and showing the ideas – the brain;
- iv. Communication: the flow of information and ideas- the life blood;
- v. Collaboration: people coming to work together on the ideas – the heart;
- vi. Completion: implementing the new ideas – the muscles;
- vii. Contemplation: learning and sharing lessons lead to higher competency – the ladder;
- viii. Culture: the playing field of innovation includes;
 - Leadership: the position of the team for action – role model;
 - People: diverse group of radically empowered people to innovate – source of innovation;
 - Basic values: trust and respect – the backbone;
 - Innovation values: certain values stoke the fires that make the ‘impossible’ possible – the spark.



Growing and Sustaining Innovative Enterprises

For any entrepreneur to implement and execute successfully strategies they might experience some challenging moments, it would even be more challenging when they try to go with the growth graph. This usually happens because initially it was only the entrepreneur who was at the center of the business. However, as it develops and expands, it becomes a group work. There are so many instances of startups which kick started with great enthusiasm, but later crash landed unexpectedly and failing to meet the anticipated growth graph. The logic behind this could be many – lack of innovation, market instability, weaker strategies and wrong timing (Moreira 2007).

Here are the indispensable ingredients needed to grow, develop and sustain enterprises.

- Recognize what trends in future are going to shake up the business and have a good plan to deal with it to stay ahead of completion.
- Having a strange culture and strange strategy can improve innovation.
- It is better to do three hours interview than spending thousands of hours with headaches because of employing incompetent person.
- Concentrate on delegating jobs that saps energy.
- Recognize phase strategy which embodies the force in your business model that generates income.
- Entrepreneurs must hire employees who are better than them.
- Hire employees who may not need to be managed, but wow the business with their insight and productivity.
- Hire fewer employees but motivate them with higher pay than their counterparts in the industry.
- Success belongs to enterprises who have a voracious desire to learn and an avid bias for action.
- If several employees are accountable, then nobody is accountable, and note that things may fall apart.
- Use the lean technique – eliminate time wasted on activities that do not add value for customers.
- Whatever you do, avoid doing everything at the same time.

Innovative Approaches in Addressing Consumers' Needs

Innovative approaches can come from partners, customers, target groups, employees etc. These stakeholders have the ability to bring fresher perspectives and ideas. Therefore, it is pertinent to listen and open up for their feedback.

In a start-up, the entrepreneur is regarded as the most critical actor in creating a business idea and establishing a business to bring out novel products. In a demanding business environment, entrepreneurs should look out for windows of opportunities to take advantage of creating and



innovating new products. Innovation needs to revamp the whole business process and strategy for the creation of timely products on the shelf in the market.

Innovation can take several forms:

- i. *Innovation in process*: These are modification and improvement to approaches. They contribute to enhance productivity, thereby lowering cost and increase demand.
- ii. *Innovation in products*: Progress innovation is very common while radical innovation opens up new markets, which leads to a swelling effective demand that supports investment and job creation.
- iii. *Innovation in management*: This explores human resources together and the ability to expect new technique.

Innovation is centered on people, process, culture, structure and technology. It is the process by which enterprises convert opportunities into marketable, profitable and workable ideas. Innovation thus, is an applied creativity that has a tremendous effect on business growth and sustainability. On the other hand, entrepreneurship is the ultimate production of creative and innovative goods and services to satisfy the consumers demand. Ndaghu (2015) argues that it is indispensable to be innovative in the product development strategy in order to meet the expectation of consumer's needs; this is either by completely replacing the obsolete products or modifying it to be trendy.

Once an entrepreneur ultimately understands the concept of consumer's needs, it is easier to know what the enterprise can offer for them. Excellent service and consumers' fulfillment is all about meeting the consumer's needs and this goes a long way in saying that an entrepreneur is not measured by years of experience but by the number of creative and innovative products or solutions provided. In addition, entrepreneurship is directed towards producing a blend of resources targeted at meeting the needs customers more efficiently. It is also concerned with starting and building an enterprise rather than watching one. Thompson (2001) argues that it is the capacity to establish and build a founding team to support talents and skills already acquired and the tendency to take calculated risk. It is also the propensity to perceive opportunities where others see only confusion and chaos.

Entrepreneurial Strategies for Reinvention of New Products

Bringing an innovative product to the market place is not for the faint hearts. Flexibility, resilience and self -education are very important. A lot of entrepreneurs seem to have their heads stuck in the sand. This is because they only focus on what they are good at; however, innovation is a serious business.

So many innovators today are only engrossed in those perspectives that support their views. Most especially, when they hear message they do not like, they shut down. Innovators need to believe in themselves, but not blindly. Not paying attention to others particularly when they do not appreciate what is extremely shortsighted. Innovators ought to soak up as much insight, then determine the course of action. The most successful innovators do listen deeply, but do not follow all the advice they get of course, not to mention processing it.



Real innovators ought to be open minded and curious. Success in business requires constant innovation by creating new solutions to consumers' endless needs and the ever-changing markets that are in intellectual markets which gives competitive edge to businesses (Dornelas, 2003)

To succeed in the contemporary business world, enterprises must have the competence to search and unearth the next opportunity and insights into the newly created products. The brain power is the most fundamental ingredient needed to achieve this. However, significant ideas and brain power are dearth in supply, and this calls for the placement of high value and priority on bringing and retaining talents.

Shapiro in Wadwha (2016), argues that continuous innovation is very crucial to a long-term sustainability of any product. To survive and grow therefore, entrepreneurs must proactively and continuously re-invent their product and services.

According to Chakravorti (2004), the strategies for re- inventing starts by applying the seven R's:

- i. Rethink your major assumptions.
- ii. Re- set how you carry out task.
- iii. Re-sequence when task take place
- iv. Re- locate where task is done to cut down hand offs and delays.
- v. Reduce incidence of carrying out specific activities.
- vi. Reassign who does the task by asking if anyone else could get the same results more effectively.
- vii. Re-tool all technologies behind the task to be done.

Exploiting Innovative Strategies to Compete Successful

Producing something novel must be the target of every enterprise, even if it takes off by capitalizing on somebody's ideas. Amazon Web Services (AWS) is a very clear case of a business that disrupted the market without producing fresh products but still re- entered that market with a new set of eyes.

Lunch as soon as the marketplaces is ready and bear in mind that timing is very critical to any business achievement, even trendy ideas can fail if it is lunched before the market is set. Hit the market too early, and nobody will need the product. Hit too late and the problem your product deals with would have already been solved by the competitors (Mihalyi, 1997).

Even if enterprises are not the first to invent a product, they can work and bring an improved solution by utilizing core competencies. Producing a novel service or building on other's thought is not sufficient, businesses need a new perception to be competitive like never before (Drucker 2002).

Growth cannot be sustained without innovation in the products delivered to the valued customers. Introducing and constantly modifying product will go a long way in the growth and development of company's product (Ndaghu, 2015).



For enterprise to survive and compete effectively there is need for a paradigm shift and re-focus on the following.

- Competing based on quality and never pricing;
- Creating a market niche;
- Enlarging areas of strengths;
- Frequent innovation of products.

Porter (1985) argues that enterprises must craft and employ innovative strategies to compete in their industry. It is therefore important to change the regular way of doing things and search for novel ideas and solutions that will be able to meet customers' satisfaction. Entrepreneurship is considered as the most innovative approach in the development of goods and services which are distinct from other products offered in the market place (Shepherd, 2009)

CONCLUSION

In this article, we have shown that the importance of growing and sustaining innovative enterprises cannot be overemphasized. It shows how working hard to perform innovative activities will in the long-run empower the enterprise to deliver a unique value of combinations. This paper provides opportunities for prospective entrepreneurs that are proactively looking forward for a chance to either invent or to re- invent in an extra ordinary way.

In addition, innovation which serves as a catalyst for competition normally propel enterprises into a unique and dynamic trend where market pendulum swings. This will satisfy and even surpass the demands and expectations of consumers, which can increase sales, revenues and profitability. Therefore, there is no doubt that the contemporary business environment is predisposed to remarkable changes, and the new space will demand a renewed dynamism of approach for the disruptive future they will confront.

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