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Contemporary Innovative Practices in Management

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Introduction

'Innovation' is the generation and application of new ideas and skills to produce new products, processes and services that improve economic and social prosperity. The main aims of this paper is to provide practicing managers with an opportunity to consider a range of contemporary issues relating to change and innovation and how they (may) impact upon their organization.The issues are deep and difficult and confronting them requires a broad awareness of international business interaction, creative and innovative thinking. Continuous critique of the status quo and opportunity identification are essential. It is very clear that if we want to survive in storm we should align towards the direction of wind otherwise we will not be able to maintain our position. So according to this we should be clear about concept and always be innovative for new concept. The new concepts are 5 C's like Customer Relationship Management (CRM), Corporate Social Responsibility (CSR), Creativity & Change ,Corporate Governance, Communication & Technology just to get 1 C i.e. Competitive Advantage (One step ahead from the competitors)

An organization adopts innovative and unique marketing practices on the basis of market trends and consumer preferences to gain competitive advantage (Kotler & Keller 2006). As best marketing practices, an organization focuses to sell high-quality products and also provides high-quality services to its current and prospective customers. It assists to high-performance and high-growth of the organization in contemporary environment.

This paper covers established and emerging areas in the fast changing field of management. Well established management practices such as CRM, CSR, Communication and Technology, Change and Creativity Management and Corporate Governance are discussed alongside innovative and emerging management based approaches to organizational control.

approaches are as follows:

Customer Relationship Management (CRM)

It is a widely implemented strategy for managing a company's interaction with the customers, clients and sales prospects. the overall goal to find attract and win new clients ,nurture and retain those the company already has ,reduce the cost of marketing and client service and entice former clients back into the fold.

Customer relationship management (CRM) software has become an essential element of the IT arsenal of businesses of all shapes and sizes. Different businesses follow different CRM implementations. The following are a few examples of the way in which CRM has solved an important business issue. By using strategy for customer relationship management (CRM), an organization can increase the base of satisfied and loyal customers. It assists to increase the brand value of the organization and also assists to acquire new customers (Theaker 2004). For effective CRM strategy, organization provides high-quality products and excellent services to its existing, new and prospective customers.

Communication & Technology

The C & T explore how we use media and technology to communicate from social, economic, political and cultural perspectives. C&T change the relationship among the people across the world.C & T fall into four categories

1. Computing & IT
2. Broadcasting
3. Telecommunication
4. Internet

Communication is the key to any successful business. Business owners and employees need to be able to communicate with customers, clients, business associates and vendors. While communication was often limited due to the lack of options businesses had to communicate with each other, technology has really opened the door and made improvements when it comes to business communication. Here is a look at some of the technological elements that improved business communication.

Instant Messaging. Instant messaging allows businesses to communicate internally without having to get up and run around looking for other employees. With just a simple mouse click other employees can discuss projects, confirm receipts of emails and files, and other items. It saves time and increases productivity.

Second Line Option. Many cell phones are now offering business owners the chance to purchase a second line right on their cell phone. This allows business owners to be on the go and still receive calls as if they were in the office. This technological improvement has really made a difference when it comes to those who have businesses on the go.

Email. Email allows businesses to receive instant communication with customers, clients, and vendors. No longer is there a long delay as businesses have to wait for information to come in the mail. Email can provide a way for businesses to exchange files, documents, and videos without having to wait days to receive it. This is especially helpful for those that need to communicate with businesses that are thousands of miles away.

Creativity and Change Management

Creativity and change are the two sides of the coin of business success.

Change means making things different

Creativity is thinking of different ways to do something. It is more specialized kind of change.

In the innovation age the focus is on the producing, doing more with less, considering others and ecology of the planet. Managing Change and Creativity is central to the repositioning of the organization in the uptake of new technologies and new techniques to business development in the provision of new products and services and to the formulation and implementation of strategies to secure competitive advantage.

Managing process of change and creativity are no longer the concern of few advanced organization but also essential for all firms operating in an increasingly competitive business landscape. Development in product and service and new ways of doing business have seen the emergence of whole new industries that have created new forms of work and changes in the way many of us mange our finance and communication.

Here are some of ideas for actions which can be taken.

- Encourage people to be more flexible by developing processes that enable this to happen.
- Allow people to take risks and use mistakes as learning opportunities
- Create spaces in your organisation where people can be looser and which encourage creative thinking
- Encourage people to share and to have fun when sharing and meeting together
- Reward ideas and creative thinking –and this does not have to be financial reward
- Develop a climate around tolerance of others

Corporate Social Responsibility (CSR):

It is a form of corporate self regulation integrated into a business model. It is a mechanism whereby a business monitors and ensures it's a cline compliance with the spirit of law, ethical standards and norms.

The goal of CSR to encourage a positive impact through its activities on the environment, consumers , employees , communities , stakeholders and all other members of the public sphere. It is one of the form of development and application of ethics.

ITC Limited

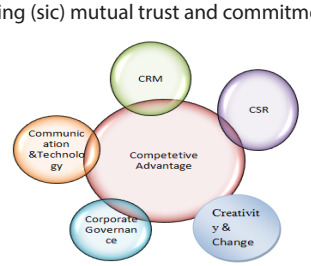
ITC partnered the Indian farmer for close to a century. ITC is now engaged in elevating this partnership to a new paradigm by leveraging information technology through its trailblazing 'e-Choupal' initiative. ITC is significantly widening its farmer partnerships to embrace a host of value-adding activities: creating livelihoods by helping poor tribal's make their wastelands productive; investing in rainwater harvesting to bring much-needed irrigation to parched drylands; empowering rural women by helping them evolve into entrepreneurs; and providing infrastructural support to make schools exciting for village children. Through these rural partnerships, ITC touches the lives of nearly 3 million villagers across India.

Corporate Governance:

Corporate governance is "the system by which companies are directed and controlled" (Cadbury Committee, 1992).It involves a set of relationships between a company's management, its board, its shareholders and other stakeholders; it deals with prevention or mitigation of the conflict of interests of stakeholders. Ways of mitigating or preventing these conflicts of interests include the processes, customs, policies, laws, and institutions which have impact on the way a company is controlled. An important theme of corporate governance is the nature and extent of accountability of people in the business, and mechanisms that try to decrease the

TOYOTA

Toyota is a global leader in automotive sales, technology and production while also retaining one of the world's most recognizable and highly valued brands. At the heart of their success is the innovative and groundbreaking production methods made possible by the company's recognition of the value of employee empowerment. Employee involvement is defined as "consist[ing] of a variety of systematic methods that empower employees to participate in the decisions that affect them and their relationship with the organization." At Toyota, the company has employed these proven techniques of co-determination to encourage employee, and supplier involvement in their decision making process, since these practices "help improve both the ability and attitude" of stakeholders. In fact, one of the guiding principles of Toyota requires the company to "foster a corporate culture that enhances individual creativity and teamwork value, while honoring (sic) mutual trust and commitment.

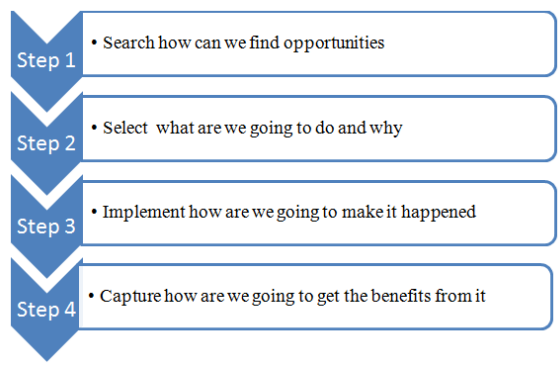


Competitive Advantage is defined as the strategic advantage is defined as the strategic advantage one business entity has over its rival entities within its competitive industry rival entities within its competitive industry. Achieving competitive advantages strengthen and position a business better with the business environment.

Competitive Advantage is nothing but it is to differentiate one from others i.e. it is based on the principle of differentiation in terms of 7 P'S. Many Entrepreneurs get confused when asked to define their competitive advantage. They most likely know what it is, but don't know what someone wants to hear their competitive advantage is, or the correct terms to define that competitive advantage.

In the simplest terms possible for example purposes, a competitive advantage is what you have…that another business doesn't have. For example, why can I not just go out there and do *exactly* what you're doing? What's stopping competitors from stealing your sunshine? Added value, less costs is a competitive advantage and is almost necessary for a business to survive unless you're a disruptive technology. Basically, you take an existing product and add value to the customer and reduce the costs.

How do we get competitive Advantage?



Now an essential part of any business thinking is competitive advantage, it takes strategy from broad vision to an internally consistent configuration of activities. It is a powerful framework provides the tools to understand the drivers of cost and company's relative cost position.

Porter's Value Chain enables managers to isolate the underlying sources of buyer value that will command a premium price and the reason why one product or service substitute for another. He shows how CA lies not only in activities themselves but in the way activities related to each other, to supplier activities, to customer activities. Competitive advantage is an important tool to strategically segment an industry and assess the competitive logic of diversification.

Managing change in the uptake and use of new ways of doing things, generating and selecting an idea into innovation and moving the organization forward to meet the shifting of demand of dynamic business environment is a complex business.

Competitive advantage is associated with the innovation. Innovation is driven by the ability to see connections , to spot opportunities and to take advantage of them but it is not just about opening up new markets , it can also offer new ways of serving established and mature ones.

4 P's of Innovations

1. product Innovation: Change in the things that an organization offers
2. Process Innovation: Changes in ways in which they are created and delivered.
3. Position Innovation: Change in the content in which the product and service s are introduced.
4. Paradigm Innovation: Changes in the underlying mental model which frame what the organization does.

The technology industry is one of the leading industries with respect to **strong research and innovation**. And when it comes to setting the pace using innovation as leverage; **Apple and Sony** are the two

companies that have held their leadership position using innovation as a competitive advantage.

The paradigm shift comes in re-positioning a company to be a Social Business Enterprise (SBE). An SBE does not do pure charity per se. An SBE makes profit by doing a social cause. It will make profit because the poor will be converted into consumers through a new marketing model. The paradigm shift permeates through the entire organization: from operations, finance, sales, distribution, R&D, etc. First, an SBE stretches disposable income by providing goods and services at lower prices. Here, the marketing product and pricing managers, channel and distribution managers will play a primary role. Second, it expands disposable income by providing goods and services not currently available for the bottom of the pyramid. Here, innovation should come through field researchers and R&D. Field researchers should discover Customer Insights from the poor – for unfulfilled needs and unmet desires. They should report directly to R&D so that nothing is missed out. And third, an SBE increases disposable income by growing the economic activity of the underserved society.

Marketing Strategy is made up of Segmentation, Targeting and Positioning. An SBE's approach to segmentation is simple. It is mainly based on the social economic status of the market. However, what is creative about its segmentation is that an SBE views the bottom of the pyramid as a new emerging segment that is worthwhile to pursue. Because of its low individual transaction value, the aim is to target high volume communities. Communities are effective in spreading word-of-mouth, a powerful marketing tool, and to uphold the business system. The SBE's positioning should highlight how it is doing business by serving the poor. Gone will be the days where Corporate Social Responsibility is abused and merely serves as show pieces on the mantel case. A clear and honest positioning will align all activities in the organization towards doing well by doing good.

Differentiation, Marketing Mix and Selling form Marketing Tactic. In an SBE, its marketing mix must be creative. Products must be designed to be affordable. Remember that the poor needs affordable products, not necessarily cheaper ones. The tactic for packaging is product unbundling – produce small sachets to be sold at affordable prices. Promotion should take the form of word-of-mouth. Informal community leaders can be approached to be our promoters or influencers. Selling ideally, must be promoted through social entrepreneurship. Jobs are created and income generated when the SBE makes the members of the target market its sales force. Besides, since it is an untapped market, they know best the purchase and usage behavior of their own people. It is probably time that we co-learn with the people at the bottom of the pyramid.

Conclusion:

An essential part of any business thinking is competitive advantage, it takes strategy from broad vision to an internally consistent configuration of activities. It is a powerful framework provides the tools to understand the drivers of cost and company's relative cost position.

To succeed, the new marketing innovation model should replace traditional business models. All marketing mix variables may have to be redesigned. This redesign will lead to superior streamlined business models with better products and distribution that can serve customer's bottom of the pyramid.

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