

# “PROBLEMS AND PROSPECTS OF BUSINESS INNOVATION IN INDIA”

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Abstract:

Business Innovation is when an organization introduces new processes, services, or products to affect positive change in their business. This can include improving existing methods or practices, or starting from scratch. It should improve on existing products, services or processes or it should solve problem or it should reach new customers. Innovators face problems and challenges mainly in the areas of financial assistance and marketing of their innovation. Innovations that fail are often potentially good ideas but have been rejected or postponed due to budgetary constraints, lack of skills or poor fit with current goals. Failures should be identified and screened out as early in the process as possible. Early screening avoids unsuitable ideas devouring scarce resources that are needed to progress more beneficial ones. While learning is important, high failure rates throughout the innovation process are wasteful. The causes of Product failure have been widely researched and can vary considerably. Some causes will be external and others will be internal. Internal causes of failure relate to those associated with the innovation process itself. The purpose of the business innovation process is to create value for the organization. That value can come from creating new revenue opportunities or driving more revenue through existing channels; from creating efficiencies that save time, money or both; or from improvements to productivity or performance.

Keywords:

Innovation, Business, Products, Services.

## Introduction

Business innovation is an organization's process for introducing new ideas, workflows, methodologies, services or products. Business innovation should improve on existing products, services or processes; or it should solve a problem; or it should reach new customers. Without change there is no innovation, creativity, or incentive for improvement. For good ideas and true innovation, you need human interaction, conflict, argument, debate. Innovation distinguishes between a leader and a follower.

## Types of Innovation

- Incremental Innovation. Incremental Innovation is the most common form of innovation.
- Disruptive Innovation. Disruptive innovation, also known as stealth innovation, involves applying new technology or processes to your company's current market.
- Architectural Innovation.
- Radical innovation.

**Innovation is important** because it allows businesses and industries as a whole to adapt to change. Between market conditions, technological advances, and global economies, the **business** landscape is always evolving.

## Top challenges of doing business in India

- Starting a **business in India**. ...
- Land acquisition in **India**. ...
- Construction permits. ...
- Electricity. ...
- Infrastructure. ...
- Registering property. ...
- Investor protection and enforcing contracts. ...

## Biggest problem Of Innovation in India:

High level of illiteracy, lack of healthcare facilities, and limited access to resources are some of the basic problems in poor areas. **Pollution** and **environmental** issues are the other challenges that India is facing at present. Though India is working hard, there is a long way to go.

## The major issues of business innovation are,

Religious conflicts (23.9%)

- Government accountability and transparency / corruption (22.7%)
- Food and water security (18.2%)
- Lack of education (15.9%)
- Safety / security / wellbeing (14.1%)
- Lack of economic opportunity and employment (12.1%)

## Technological Innovation Challenges and Opportunities in India and the Developing Countries:

Technological innovation catches both the aspects of product and process innovations, as characterized, An association's capacity to improve technologically depends to a great extent on the pace of adding to another item or adapting the most recent technological advancements in procedures, number of innovation, being the ""first"" to market, and the upgraded-ness on the innovation utilized as a part of processes in which such attributes of advancement are central Technological development is a key factor of an association's

competitiveness and therefore key for firms which need to create and keep up an upper hand and/or pick up passage into new markets for the survival and sustainability of a firm. Technological Innovation and competitiveness have a dynamic, shared relationship. Innovation flourishes in a focused domain and thus, assumes a key part in the accomplishment of competitive environment. Advancement and technological innovation creates financial worth new.

### **Importance of innovation in India:**

**India's** global **innovation** standing. **Innovation** is seen as an **important** factor that contributes to the long-term development of an economy. The history of civilisations has been a story of human beings learning newer, easier, and more efficient ways of carrying out mundane but necessary activities.

### **India's global innovation standing**

Innovation is seen as an important factor that contributes to the long-term development of an economy. The history of civilisations has been a story of human beings learning newer, easier, and more efficient ways of carrying out mundane but necessary activities. Under capitalism, innovation requires definite public policy to ensure it happens continuously.

### **The communication and innovation revolution**

At the dawn of the 21<sup>st</sup> Century, India seized the opportunity of the US-initiated communications revolution. At the same time, India liberalised the rules for outsourcing which contributed to a '*boom in the back-office operations of the leading financial firms*', according to R. Nagaraj, who is associated with the Indira Gandhi Institute of Development Research (IGIDR) in Mumbai.

Capital flow increases to emerging markets like India are determined by global supply factors such as the low US interest rates after the dot-com bubble burst and the willingness of global investors to take risks in investing in emerging market economies. As the US and Japan maintained a loose monetary policy to revive their domestic economies, international investors funnelled their capital to such emerging markets.

## **INNOVATION IN INDIAN MANUFACTURING**

MANUFACTURING IN INDIA HAS BEEN KEEPING PACE WITH THE COUNTRY'S GDP GROWTH. THE GLOBAL ECONOMIC SLOWDOWN HOWEVER HAS HAD AN IMPACT ON INDIAN MANUFACTURING: GROWTH RATES FELL FROM AROUND 9% IN FY2010 TO 5%.

- But it is not all gloom and doom for Indian manufacturing. The Indian government is trying to put in place policies and ambitious plans to boost the country's manufacturing, growing it to 25% of GDP from the current 15.5% and also create 100 million new jobs over the next 10 years.
- Over the past 7 years manufacturing in India has grown at a compounded annual growth rate (CAGR) of 8.5%, a slightly higher figure than that of the overall economic GDP

which grew at a CAGR of 8.4%. Though this performance has been good, manufacturing has to step up significantly if the sector is to realise government ambitions. The availability of technology, equipment, financial resources and relatively cheaper trained labour force would all be necessary. In addition, Indian businesses need to innovate across the value chain to be globally competitive.

- The Indian Government's National Knowledge Commission defines innovation 'as a process by which varying degrees of measurable value enhancement is planned and achieved in any commercial activity'. (Source: IBEF report: "Innovation in Indian Manufacturing")

- Sourcing of inputs and raw materials
- Manufacturing process innovation
- Innovative management
- Technological innovation

The best business to start are buying a franchise of a decent organization. "Owning a franchise allows you to go into business for yourself, but not by yourself." A franchise provides franchisees (an individual owner/operator) with a certain level of independence where they can operate their business. A franchise provides an established product or service which may already enjoy widespread brand-name recognition. This gives the franchisee the benefits of a pre-sold customer base which would ordinarily takes years to establish. A franchise increases your chances of business success because you are associating with proven products and methods. Franchises may offer consumers the attraction of a certain level of quality and consistency because it is mandated by the franchise agreement.

**Franchises offer important pre-opening support:** site selection, design, construction, financing, training, and a grand-opening program

**Franchises offer ongoing support:** training national and regional advertising operating procedures, operational assistance, ongoing supervision and management support, increased spending power, and access to bulk purchasing.

Franchise business is on fire these days, my ideas for best franchise as looking forward to this period of time is the company, who is achieving success day by day because of their working ethics and responsibility of fulfilling there customers needs at time. The best franchise I would like you take is Phixman. One of the most intruiging firm in India.

Indian Innovation:

- Creativity, flexibility, and adaptation are the keys to success of this fast-growing giant.
- Because India is so large and so diverse and because change is occurring at such a rapid pace, it is impossible to talk about a single innovation policy. Conditions

vary widely among technologies, among industries and among regions. For example, India is on par with global leaders in some technologies (nuclear

- India is on a rapid economic growth trajectory that will make it a “developed country” sooner or later. Of course, developed-country status is not a single-point destination. Even already-developed countries want to develop further. The key for India in sustaining its economic development over a long period is to become scientifically advanced, and ultimately to become a global innovation leader.
- Measuring a nation’s S&T progress is complex. One must look at papers published in basic science and at patents granted and products introduced in technological development. For government missions such as energy development or space exploration, quantifiable measures are more elusive. And for something as multifaceted as rural development, the challenge is truly daunting. India is making a concerted effort to develop reliable measures for progress in all these areas, but this will be a task that requires continual updating.
- Quantifying a nation’s innovative capacity is even more complex. Technology is obviously a critical dimension, but a variety of legal, financial, and cultural dimensions are also essential. Deborah Wince-Smith, president of the U.S. Council on Competitiveness, has highlighted the importance of factors such as retention of talent, improvement of infrastructure, expansion of venture capital, and quality of leadership in maintaining a healthy environment for innovation.
- India has been investing in the S&T infrastructure for innovation. Evidence of progress can be seen in the government’s mission-oriented laboratories, in the Council of Scientific and Industrial Research, in the universities, in the Indian Institute of Science, and in the Indian Institutes of Technology. In-house corporate R&D capacity is growing, and industrywide cooperative research associations are forming. Nearly 150 of the Fortune 500 companies have R&D facilities in India, and many Indian companies have joint research projects with non-Indian companies. Still, there is plenty of room for growth and improvement.
- India has long believed in self-reliance, but that has too often been interpreted to mean self-sufficiency. In the context of today’s rapid globalization, self-reliance does not mean avoidance of international scientific and technological cooperation. In fact, the latter is a must, and today’s India must take and give in equal measure in international cooperation. India must promote itself as an equal partner in international cooperative research projects.

### **Technology foresight.**

- The need to customize policies and goals for each country is illustrated by the difference between India and the United States in their approaches to the fast breeder nuclear reactor.

### **Rural technology delivery.**

- India has a large rural population, and the government has made a concerted effort over the years to develop technology that can contribute to rural economic development. The impact of these efforts, particularly in the non-farm sector, has not been very significant. A variety of initiatives are now under way to correct this deficiency. One promising

approach is found in the Rural Technology Action Groups (RuTAGs), which are based on the realization that active scientists are too busy with their own work to be of much use for grassroots technological intervention in rural India.

### **Conclusion:**

To be successful in sustainable business practices often requires entrepreneurship and innovation. Entrepreneurship and innovation are relevant in for-profit and nonprofit ventures. Entrepreneurship can be viewed as recognizing change, pursuing opportunity, taking on risk and responsibility, innovating, making better use of resources, creating new value that is meaningful to customers, and doing it all over again and again. Being an entrepreneur requires taking on significant responsibility and comes with significant challenges and potential rewards. Entrepreneurship is a mind-set, an attitude; it is taking a particular approach to doing things. For innovation to be relevant for sustainable businesses, it has to be meaningful and affect a large number of stakeholders. Successful entrepreneurship often requires creativity and innovation in addressing a new opportunity or concern in a new way.

