

## Impact of Innovation on sustainable Business Success

### Newsletter, December 2003

This is the first newsletter of the project “Impact of Innovation on sustainable Business Success”. The purpose of this newsletter is to brief you about the progress of this project (taking place November 10, 2003 until March 12, 2004 at Clemson University).

The project team involves two members of [Clemson University](#), SC, USA ([CREDO](#) and the [Spiro Center](#)) and one member of [ETH Zurich](#), Switzerland ([ZPE Center for Product Design](#)).

Advisers of this project are:

- [Prof. Dr. Georges Fadel, Clemson University](#)
- [Prof. Dr. Caron St. John, Clemson University](#)
- [Prof. Dr. Joshua Summers, Clemson University](#)
- [Prof. Dr. Markus Meier, ETH Zurich](#)

### Environment

Product Innovation constitutes the basis for the long-term success in companies.

*“.....The long-term competitiveness of any manufacturing company depends ultimately on the success of its product development capabilities. New products development holds hope for improvement market positions and financial performance.....”*

[Steven C.Wheelwright, Kim B.Clark ;Creating Project Plans to focus Product Development, Harvard Business Review Book, March-April 1992].

You often find sentences like the above in the starting paragraph of many articles. But how can we influence the company success? How does innovation impact sustainable business success? In order to illustrate this impact in a qualitative manner, a model was developed, which differentiates between three levels:

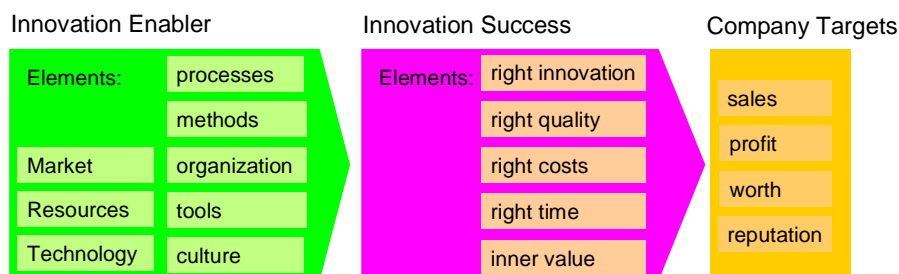
**Innovation Enabler:** The elements a company is able to influence directly (necessary conditions for product innovation)

**Innovation Success:** Output of the innovation process, Innovation Success Elements

**Company Targets :** General Company Targets

Each level consists of a number of objectives and these elements are related to each other within each level and between the different levels.

### Model: Impact of Innovation



## Research Task

The dependencies between innovation and company success in the model “Impact of Innovation” are to be developed further. Additional elements are to be added and dependencies between the elements are to be specified. The target is to show how the elements and factors are linked together in a qualitative way. With interviews and literature searches a suggestion for further empirical research on how to prove the model is to be given. The model will form the basis for the next step, which is a quantitative model designed to estimate the impact of the innovation enablers on the company targets.

## Procedure

**Literature:** Through extensive literature search all elements at every level will be identified and defined.

**Survey:** *Targets:* What do experienced people think the dependencies between the elements of the model are? Can they point to further research directions?  
*Companies:* six companies, in every company about three of the responsible people for the innovation process will be interviewed  
*Faculty members:* about ten faculty members with a strong knowledge of the innovation field will be interviewed

**Model:** Merge all of the information into the “Impact of Innovation”-Model and point out the dependencies between every element and every level.

## Today

**Literature:** The definition of the Innovation Enabling Elements, Innovation Success Elements and Company Targets is almost complete. At Christmas break every element should be defined.

**Survey:** Concept of the survey, company- and faculty-contacts are ready. The survey starts at the beginning of 2004.

**Model:** There are initial ideas about influence matrices to point out all dependencies from level to level and in between every level. For example the matrices will show that the influence of “Tools” on “Right quality” is “strong” or that the influence of “Right quality” on “Sales” is stronger than the influence of “Right quality” on “Worth” (all these are just examples and not yet results of this project!).

This is a broad overview about what is going on in this very interesting project. It is important for us to brief you about the actual state and results. Further newsletters are planned every month until March 2004. If there are any questions or suggestions, or if you don't want to receive this newsletter again, please feel free to contact: <mailto:nadjaw@student.ethz.ch>.

Thank you for your interest,



[Nadja Wälchli](#) and project team members [Kerem Arsal](#) and [Matt Motyka](#)