1. INNOVATION Audit Essay

"…..an audit that intends to investigate and improve a firm's capabilities to innovate and perform innovation processes" (Björkdahl & Holmén, 2016: p842).

The existence of a strong and positive relationship between a company's capacity to innovate and its continued market prosperity underpins the literature on innovation. Despite myriad tools and frameworks to facilitate 'next practice' (Prahalad & Ramaswamy, 2004, P.5) innovation, organisations apply processes arbitrarily or neglect to apply any at all. A consequence of this is that companies fail to review their approach to innovation, potentially undermining business growth. Firms who develop and sustain competitive advantage are those who are disciplined in their pursuit of innovation, particularly as this enables them to develop and deploy new products or services more efficiently, effectively and profitability (Cormican & O'Sullivan, 2004).

The rationale for this assignment originates in the complexity of innovation management. The literature on innovation audits helps to uncover that complexity. One example - the fast audit, based on the Pentathlon Framework (Figure 1), is designed to offer a simple overview of an organisation's capacity to innovate. According to Goffin and Mitchell (2017, p.354) the aims of an audit are to:

- Identify an organisation's innovation capability – the strengths and weaknesses of its innovation processes – by gaining the views of a representative sample of managers and employees (you are not being asked to undertake an audit).
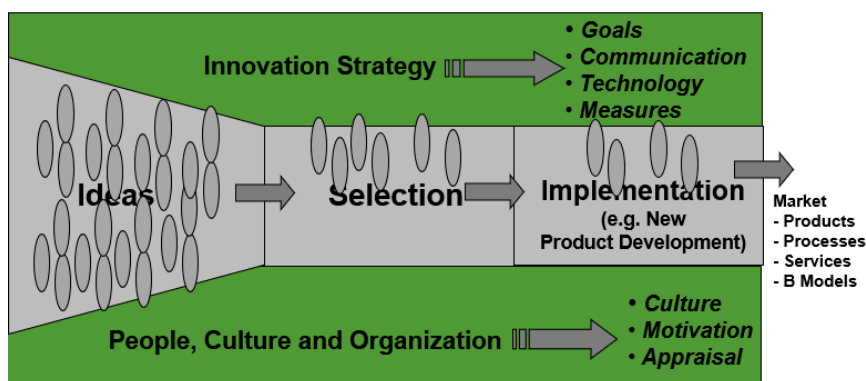- Collect ideas on how to make improvements.

Figure 1: The Innovation Pentathlon Framework (Goffin and Mitchell, 2017, p.29).

Please use the following to structure your essay:

- Why is innovation auditing of interest? What makes it significant and worthy of focus?
- What management challenge/opportunity does innovation auditing address?
- How might an organisation you are familiar with[1], apply an innovation audit?
  - Select key themes (5 max) that you would employ/adapt from the theory?
  - N.B. You are not being asked to carry out or pilot an audit
- Identify five key implications of your learning on your current/future management practice

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[1] Make two or three references (max) to the organization to provide context

SUBMISSION:

1. All essays must contain a typed declaration by the participant, that they have sole authorship.
2. Each report must be supported by a bibliography.
3. Please use 11 pt. font, 1.15 line spacing and adequate margins.
4. **1,200 words** (+/-10%) excluding appendices, diagrams, and bibliography.
5. **Deferred submission:** Standard penalties apply
6. Marks 25%

The following criteria will be used to assess your paper

- Evidence of critique, synthesis of frameworks and theories and application of knowledge and concepts
- Ideas expressed clearly/Appreciation of barriers and enablers to auditing and implementation
- Quality and qualification of the overall rationale and recommendations
- Logical argument, clear presentation, quality of structure and flow
- Referencing standard per Style Guide and overall quality of the document see http://www.apastyle.org/ (excellent blog/e.g. quick answers on formatting)

Appendix 1: Innovation Audit References (Individual)

Selected material – note that this is not exhaustive

Adams, R., J. Bessant, R. Phelps and M. K. Bedfordshire (2006) 'Innovation management measurement: A review', *International Journal of Management Reviews* 8(1): 21-47.

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Birchall, D. W., Chanaron, J. J., & Soderquist, K. (1996). Managing innovation in SMEs: a comparison of companies in the UK, France and Portugal. International Journal of Technology Management, 12(3), 291-305.

Björkdahl, J., & Börjesson, S. (2012). Assessing firm capabilities for innovation. International Journal of Knowledge Management Studies, 5(1-2), 171-184. **

Cooper, R.G., Edgett, S.J. and Kleinschmidt, E.J. (2004) Bench Marking Best NPD Practices – I. Research Technology Management, 47, 31–43. See series (more Product than Company oriented – use in exceptional cases only).

Chiesa, V., P. Coughlan and C. A. Voss (1996) 'Development of a Technical Innovation Audit', Journal of Product Innovation Management 13(2): 105-136.

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Goffin, K. and R. Mitchell (2017) Innovation management: Strategy and implementation using the pentathlon framework: Palgrave Macmillan.

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Hansen, M. T., & Birkinshaw, J. (2007). The innovation value chain. Harvard business review, 85(6), 121. **

Holt, D. T., & Daspit, J. J. (2015). Diagnosing Innovation Readiness in Family Firms. California Management Review, 58(1), 82-96.

Lemon, M. and P. S. Sahota (2004) 'Organizational culture as a knowledge repository for increased innovative capacity', Technovation 24(6): 483-498.

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Noke, H. and Z. J. Radnor (2004) 'Navigating innovation: a diagnostic tool supporting the process', Journal of Manufacturing Technology Management 15(2): 172-183.

Ortt, J. R., & van der Duin, P. A. (2008). The evolution of innovation management towards contextual innovation. European journal of innovation management, 11(4), 522-538.

Radnor, Z. J. and H. Noke (2006) 'Development of an audit too for product innovation: The Innovation Compass', International Journal of Innovation Management 10(1): 1-18.

Rush, H.,J. Bessant, et al. (2007). "Assessing the technological capabilities of firms: developing a policy tool." R&D Management 37(3): 221-236.

Tidd, J., J. Bessant (2009) 'Managing Innovation: Integrating Technological, Market and Organizational Change': Chichester: John Wiley & Sons.

Tidd, J. and Hull, F.M. (2006) Managing Service Innovation: The Need for Selectivity rather than 'Best Practice'. New Technology, Work and Employment, 21, 139–61.