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## **THE ROLE OF INNOVATION IN PROVIDING COMPANIES' COMPETITIVENESS**

In the global market we see a lot of difficult development of asian- oriental economies which is making our business in crisis. Always on the low sales and the library on yours foreign markets, another reason for this success of Italy has been represented innovation. Risk today the value of innovation can give opportunity to our customers to offer the best, new and economic products and services, that businesses competitors are not to be provided; to be, in other words, newlycompetitive. Innovation, «snobbed» (left apart) from classical economic theory, is not only linked to technology. Innovation in large, includes activities of knowledge, technologies, organizations, financial, industrial, communications who in the market introduction of a new or improved product, or an apparatus or process for production or distribution new or improved. From this view points, when it can affect that there is an absolute coincidence between business terms and innovation. In this article this is corresponding and it will be arrived the main importance of the main issues of innovation, which is important without doubting human capital, fruit not only for education and training, but suggested for education.

**Key words:** Innovation, Innovation management, Process innovation, Product Innovation, Theory of Innovation, New Market, New Economy, Management of enterprises, Marketing, Technology, Knowledge Economy, Inventions, New methods, Project management, Innovative techniques.

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### **Компаниялардың бәсекеге қабілеттілігін қамтамасыз етудегі инновацияның рөлі**

Қазіргі таңда кейбір елдердің дамуына тікелей әсер етуші факторлардың бірі инновациялар болып отыр. Жаңа инновацияларды енгізе отырып экономикалық даму деңгейін жоғарылату мүмкіндігі туады. Кез келген тауар немесе қызмет түрінің жаңа немесе жаңартылған түрін нарыққа ұсына отырып, кәсіпорын өз бәсекелестерінен артықшылықтарын көрсете алады.

**Түйін сөздер:** инновациялар, инновациялық менеджмент, технологиялық инновациялар, өнімдерді жаңғырту, жаңа инновациялар, жаңа экономика, инжинирингтік басқару, маркетинг, технология, білім экономикасы, өндіріс, жаңа әдістер, инновациялық жобалар, инновациялық технологиялар.

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### **Роль инноваций в обеспечении конкурентоспособности компаний**

На мировом рынке мы видим много сложностей в развитии экономики некоторых стран, что приводит к кризису в бизнесе. Внедрение инновационных методов управления может рассматриваться как один из выходов из сложившейся ситуации. Внедрение инноваций может дать возможность клиентам предложить лучшие, новые и экономические продукты

и услуги, которые не могут предоставить конкуренты, то есть быть, другими словами, конкурентоспособными. Инновации в 21-ом веке это не только классическая экономическая теория, связанная с технологией. Они еще и включают в себя деятельность знаний, технологий, организаций, финансовых, промышленных, коммуникаций, которые на рынке вводят новый или улучшенный продукт, или устройство или процесс для производства или распространения новых или улучшенных товаров или же услуг. Исходя из этой точки зрения, повлиять на то, что существует, это есть абсолютное совпадение между бизнес-терминами и инновациями. В статье основное внимание уделено основным вопросам инноваций, что важно и для образования.

**Ключевые слова:** инновации, инновационный менеджмент, технологические инновации, инновация продукта, теория инноваций, новый рынок, новая экономика, управление предприятиями, маркетинг, технология, экономика знаний, изобретения, новые методы, управление проектами, инновационные технологии.

## Introduction

These days, the most debated topic, not just in the economic pages, is about it. The extraordinary and impetuous development of the Far East and India that many appear unthinkable or, at least, not easily predictable. Remember what happened in Italy after the end of World War II, up to 70-80 years, to realize that, on a small scale and with some differences, basically. In those years we had been the «Chinese» and the «Indians». Not only low wages, weaker currency (and therefore competitive in exports), lower attention of other countries our competitors to welfare and other limitations related to relationships.

Economics that, for example, to the environment; but also, and above all, great desire to do, great ability to endure sacrifices, very high tension to education seen as cultural and social upgrading and innovation. Huge competitiveness so not just on the production costs, but also and above all, innovation is of a high standard, necessarily linked to the search, both of product and process intelligent changes, always with particular attention to training throughout the course, from elementary to university and the close collaboration between industrial and school world: think of examples as institutes technicians and Polytechnics.

Let's not forget we had a Nobel Prize for Science in 1963 totally»Home», just through a joint work of university and enterprise and business. As teachers in almost all industrial institutes of managers and business professionals. Then, almost without realizing it, much has dissolved. It was thought that training was a fact secondary, while demagogically asked «a title for everyone» without much care of quality, a fracture between the world of training and the external context has been created, with one almost total self-referentiality of the first; It is thought to be able to do without research, both from the public and the private, there is almost exclusively focused on products and on the devaluation weapon.

This weapon has come to light and there is no way to compete with the products. Mature, with market intervention in Asian and European countries. Innovation is the winning factor, taking into account the increased speed of innovation with the consequent reduction of the life of the products, of the ever increasing complexity both technological and linked to a greater interaction of a multiplicity of different factors, which requires a mental attitude and new training as well.

This situation – well synthesized in a recent essay written by two Italian politicians:»We were a great country in a small world, now we are a small country in a great world «[1] – created in very short time, has generated a lot of lost in many Italian entrepreneurs. The first reaction, even comprehensible, was that of think that solving the problems created by this new and unanticipated competition themselves in a different pricing policy based on cost containment.

This policy is generated primarily as a reaction required by the far-sighted behaviors of the small firms are suppliers (Italian companies are mostly «outsourced»).

The alternatives that most often have been taken to adopt are the «closure» of the activity, implemented in various ways, and the relocation of productive activities, in whole or in part. This last one politics, if well managed, allows the company to survive and its owners to achieve results and this, surely, is positive for the entrepreneur but it is not for the territory which can not, of course, relocate.

This latter policy, initially followed mainly by the medium and large enterprise, he also brought the little one, as in many cases he is «tertiary», following his principal customer; for a little while on this part, even the small business has gone through a policy of relocation autonomously as the constraints and mobility costs have decreased, while in some cases the rules and constraints to follow, dictated at various levels, from the EU to the local

administration become increasingly stringent and expensive.

It should be noted that the delocalization or outsourcing is not «one-off» as the economic benefit factors continue to change and therefore the entrepreneur must always be ready to move. Who you think you have solved his problem once and for all is wrong [2].

### **A new economic theory on innovation**

Facing the current revolution, they show all their limitations the neoclassical theory of the enterprise and, consequently, a reduced concept of competitiveness.

According to traditional theory, productivity and growth are a function of the combination of three production factors: land, workforce and capital: what can not be explained. In these three factors is placed within a generic («residual») container, of large dimensions, but that theory can not explain, so even technology is included in this category.

The fundamental limit of that theory is inability to do so to properly explain the economic dynamics, however, may seem to work in the Fordian economy, characterized by local and stable markets, from slow pace to innovation, from «simple» products and strong state interventions. On the contrary, today's economy is characterized from a global and turbulent market, from the speed of innovation to complexity of products and, above all, in Europe, by the limited powers of the national States.

The «Direct» intervention power has dropped more and more, while the relevance of «Indirect» interventions are linked to the entire training process, for example as far as it is concerned support measures and quality assessment, both for funding and evaluation of research, which are a formidable leverage factor for private investment as well.

From this point of view, attention to the strategy of public administration on training and the search must be maximum, as far as norms are concerned (eg relative to the autonomy of the individual and the specific institution) is the evaluation and consequent allocation of resources. In this context, different approaches have been taken compared to the traditional approach, leveraging intangible assets and, in particular, on human capital, understood as a factor of capacity improvement productive and not just as a product of education, but first of all as education [3].

This approach seems more capable of explaining successful phenomena, and of course of failure, in the economic system; more capable of making it

right of apparent paradoxes not only in the current situation, but also of the economic dynamics of the past, for example leadership world of Italian districts, characterized by small and micro enterprises, in certain production sectors.

Of the value of human capital in the company is traced back to economic thinking since the '700 [4], but its centrality has been affirmed and acknowledged only recently [5]. In particular, only within this theory finds adequate explanation the phenomenon of which today is the importance and the decisiveness for competitiveness of systems, that is innovation.

Businesses, in fact, can compete successfully when they offer their products and services are New and / or better and / or cheaper markets and customers require and that businesses competitors are unable to provide. Therefore, the competitive advantage is capacity to make and produce better and less expensive, or to make and produce new things [6].

This statement has some fundamental consequences. First of all, that innovation is not just technology that's just an aspect of innovation and is itself a product of innovation. Innovation, broadly speaking, includes knowledge, technological, organizational, financial, industrial, and communication activities which result in the introduction of a new or better product, or an apparatus or process of production or distribution new or better.

From this point of view, therefore, we can say that there is an absolute coincidence between enterprise terms and innovation. And this for two reasons.

First of all, innovation concerns every business and every single area of the enterprise: innovation is not an industry, but a transversal dimension of the enterprise. It concerns not only the research and development sector. In relation to the public investment, deficiency should be noted in identifying a long-term strategy that allows, among other things, to focus the resources to overcome the critical mass.

As for the private one, no doubt the shortage of large-scale enterprises is an important factor, but it is also underlined that also the average enterprise, if it operates in niche high sectors added value must maintain a high level of research. The problem is that most of a certain size business is unattractive to the innovation that requires an investment in applied research and development and small and medium-sized ones operate in areas where innovation is concerned it is not the decisive factor.

Innovation is about development of new products, the management of business processes interior and production, the management of people in the enterprise, the company's strategy, the marketing

process, technology management information. You can be innovative, in other words, by introducing a new product; or improving the production process in terms of efficiency, and therefore, of economics; or by adopting solutions more flexible organizational and faster.

It can be innovated not only reducing the time, but also expanding the spaces, that is finding other markets. The case is from manual competition between companies Sony and Matsushita in the field of video recorders. The first invented and patented the Betamax system, the most technologically advanced VHS system, prepared by the second, but it was the latter to impose it: Matsushita, in fact, innovated more in the communication strategy and marketing, aiming to make VHS the worldwide standard. This is just an example of the fact that innovation-based success has to work on a multiplicity of factors in a harmonious way. At the time, when it was the Japanese industry to terrorize the Western world, it was discovered that the greatest competitiveness was given by an accentuated attention to the development and process of industrialization, and not just to research laboratory and, in some cases, the organizational model adopted for project management complex and even spasmodic focus on quality [6].

The second reason for the coincidence between enterprise and innovation is the same of essence of the enterprise, which are evidently the fruit of the expression of man who interacts with reality with a purpose of construction. Indeed, no one can argue that the general aspects of the undertaking are constituted above all from the following factors: risk, complexity management, realism (as ability to take into account of all the factors [7]), knowledge, learning and creativity. These are features own of human capital which are not the fruit of education, of course training or training, but education. Managing a business means managing something that is risky and complex in itself [8].

However, the fundamental question remains: what is innovation? Or better, if innovation is, as claimed, the result of human capital, as it does? Which are the human characteristics that allow innovation? The slogan of a well-established American design company states that «innovation begins with the eyes of those who look at reality. « Besides the ability to look, we could add the ability to listen and the ability to apply to your context. This appears the most appropriate answer to the question. Curiosity, «perennial dissatisfaction,» always ask in an attitude of constructive criticism, the desire to risk. Others

are other key aspects for innovation, as well as a scientific approach is the other face of the medal [9]. How many of these features are supplied in the early years of life from the family, from school, from the general context in which you live? In fact, the feature Innovation center is learning. Just think of so much about our production to acknowledge this statement: small (sometimes micro) enterprises able to be strong capable of innovation; Informal, as many define, but innovation. Look, listening and applying to your context are the stages of each learning [10].

Likewise, look at the competitors can give useful information to the company. Much of the innovation of the Italian economic boom. It is due to the Campionaria Fair of Milan, where entrepreneurs and technicians could upgrade to technology available in your industry or in different sectors: these technologies were rarely applied in their own sector and produced innovation [11]. The other form of learning tied to watching is learning from the experience of the people of the enterprise, at every level they are. Ducati has opened a historic restoration business, recalling its service the pensioners of the company, with the precise aim of making the passionate staff familiar with the service and a non-transmittable precision with other methods: doing is a formidable dimension learning [12]. The same goes for the other way of learning, «listening». Innovative companies consider the relationship with customers, both people and businesses – especially the ones whose questions stimulate innovation, in reference to production, no less than to the services. The same can be said with reference to suppliers. However, in this process the little one enterprise [13], more flexible and faster than the decision-making process is in the advantage of respect to the big business. Still, the relationship with the research system is paramount a source of radical innovation, thus capable of achieving more profitable results, and with the education and training system that enables you to acquire skills [14].

After all, one can read the success of the forms of network between businesses, whether they are Italian districts or phenomena such as Silicon Valley, just in this ability of learning due in large part to a physical proximity and a culture capable of generating, in enduring relationships, trust [15]. One of the greatest scholars of organizations he has devoted his studies to innovation networks, argues that «a network of long-term alliances based on trust with innovative suppliers is a source difficult to gain from imitate a competitor. Such a network provides enough flexibility and, at the same time, a reference grid for common learning and technology exchange» [16].

It's always risky to draw historical parallelism and it's even more about addressing the theme of innovation and the company. However some parallels exist. The characteristics of the company and of the innovations here evoke more the epic of medieval monks than the industrial revolution.

In the knowledge economy comes back central to the human person, with his education, his desires and needs, his ability creative and trustworthy, far from the concept of the «workforce» of the economy Fordist. Starting from the necessity of not taking the time to the thing for them most precious, The Opus Dei, the monks innovated with extraordinary creativity the methods and the production tools agricultural and artifacts, learned how to put the forces of nature at the service of the work for them and everyone, were according to the happy expression of Henry Pirenne, the «economic educators» Peasants, craftsmen and merchants [17]. And so they created the conditions for the development of Europe.

Conclusion. To sum up it is worth pointing out the starting point for making Europe «the most competitive and dynamic knowledge-based economy and society of the world, «as stated by the 2000 European Council in Lisbon, that is what it takes the same tension as that of reason, so that man warns that «daily needs demand him towards the infinite» [18]. The value of things does not reveal itself; it is the sense of the man who discovers them [19]. Innovation is not, as he meant Marx, a «superstructure»: is the fruit of man's tension in seeking and affirming the meaning which makes reality – people and matter – friendship, even in business. And that's what makes it innovative [20].

We could conclude with this statement: if you want innovation, prepare the innovator and if you want innovation not an episodic fact, you have to create one communities in which these are non-secondary aspects but which, indeed, are among the main values, being aware that the development of a community is linked to the desire to grow.

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