

Essay on innovation business model design: the five step process

[Business](#), [Marketing](#)



Today more than ever, we are appreciative of “ innovation”. The word “ innovation” means the discovery and application of a new solution for an equally new requirement. This requirement may already be existing or may arise from needs that are yet to be fulfilled. These needs may be in the form of products or services, technologies or process or simply ideas that are provided to us by private groups, by society in general or by governments. When these needs are fulfilled in a new and fresh way, it is called an “ innovation” .

Business and innovation come hand in hand. Many business organizations are prolific in coming up with business ideas and new innovations. The problem that most companies encounter however, is the difficulty of bringing innovation to the market at commercially viable terms. Innovation can be more than just product so the complexity of bringing innovation to the market place is very difficult. To manage this difficulty, experts rely on business tools and frameworks and managing innovation is studied and achieved through the use of a proper model for bringing innovation for business into the market in a manner that is easy to implement and replicate .

Based on previous scholarly works, the five-step process for helping companies manage the innovation process and bring innovative ideas, products, services or technologies to the market are:

- Setting the Stage

Like every process, it is helpful to identify your objectives. In terms of business and innovation, it is important for the organization to know what the goals of innovating are and why these innovation goals are being

pursued. There should be a common view among the top management executives so that the organization is steered correctly with respect to these goals, with the proper concept and models identified in the pursuit of the innovation goals. This is very important since this step unifies the organization.

- Step 2: Discovery

After setting the stage, the next step is to seek and discover new innovation ideas for business innovation. This step ties in new discoveries, such as new customers, situations, challenges, requirements and other things that may have a profound impact on business. Usually, this is the step wherein ideas from the environment (i. e. competitors) are examined and assessed.

- Step 3: Development and Design

Guided by the goals and using the discoveries unearthed, the organization must now develop and design a new innovative business model. These will come from the discoveries that will now lead to new customer profiles, markets or products and ideas.

- Step 4: Conversion

Taking the innovation to market is the fourth step. In this step, the organization tests the innovation and does not launch the innovation in full because of the potential power (or failure) it may become. The idea at this stage of the process is to limit the scope and determine the innovation's acceptability and long-term viability. This is where the innovation can also be modified if found unsuitable. It is also a critical element needed to make the new innovative process or idea fit into the existing systems of the organization.

- Take it to the Market

At this stage the organization is ready to commercialize the business idea. After testing and tweaking them and ensuring that they fit into the organization's business objectives and existing systems, it is time to offer it to the larger market (not just a test market) population.

Business model innovation is a critical process and organizations today are viewing it as an important concept that makes or retains their competitiveness and their abilities to succeed . Shown below is the five-step process diagram for additional reference.

Figure 1 The Business Model Innovation Process

Works Cited

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