

# [What makes samsung such an innovative company](https://assignbuster.com/what-makes-samsung-such-an-innovative-company/)

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Innovation can be defined simply as a “ new idea, device or method”. However innovation is often also viewed as the application of better solutions, which meet new requirement needs or existing market needs. This is achieved through more-effective products, processes, services, technologies, or business models that are readily available to markets, governments and society.

The term “ innovation” can be defined as something original and more effective and new that “ breaks into” the market or society It is related to . as innovation is more to involve the practical parts of an invention (i. e. new/improved ability) to make a meaningful impact in the market or society, and not all innovations require an invention While a novel device is often described as an innovation, in economics, management, and other fields of practice and analysis, innovation is generally considered to be the result of a process that brings together various ideas in a way that they affect society. In industrial economics innovations are created and found empirically from services to meet the growing consumer demand.

From an organizational perspective, managers encourage innovation because of the value it can capture. Innovative employees increase productivity through by creating and executing new processes which in turn may increase competitive advantage and provide meaningful differentiation. Innovative organizations are inherently more adaptable to the external environment this allows them to react faster and more effectively to avoid risk and capture opportunities.

From a managerial perspective innovative employees tend to be more motivated and involved in the organization. Empowering employees to innovate and improve their work processes provides a sense of autonomy that boosts job satisfaction. From a broader perspective empowering employees to engage in broader organization-wide innovation creates a strong sense of teamwork and community and ensures that employees are actively aware of and invested in organizational objectives and strategy. Managers who promote an innovative environment can see value through increased employee motivation, creativity, and autonomy; stronger teams; and strategic recommendations from the bottom up.

Managers can accomplish this through providing top-down support to employees, providing clear roles and responsibilities while allowing individuals the freedom to pursue these as they see fit. Supporting the HR and IT departments so that they can provide training and tools for higher employee efficiency can contribute substantially to a culture of internal innovation. This requires open-minded and motivational leaders in managerial positions who are capable of steering employee efforts without diminishing employee creativity.

Innovators frequently tout ‘ Creative destruction’ through innovation, as an important force you’d rather someone else does it. Although innovators readily embrace creative destruction, they hope and pray the responsibility doesn’t fall at their feet. This is understandable, especially when consumer reports come out all the time informing us that the world hasn’t changed that much and that although some of the findings are noteworthy they only ever evoke interest not a desire to go into work the following day and destruct your company’s processes. Often this isn’t due to a lack of enthusiasm on behalf of the employees but because there just isn’t enough time to react. Luke says “ people don’t want to destruct because according to the reports the world hasn’t changed that much, so why should I change the way I work if I don’t need to?”

Experimentation is often deemed the crux of innovation, as by its very definition it’s about finding something new from experimenting with existing components. For these innovations to be enduring they must be conducted on a level playing field where bias doesn’t distort reality.

Getting innovation up and running in a tech company is about processes and experience. Often people go on processes as they have a financial value. You need people that know and understand innovation and people who can spot it throughout a number of industries. Finding these types of people is like looking for a needle in a haystack and is incredibly expensive.

That’s why the answer lies in data. At Samsung they don’t like the term Big Data. Value is not in quantity but in quality if a dataset is large then chances are it is not exclusive and unlikely to gather innovative responses. It’s about piecing together unique sets of DNA that offer up serious opportunities for innovators.

There are currently three ways data is used at Samsung to foster innovation. This is done by using the tools of consumer psychology. This allows them to take the most seasoned researcher and get unbiased results there are three methods deprive substitute and saturate. Chances are one of them will play havoc with researchers lives.

Take saturate for instance, you give somebody with a large family three washing machines instead of one that’s a tangible benefit that sells products. Samsung did similar experiments with their new smartphone but this time used the substitution method. They took away the modern smartphone and exchanged it with a feature phone. One uniform response came back the battery life on the older models was much better. After getting these results Samsung incorporated an ultra-power save mode which gives you 24 hours extended battery life when there is 10% left.

When testing concepts companies need to do more to walk their customers through the process and allow them to ask questions. If these questions are answered and yield a positive response, then through data, Samsung can determine where they need to improve.

After a product has been launched Samsung measure the ways people are engaging with it. There are patterns for successful products and less successful ones. When the results of Samsung’s strategic experiments are laid out like this it makes the innovation easier to swallow for investors as they have a clear indication of how the product is going to fair in the market.

Samsung are looking at new ways they can use research to be innovative. They pay attention to getting unbiased results and have disrupted their research process significantly. Through the eyes of the people at Samsung innovation is not a null point it just needs to be delivered differently

There are critics of Samsung who argue that its success is mostly due to copying and then tweaking the innovations of others. There is a good deal of truth in this especially around the early Galaxy designs. But Samsung is a global leader in screen technology, TVs, batteries, and chip design. So in terms of innovation it is doing a lot right. But we know very little about how. We know how its competitors innovate

There’s no doubt that patent circumvention is an aim when Samsung innovates. From its early forays into innovation Samsung has chased patents in areas where its competitors have protection and has oriented its innovation efforts to find new patentable ideas in its competitors.

There’s nothing unusual about that. Two developments convinced the company in the late 1990s and early 2000s that they adopt an approach to innovation and that is what seems to underpin their current success.

The first development provides a broader explanation for Samsung’s innovation capacity. In the late 1990s they were able to tap into a source of cheap scientific expertise in the former Soviet Union. Samsung has a close relationship with the Russian Academy of Science since then. There is an agreement between the two parties. And the Korean Government has its own agreement where it funds Korean small businesses to develop projects of Academy research. Samsung meanwhile appears to help the Academy to increase its patent count and to exploit its inventions.

There is an agreement between them online and here is an extract: Academy warrants that Institutes of RAS have the necessary authority to transfer Inventions on separate contracts to Samsung for evaluation and support Samsung to share part in ownership of Inventions and Patents

One early advantage for Samsung was cheap fundamental science from Russia. But even now Samsung is able to buy Russian expertise at relatively low rates of between $3, 000 and $5, 000 per month.

Right now Samsung is working on 3D projection and display with the Academy. In 2009 reported that Samsung relied on its relationships with Russian experts for its smartphone software development

There are many paths to innovation that a company can take Samsung seems to have found one that works. When they were just getting into the mobile market their competitors and critics accused them of copying and building on the innovations of others. While they may have started off in this direction the innovations and advancements that they have made have propelled them to the forefront of mobile technology

Samsung is a multi-faceted and innovative company that is leading the field in screen technology, batteries, chip design, and mobile devices. All of their innovative efforts seem to be paying off whether their competitors in Google or Apple like their methods or not. Using an innovative process that includes training, patent reconvention, a focus on the process, and determination to the innovative culture, has allowed Samsung to be a global leader in multiple industries.

One of the early strategies that allowed Samsung to compete has been innovating on the advancements of the market leaders. Using the technology and design of the market leaders and then innovating from that advanced starting position seemed to benefit Samsung. By using the best starting position whether or not that is their devices or competitors, allowed them to stay competitive in so many industries. Although this got them in the game it’s not the reason that they are now so successful. The approach to innovation using global input and in expensive global expertise seems to be some of their largest advantages

Since the late 90s Samsung has been able to use their relationship with the Russian Academy of Science to develop and circumvent technology patents of all kinds of devices. This inexpensive expertise is used to not only work directly on innovating its products.

TRIZ is an innovative method that allows for problem solving by seeking contradictions in current approach. This method also calls for users to imagine the ideal state of customers’ needs and desires and drive the process in that direction. It has been estimated that the TRIZ method saved in excess of $100million in just its first few projects and is now a mandatory skill for the engineers and creative elite within Samsung.

Samsung’s approach to innovation is not similar to Apple’s competitive race style or Google’s skunk work project style, but rather it is about systematically developing a group of creative elites that in turn work creative process. The amount of training that is put into instilling this innovative system in all of the engineers is close to 3 weeks to make sure that they are properly using this innovative method. Simple explanation of Samsung’s innovative method and culture is that it is invested in its people with extensive training using repeatable processes. This investment is directed and backed by high level management to confirm its importance.