

Report on procter and gamble innovation

[Business](#), [Company](#)



Introduction

Procter & Gamble (P & G) is a well known international organization by almost everyone in the field of business. There has been a high increase in superior products which are becoming more competitive in the world market this is due to the technology and information sharing which is happening at a very rapid speed thus leading to new ideas which also enhance the race to the global market. However, P&G are aiming at remaining in the lead and on the edge and ten years back they made a daring culture to ensure so. This paper intends to look at P&G innovation strategy in order to remain on top and also how the strategy has been implemented. The Strategy has been of great value to the company also and we will look at some of the values delivered. There are a lot of innovators who like changing their games including certain companies such as General Electric, LG, Honeywell, Apple, Nokia, Procter and Gamble and DuPont.

Management Practice

The heart of the business model of a company should always be the game of changing innovation. This should not only be considered as the act of inventing new services and products but also the systematic ability of to change different ideas systematically and convert them into proper offerings that changes the business context in so many productive ways. P&G management acquired the process of innovation in order to help reshape their market as they go ahead to repeat the sales in order for the company to play an effective new profitable role which must be adapted by the others. When A. G. Lafley in 2000 became the president of P&G, making innovation

as part of the routine throughout in the market has been highly executed by the leaders of the company in order to establish the culture of innovation in the world market. The important parts of Procter and Gamble capabilities in development and research were highly preserved by Lefley and his team who then were able to become global technologists with important knowledge and skills in core technologies important to personal care business and household businesses as well. More of the employees of Procter & Gamble have also introduced to the research and development and brought closer to the game of innovation. The management of the company is working hard so as to create a proper enterprise of a wide social system that will help improve the insights and skills of individuals in the whole company and thus give them one major focus which is the consumer. Lack of this innovation of culture therefore shows that achieving a sustainable organic growth strategy is difficult.

In order to give more focus in innovation for the company, Procter and Gamble management had to foster teams. Through teams, new products ideas can be easily realized in Procter and Gamble. It is easy for a new product idea to spring for an individual's mind, however it can be hard to carry the idea all the way to launching and prototyping. Procter and Gamble however have ensured that in order to make these ideas a reality to the customers, a wide network of social interactions is required if at all the innovation is to be well integrated with the process of work and the strategy of business. The managers have also recognized that most of the failures they encounter in innovations are associated with social failures. During the process of development they left behind the promising ideas which had real

potential for the value of business. It is also evident that some of these innovations are timed in the market too early and this is due to poor interaction socially which does not let the right people to get engaged frequently with enough productive dialogue.

The management of Procter and Gamble has however set up a various measures for creating and building a culture of open innovation. They have ensured that the company workforce is highly motivated and capable by also ensuring that the employees are oriented to a specific strategic purpose. The management has also introduced a corporate mission of improving meaningfully the daily lives of their customers. Due to effective innovative knowledge of Procter and Gamble, they have been able to launch an anticipated product by using the Academy Awards of 2012. Tide Pods which is a detergent that overturned the laundry market was highly received by the customers making the company remain on top as it is their habit.

Implementation

In order to implement the innovations for Procter and Gamble, the management have expanded and ensured the mission that dictates the customer as the boss. This clearly shows and means that anyone who buys and uses the products of Procter and Gamble is valued as a very rich direction and information source and not valued for his money. This is a very significant implementation strategy that has seen the company rise in sales since the customers have remained loyal due to the high and importance treatment they receive from the employees of the company. The company has created better ways in which they get to learn a lot of knowledge from the customers by listening to them, living with them and also observing their

daily activities and this has made their mission a greater success. “ The consumer is boss” was taken to be far more than just a company slogan and is claimed to be a simple, clear and inclusive priority of the external stakeholders and employees of P&G.

Another implementation strategy that Procter and Gamble Company have adapted is the open innovation practice. The company has ensured that they have taken full advantage of the interest and skills in the entire company. The company has gone ahead and formed partnership also in the external environment. This was termed as a very critical implementation strategy to the company because of several means such as:

The strategy enabled the company to expand their capabilities. The competitive landscape was highly examined by the decision makers in every business and they also examined their capabilities in order to find out the various types of innovations which worked best and satisfied the customers. The strategy also helped in creation and development of innovation culture which was very important as an opportunity for growth which was presented by the developing markets. It is predicted that in the coming years between one to two billion people in various areas such as Eastern, Europe, Latin America, Asia and Middle East will start living in urban areas and will become more informed choices on the world economy and ability for aspiration realization. These people will end up becoming regular customers of products which are branded in various categories including prepared food, fabric care and personal care.

Research and development is a very important aspect of market innovation. Procter and Gamble is a well recognized company that invests two billion

dollars yearly on research and development in order to be able to identify new innovation opportunities. This strategy has been implemented in order to allow the company acquires greater customer and market knowledge to combat competition. The company has therefore been able to create more focus on brands and products which will obsolete the existing market segments and also cater consumer groups which are underserved.

Value to the Company

The innovations that Procter and Gamble invested in had made the company very successful and widely recognized worldwide. The decision of the company to adapt innovations as a major strength delivered a direct effect on the company's performance. Since the beginning of the decade it is evident that Procter and Gamble's growth in sales went up with six percent. Still, during that same period, the company reduced its costs in Research and Development to almost a half (in 1990's it was 4.5%, in 2007 it was 2.8%). In the same year of 2007, the sales revenues went up to seventy six point five billion dollars after using only two point one billion dollars on the innovation. According to the company's CEO, the company is receiving a higher value in each dollar used as an investment in innovation currently. Innovation focus has also had a greater effect directly on the business portfolio. Most of the businesses of foods and beverages were sold by the game changer in order to put more concentration on products which were innovation driven and of the best innovation. It turned out that the company could devote more easily to attention and resources needed in order to build the required culture of innovation with the narrower business mix. Introduction of high quality innovations has also enabled create a good name

for P&G Company thus making the company well known globally. A good public image is known for attraction of more sales and more royal customers in the long run. According to the company's president Bob McDonald, the backbone of Procter and Gamble Company has been innovation. He claims that as much as promotions are clearly known in winning quarters, innovations are known for winning decades. Foundational research on consumers is another important strategy for the company and they use four hundred million dollars to carry out this research in order to discover the innovations and opportunities.

Work Cited

A. G. Lafley. P&G's Innovation Culture. 26 August 2008. 3 March 2013 .

Adweek. com. Building Billion Dollar Brands. 22 October 2012. 3 March 2013 .

Baker, Rosie. P&G to triple rate of innovation. 20 November 2012. 3 March 2013 .

Brown, Bruce and Scott D. Anthony. How P&G Tripled Its Innovation Success Rate. June 2011. 3 March 2013 .

Odell, Patricia. P&G's CMO on Three Key Strategies, Mistakes and Anthropologists. 22 October 2012. 3 March 2013 .

P&G. Leadership Brands. N. D. 2012. 03 March 2013 .

P&G Newsroom. Innovating from the Outside In. 16 December 2009. 3 March 2013 .

Vault. Procter and Gamble. California: Vault Inc, 2002.