



II Semester M.B.A. Degree Examination, June/July 2015
(CBCS Scheme)
Management

2.7 : INNOVATION MANAGEMENT

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following. **Each** question carries **five** marks. The answer must **not** exceed **250** words. (5×5=25)

1. 'Jugaad Innovation' is characteristic of Indian conditions'. Discuss.
2. 'Invention and Innovation are the two sides of the same coin of an idea'. Bring out your answer.
3. Differentiate 'Push' and 'Pull' approaches to innovation.
4. Mention the organizational aspects of innovation.
5. How do innovation platforms contribute to innovation in organizations ?
6. What kind of competitive advantage comes from innovative ideas regarding new products in an organization ?
7. Suggest few innovative ideas for reducing traffic congestion in Bangalore city.

SECTION – B

Answer **any three** of the following. **Each** question carries **ten** marks. The answer must **not** exceed **500** words. (3×10=30)

8. Bring out the two sources of Innovation financing. Which do you prefer and why ?
9. Analyze the historic evolution of Innovation.
10. What factors influence the economic effectiveness of Innovation ?
11. Briefly explain few innovations introduced by Indian organizations in the recent times. Comment on their effectiveness.



SECTION – C

12. This is a **compulsory** case study that carries **fifteen** marks. (1×15=15)

Gandhian model of innovation

After the 2008 economic recession, innovation has attracted a greater deal of attention from top managements. Traditional innovation models that were based on affluence and abundance are being questioned. As customers are demanding greater value from products and services, there is a need for driving resource optimization and cost efficiencies like never before.

Skilled talent is available in abundance in an emerging economy like India. Penetration of the rural market in India has been considered a viable option for growing the business. Thus, the constraints in developing countries are being looked at as opportunities and this awareness is driving entrepreneurship in India.

CK Prahlad and Dr. Mashelkar have proposed the Gandhian model of innovation. In the Gandhian model, innovation efforts are directed towards making affordable products that can reach out to the common man. The authors propose three kinds of innovation.

The first type of innovation is one that changes business dynamics. The second type involves synthesizing technologies. The third type of innovation is aimed at creating new technologies.

Bharti Airtel has been quoted as the example of an organization that changed its premium pricing strategy to one based on gross profit. This enabled the company to expand its market to cover the entire Indian population. Bharti outsourced non-core functions, entered into innovative contractual agreements with service providers and used distribution channels of consumer goods companies. It collaborated with competitors to share infrastructure.

Lupin Labs collaborated with a Siddha practitioner to develop a drug for psoriasis, achieved success and eventually managed government funding for its project to launch an effective and cheaper drug for psoriasis.

Indian companies have been forced to relook at the price-performance equation because catering only to a niche consumer base using premium prices does

not result in growth of business. Gandhian innovation became a model to serve



the large customer base. Companies realized that rather than defining the market segment through their cost structures, it is business wisdom to tweak the cost structures for exploring new market segments. The model looks at innovation through the twin lenses of affordability and sustainability.

Questions :

- i) How is the Gandhian innovation model different from conventional innovation models ?
 - ii) Discuss in brief the reasons why the Gandhian innovation model and its principles are driving entrepreneurship in India.
 - iii) Why is the Gandhian model important for growing the business and making it more profitable ?
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