



Innovation is not just technology (R+D)

Business model innovation

Innovation is often associated with technology, with Research and Development (R+D). Company managers believe that it is only possible to innovate if you have an R+D department that is powerful in resources (material and human), and since maintaining such a department costs a lot of money, they consider that innovation does not go with them or with their company. They consider innovation to be a matter for large companies with large budgets.

But innovation is not only technology (R+D), what is innovation?: **innovating is also looking for new and different ways of focusing on some part of our business. Innovation in business model.**

This is the case of low-cost airlines - Ryanair, Easyjet, etc. - which developed new ways of offering their services to customers: online (online booking, 7x24 hours, etc.). This form of customer-company relationship was a break with the prevailing model, on the one hand, it facilitates the purchase of tickets and on the other, it reduces the costs of the service, which are passed on directly to the customer by offering cheaper rates. **They have innovated in the way they access their customers.**

Wal-Mart, the world's largest distributor of consumer products, developed a mechanism in which suppliers directly control their stocks through direct access to Wal-Mart's computer systems. As a result, greater efficiency is achieved in the logistics process, both from Wal-Mart's point of view and from the point of view of the supplier, who can thus better organize its production and offer more competitive prices. **They have innovated in the way they relate to their suppliers.**

Zara (Inditex) has developed a production and distribution system that allows it, in a matter of days, to offer its customers – located anywhere in the world – the most current garments. **They have innovated in the way they produce and distribute products.**

These are examples of companies that with innovative approaches in some or all areas of their business have managed to stand out and become benchmarks in their sectors. These are innovations that have nothing to do with the development of a new technology, nor with the existence of R+D departments with high budgets.

PROPOSAL FOR INNOVATION



Innovate in the business model
Look for new and different ways to approach the company

Innovation is not only R+D, innovation is looking for new and different ways of *relating to our customers*, of *organizing production*, of *relating to suppliers*, of *managing people*, etc.

This type of innovation can be generated by any company that systematically organizes, in the different areas of the business, a deliberate search for opportunities and transforms them into realities. In the graph below, we suggest 10 possible areas of action in which a company can delve deeper into the search for innovations.

Areas of innovation in the company

