

Innovation as a Company Strategy in Efforts to Achieve Business Success

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ABSTRACT

In an ever-changing global context, companies need to continually develop new approaches to remain competitive. This research aims to investigate the role of innovation as a company strategy in achieving business success. This research uses a qualitative approach with descriptive methods. The research results show that innovation as a company strategy has a positive impact on business success in the industry [specify type of industry]. The implementation of innovation, both in products and processes, is proven to provide competitive advantage by increasing operational efficiency, speeding up production cycles, and reducing waste. Companies that successfully implement innovation also achieve cost and product quality advantages, win customer trust, and build strong relationships. Therefore, the recommendation for companies in this industry is to continue to encourage a culture of innovation, invest in research and development, and maintain an open approach to new ideas in order to maintain competitiveness and achieve sustainable business success.

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INTRODUCTION

The era of globalization filled with increasingly fierce business competition has induced profound changes in various sectors of life. Response to this change is crucial for the survival of organizations and companies, requiring the implementation of appropriate strategies to build competitive advantage (Julyanthry et al, 2020). The concept of competitive advantage, as expressed by Michael Porter in 1991, emphasizes the importance of every business having special advantages in order to survive and operate optimally.

According to Mangkuprawira (2007), competitive advantage is a company's ability to formulate strategies to take maximum advantage of profit opportunities, especially in optimizing returns on investments made. The two main principles that form the basis for companies in achieving competitive advantage are customer value and product uniqueness. Customer value reflects the importance of understanding and responding to consumer needs and expectations, while product uniqueness emphasizes innovation and differentiation as key elements in attracting market attention (Lestari, 2019).

In this context, companies need to focus on forming strategies that not only meet customer expectations, but also create unique elements or characteristics that differentiate their products or services from competitors (Hakim & Faizah, 2018). Through this competitive advantage, companies can position themselves to gain a larger market share

and respond adaptively to global business dynamics. Therefore, applying the concept of competitive advantage becomes an important strategic foundation in facing the challenges of globalization and sustainable business competition (Pakaya, 2011).

A company's competitive advantage can be realized when the company has a deep understanding of consumer needs. The active involvement of consumers in demanding faster innovation encourages producers to continue to innovate, create more sophisticated products or services, and achieve superior competitive advantages compared to competitors (Sudrajat, 2013). Therefore, establishing close relationships with customers, responding actively to feedback, and understanding changes in market trends are strategic keys in building and maintaining competitive advantages in an era of dynamic business competition (Wono et al., 2023).

Innovation, as a creative process, forms new objects and substances that provide added value for humans. The innovation process is not only limited to creation, but also involves the adoption of new elements by the parties involved (Jannah, 2014). In this context, innovation can be defined as the steps taken to adopt or create something new, be it a product, service, idea or process. As a manifestation of creativity, innovation plays a key role in the development of organizations and society (Mughtain, 2021). This includes adapting products, services, ideas or processes that already exist in the organizational environment, as well as developing new elements that can produce a positive impact.

Furthermore, innovation also reflects an entity's ability to adapt to developments in the external environment. Thus, innovation does not only occur within the internal scope of the organization, but also involves integration with ideas and technologies that emerge outside the organization (Bigies, 2017). Innovation can be seen as a strategic step to maintain and increase competitiveness, either through modification of existing products or through the creation of completely new products. Therefore, understanding the concept of innovation in two dimensions, namely as a process of adaptation and creation, provides a comprehensive basis for understanding the role and impact of innovation in the context of business and social development (Supranoto, 2009).

Basically there are two types of innovation, namely process innovation and product innovation. Process innovation, as one approach, focuses on the development of new methods or the application of innovative technologies in business processes. This includes changes in the company's business model, strategy, leadership, and organizational culture (Nurjanah, 2015). For example, companies may adopt new technology to improve operational efficiency, implement a more adaptive business model, or change the company culture to be more open to new ideas. Process innovation not only provides operational excellence, but can also create an environment that supports further innovation (Syafi et al, 2023).

On the other hand, product innovation emphasizes the development of new products or significant modifications to existing products. The product innovation process includes the creation of completely new products or substantial improvements to existing products on the market (Wiwoho, 2019). This may involve the application of new technology, the discovery of new materials, or design changes that bring added value to consumers. Product innovation is often the main driver of company growth, increasing market attractiveness, and strengthening competitive positions (Anatan & Elitan, 2005). Thus,

understanding and integrating both process innovation and product innovation is an important strategy for organizations that want to remain relevant and competitive in a dynamic business era.

Innovation capability is a crucial foundation for the success of a company. Having the ability to continue to innovate, both through process and product development, provides a competitive advantage that is very necessary in responding to rapidly changing market dynamics (Wono et al, 2023). Companies that are able to adapt their business models, strategies and organizational culture to innovation trends can build a strong foundation to compete effectively. Therefore, innovation is not just an additional need, but is a core element that guarantees companies' competitiveness, leading them towards long-term business success (Kuncoro, 2020). By continuing to implement innovation, companies can position themselves as industry leaders who are adaptive, dynamic, and able to take advantage of new opportunities to achieve optimal business achievements.

This research aims to explore and understand the role of innovation as a company's main strategy in achieving business success. It is hoped that the benefits of this research will provide practical guidance for company leaders in developing effective innovation strategies, increasing competitiveness, and ultimately achieving sustainable business success. The findings from this research can also provide insight to academics and business practitioners about the importance of innovation as a critical element in responding to the dynamics of the current business environment.

METHOD

This research adopts a qualitative approach, a systematic research method that focuses on examining objects without manipulation or hypothesis testing. This qualitative method is often referred to as a "naturalistic research method" because it is carried out in natural conditions (natural settings) and is sometimes referred to as an ethnographic method, especially used in the field of cultural anthropology (Sugiyono, 2011). This research focuses on natural objects, not manipulated by researchers, so that the condition of the objects remains relatively unchanged during the research (Yulianah, 2022). Data collection was carried out using secondary data, especially through literature study which includes literature from books, scientific works and other library materials. The validity of the data is checked through triangulation, a technique that not only seeks the truth about a particular phenomenon but also assesses the effectiveness of the process and the desired results.

RESULTS AND DISCUSSION

Innovation is not just an initiative for company performance growth, but is an essential tool to ensure long-term survival and competitive victory. In this context, the success of a company is not only measured by how well its performance develops, but also the extent to which it is able to produce sustainable competitive advantages (Winata, 2013). One form of competitive advantage is a company's ability to maintain lower costs than its competitors. Innovation can play a key role in creating operational efficiency, reducing production costs, and providing more competitive price competitiveness (Ardiansyah, 2023).

Competitive advantage is also manifested through superior products or processes. Companies that are able to continue to innovate in their products, present more effective or high quality solutions, can dominate the market and win the hearts of consumers (Syahreza et al, 2023). In addition, competitive advantage can be found in the company's success in implementing a focus strategy in certain market segments. Innovation allows companies to adapt and meet specific customer needs, build customer loyalty, and create a strong market share. Thus, innovation is not only an instrument of growth, but also a crucial foundation that leads companies to sustainable competitive advantage in a dynamic business environment (Cahyani, 2016).

Innovation as a corporate strategy can take many forms, involving transformations in products, processes, and overall business approach. One common form of innovation is product innovation. Companies can achieve business success by developing new products or improving existing products. This could involve discovering new technologies, more efficient designs, or improving quality that meets or exceeds customer expectations.

Process innovation, as a form of innovative strategy, has a significant role in increasing operational efficiency and reducing a company's production costs. Companies that implement innovation in their operational processes can achieve business success by designing new methods that are more effective and efficient. The use of advanced technology is also an integral part of process innovation, where companies can utilize the latest software or equipment to increase productivity and optimize resource use.

One of the positive impacts of process innovation is the acceleration of the production cycle. By detailing and refining steps in the production process, companies can save time and respond more quickly to changes in market demand. This not only improves operational efficiency, but also allows companies to bring products to market quickly, win customers and gain a competitive advantage. Process innovation can also reduce waste in production. By identifying and eliminating inefficient or redundant steps, companies can optimize the use of raw materials and energy. These efforts not only support environmental sustainability, but can also help companies reduce production costs related to waste and environmental management.

Apart from that, process innovation can also improve product quality. By implementing more accurate and efficient technology and processes, companies can produce products with higher quality standards. This can increase customer satisfaction, strengthen brand reputation, and create the foundation for continued long-term business success. Overall, process innovation not only details operational steps to become more efficient, but also contributes significantly to the achievement of sustainable business goals, delivering efficiency, competitive advantage and a positive impact on the environment and product quality.

.In addition, business strategy innovation opens the door for companies to achieve business success through transforming business models that are more adaptive to market changes and customer needs. Identification of new opportunities is the main basis for developing innovative business models. Companies that can recognize market trends, evolving consumer needs, or unmet market gaps have the potential to steer their business strategy in a more profitable direction. In this process, business strategy innovation involves

a deep understanding of markets, competition and industry trends as a basis for developing smarter and more responsive business approaches.

Changing the way you interact with customers is an important aspect of business strategy innovation. Companies can achieve business success by updating the way they engage with customers, responding to their needs, and creating better customer experiences. This could involve implementing new technology to improve customer service, using data analytics to understand customer preferences, or even developing digital platforms that make interactions easier. Business strategy innovation in terms of interacting with customers is the key to building strong relationships, increasing customer loyalty and winning market share.

Apart from that, innovative marketing strategies can also be the key to success for companies. Innovation in marketing includes adapting and adopting marketing strategies that are relevant to technological developments and changes in consumer behavior. Companies can achieve business success by implementing digital marketing strategies, harnessing the power of social media, or designing creative and engaging marketing campaigns. The ability to innovate marketing strategies allows companies to stay connected with consumers, expand market reach, and increase their brand visibility.

Business strategy innovation can also take the form of developing subscription-based business models. This business model replaces the traditional paradigm of one-time purchases with ongoing subscriptions, creating more stable revenues and building ongoing relationships with customers. Adoption of a subscription business model can create long-term value for companies, increase customer retention, and provide a competitive advantage in an ever-changing market.

It is important to note that business strategy innovation is not just about finding new ways to operate, but rather about creating sustainable added value for the company. Therefore, companies that are able to innovate in business models, interactions with customers, and marketing strategies have the potential to achieve sustainable business success in a dynamic and competitive business environment.

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.Next, organizational innovation is an important strategy that can have a significant impact on business success. Corporate culture transformation is key in creating an organization that is responsive and adaptive to dynamic market changes. Companies that are able to update their corporate culture to be more open to new ideas, support creativity, and encourage collaboration, have a greater chance of producing innovative solutions and winning in competitive markets.

Flexibility in organizational structure is also a critical element in organizational innovation. Companies that have an organizational structure that can adapt quickly to external changes can respond more effectively to new opportunities or challenges. Implementing a more decentralized organizational model and encouraging autonomy in decision making can provide greater speed of response to rapidly changing market dynamics.

Furthermore, innovative leadership strategies are the basis for encouraging organizational innovation. Leaders who are able to provide support, facilitate creativity, and inspire teams to innovate have a crucial role in creating a culture of innovation. Leadership

that is inclusive and motivates employees to participate in the innovation process can form an adaptive organization and win the trust and dedication of the team.

In an ever-changing business environment, companies need to have the ability to read signals of change and respond quickly. Organizational innovation helps companies develop these capabilities by creating systems that support organizational learning, where knowledge and experience are gained from each innovation and failure. In this way, the company can not only survive in a dynamic market but can also become a key player in leading trends and creating added value for customers.

Overall, organizational innovation is not simply about changing a company's structure or culture, but rather about creating a foundation that allows a company to adapt, grow, and meet business challenges with creativity and responsiveness. Organizational innovation is not only a strategy, but also a guiding principle for companies that want to achieve long-term business success in a business era full of dynamics and complexity.

Innovation as a company strategy is not just an additional step, but is a solid foundation that provides the basis for achieving sustainable business success. By adopting various forms of innovation, be it in products, processes, business strategies, or organizations, companies open up opportunities to adapt to ongoing changes in market dynamics. Innovation is the key to responding to increasingly complex market demands and increasingly fierce competition, enabling companies to remain relevant and competitive.

More than just adaptation, innovation is also a driver for increasing a company's competitiveness. By continuing to innovate, companies can provide unique added value, whether through innovative products, efficient processes, or smart business strategies. The competitive advantage resulting from innovation allows companies to win over customers, maintain market share, and even create new markets. However, innovation is not only about beating the competition, but also about building customer trust. Through innovation, companies can demonstrate their commitment to providing solutions that are relevant, quality and responsive to consumer needs. This creates strong relationships with customers, which ultimately form the basis of long-term business success. Therefore, innovation as a company strategy not only creates opportunities for development, but also to build a solid foundation for sustainable business success.

CONCLUSION

Innovation as a company strategy has a significant impact on business success, especially in the industrial context [specify type of industry]. The implementation of innovation, both in the form of product innovation and process innovation, is able to provide a competitive advantage for companies in a competitive market. Analysis of the implementation of product and process innovations shows that companies in this industry have adopted creative approaches in developing new products and improving production processes. These significant changes open up opportunities to increase operational efficiency, speed up production cycles and reduce waste, which in turn contributes to the company's competitiveness. The positive impact of innovation is not only limited to operational aspects, but can also be seen in achieving competitive advantage. Companies that are able to respond quickly to the market and provide qualitatively better products or services, as well as having a cost advantage, can win the hearts of consumers and maintain

a strong market share. Apart from that, innovation also has positive implications in building relationships with customers and increasing customer trust. Innovative products or services that create added value for customers not only increase consumer loyalty, but also establish a positive brand image that strengthens long-term relationships. Therefore, the recommendation for companies in this industry is to continue to encourage and support innovation activities as a main strategy. Adopting an open approach to new ideas, investing in research and development, and strengthening a culture of innovation will be key steps to ensure continued business success amidst ever-evolving market changes and dynamics. Innovation is not only a necessity, but also a strategic need for companies that want to remain relevant and win competition in the modern business era.

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