

Entrepreneurship And Innovation

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Introduction

In the global competition the entrepreneurship and innovation aspects are increasing in every business and governmental sectors. Garud *et al.* (2017) stated that entrepreneurship start emerging the economy of a country by identifying suitable opportunities and directing the business with proper utilisation of resources without facing any shortfall. This gives chances to small and medium scale firm to innovate in order to respond to their market competitors. The present assignment will undertake Oman Oil Company in order to discuss its characteristics, nature of decision-making and degree of innovativeness. Moreover, the factors that are essential for leading to a successful innovation will also be analysed. In addition, the assignment will analyse the strategic management process that are used for determining the success of innovation will also be discussed.

Part 1: Discussing the characteristics of the chosen organisation

1. Describe its background

Oman Oil Company is a commercial company that is owned by the Government of the Sultanate of Oman. The company came into incorporation in the year 1996 for gaining investment opportunities in the energy sector. The company plays a vital role by participating in energy and energy related projects in order to diversify the economic condition of Oman and at the same time remote Omani and foreign private sector investment (Oman-oil.com. 2018).

2. Describe its nature of decision-making

The planning and management sector of Oman Oil Company takes the initiative in making decisions regarding the investment and approach to innovation. The decision making mainly focuses on the objectives that are set by the company. This reflects on the development and investment in the profitable businesses within Oman and in international level. Besides, the company is also focused on meaningful employment within the Oman and grow talents. Apart from business related aspects the decision making approach are taken in difficult and conflict situations which enables the company in resolving issues. Besides, the decision making approach are also necessary in making alternative decisions that are required in uncertain condition. Coviello and Tanev (2017) stated that making effective decision is a recognition of good decision which mitigate the bad decision and enables in quickly responding to mistakes. Herein, the Oman Oil Company the decisions are taken by hierachal staffs however, they make sure in discussing with the subordinates so that they can give their feedback on the decision made for the organisation. In Oman Oil Company there is equal involvement of superior and subordinates which ensures the organisation in making logical decision that are effective both for making profit and retaining employees for long period.

3. Describe its degree of innovativeness

The report of the company states that it focuses on the development of oil and gas based industries and other energy related projects. They are also in partnership with international industry which has also captured the value chain in the oil and gas sector. The innovativeness show by the company is in the development and participation in several projects where the company continues to focus on

future where they will be creating more jobs and investment opportunities. Kraus *et al.* (2018) stated that the experience in projects development as well as shareholding strategies being a government owned company enabled in making partners according to their choice in the energy sector. The recent structure of the company builds the pillars that operates OOC's projects. Thus, the innovative strategies of the company make effective contribution to the Sultanate which enables them in diversifying the national economy where the company made investment in several industrial and commercial activities.

Part 2: Analyse the factors that are needed for success of innovative initiatives

1. Assess the factors that are required for success of innovation initiatives

In a slow or medium growth economy the necessity of successful innovation is essential or the companies in terms of maintaining competitive advantages. In survey research it is found that the government of Oman is taking the initiative in increasing the funding for innovation which is essential for making a successful economical upgrading. In the completion world every company is introducing innovative management to sustain in the market place for long period. Innovation strategy is not only effective for the organisation but also for the country in term of increasing the economic value and compete with the international market. Therefore, the factors that are required for making a successful innovation are:

Management Commitment to Innovation: The commitment made by the management is the utmost requirement towards innovation. The support of corporate management is essential in setting goal and responsibility which will be followed by the organisation and the associate staffs. Herein, the manager is committed towards basic innovation process in order to stay updated with the current trend.

Initiating the collaboration: Link (2017) mentioned that initiating collaboration is a crucial part to make successful innovation which starts from existing and emerging partnership and its network. Building up strong connection among the team members initiates in defining suitable approach and build trust among the parties. For example, employees supporting each other with their roles and responsibilities leads to open innovation which in turn enables in mitigating the problems.

Setting clear responsibilities: It is an interdisciplinary process which requires the involvement of several functional areas. Herein the employees are also involved which allows them in getting clear idea regarding the new product and services. In addition, the higher level need to set the goal in a well defied manner which will initiate in working in collaborate way.

Upgrading the culture: When an organisation tends to focus on innovative approach they require different structures and cultures that is related with the work. Initiating innovation within the organisation requires different values and attitudes that will also influence the role of employees in focusing towards innovation. Mrożewski and Kratzer (2017) commented that a company may build up innovative culture where the managers need to take the initiatives for encouraging innovation. Eventually, the employees also requires to build up their own interest towards acquiring innovation

in their responsibilities. Therefore, in order to promote culture of innovation the manager need to raise awareness for the employees by upgrading their communication level. Empowering the employees for innovation is another effective strategy to involve the employees towards innovation. Zobel *et al.* (2017) added that employee empowerment can be given through suitable training courses and involving the employees through innovation competition.

Integration of employees: Besides, innovation need to be initiated and supported by the employees who are associated with the respective organisation. Herein, awareness need to be raised and at the same time the employees need to be motivated so that they can show their active involvement in the innovative approach. Besides, employee training is also an effective approach in integrating the employees because it will build up interest among them towards innovation.

Transparency: The requirement of transparency is vital in an organisation which are trending in innovative approaches. However, it might be difficult for the organisation to be open towards challenges and problems but at the same time they can be informative regarding the innovation and promote productive results.

Change management: There is a necessity of change when there is an introduction of innovation management. The changes involve in policies and procedures that are presently worked in the organisation. The changes are effective as it supports the employees and the organisation to work according to the changing trend. Herein, they can build up their workforce according to the changes by making sure that they follow the new market trend. Hence, change management is an effective tool and tends to be a vital section for the innovation manager. Therefore, with the approach of innovation it enables in putting the company in several changes.

Strategic orientation: When an organisation finds that the strategic orientation of innovation is lacking behind then there might be lack of goal and path. Thus, it might be difficult or those who are in charge of taking up innovative approaches. Szczepańska-Woszczyna (2018) stated that innovation initiatives can be successful when the management will be successful in making strategic decision which is goal oriented. Thus, it will enable the people to prioritise the innovation projects and making decisions that are suitable or the projects.

Part 3: Analyse the strategic management process that are required by the company to drive innovation

1. Describe the strategic forces which initiate the innovation activities

Ferrando and Lekpek (2018) stated that global competition and weak economic condition has become more challenging nowadays due to which several organisations are using strategic forces in terms of building innovative activities. In context to Oman Oil Company, the strategic forces adopted are related with the development of new product where the company can gain opportunity for providing effective services to the customers. Besides, the opportunity the company gains are regarding the development and investment that the business makes within Oman and international sector. Apart from that, the company makes strategies in terms of creating employment opportunities within Oman. They believe that giving employment opportunity to new candidates will

initiate in forming innovative strategies. For example, innovation is related with oil and gas related projects which they can supply all over the UAE as well as at international level.

Besides, strategic forces are related with training the candidates so that they can make their own choice in opting for good option. Herein, innovation is related with the creation of new option. For example, Oman Oil Company can open their branches in different region especially in the outskirt areas where people faces difficulties in reaching to the gas companies. Similarly, design thinking needs different set of tools where the company strategies abandoned Porter's Five Force Analysis in turn of assuming that markets are having the boundaries and the competitors need to take the initiative for getting maximum market share. In addition, () mentioned that in the global environment there is continuous innovation is needed for maintaining market share.

The application of S-curve depicts the best product, business, market and maturity. Besides, in order to attract the customers the strategies formed by the company is to lower the cost of product. Sumbal *et al.* (2017) stated that collaboration is an effective way to lower the cost and simplify the contractor management. Indeed, by combining equipment, engineering offers the oil and gas company to gain significant value for customers. Other than that, Oman Oil Company are developing new business models within their industries in order to design netter value chain and manage the oil and gas company. In addition, the strategies forces that initiates the company towards innovative activities is related with the adoption of technology. Technological implementation within the company enables in carrying out work in more efficiently giving opportunities to the customers in terms of availing the services in easier way.

2. Analyse the steps that are used by the company in the strategic management process

The strategic management process signifies the organisational strategy where the managers takes the initiatives in making their own choice in setting the strategies for the organisation. This is turn supports the organisation in achieving success through better performance. Indeed, it is a continuous process the helps the business and industries to stay ahead than their competitors and fix goals in meeting present and future competitors. It is a continuous process that initiates the business to meet their present and future challenges and at the same time be responsible in carrying out other necessary functions. In context to Oman Oil Company several steps are applied in the strategic management process. These includes:

Environmental Scanning: Oman Oil Company takes the initiative in monitoring both internal and external factors that influence organisation performance. It enables the organisation in getting information on the continuous basis for improving their resource database. It also gives the scope in proper utilisation of data which gives opportunity to identify the threats and opportunities that is present in the environment. Other than that, internal environment which is associated with employees, employers, manager, shareholders and the accessibility of natural resources gives the view of organisational strength and weaknesses. Radnejad *et al.* (2017) mentioned that environmental scanning emphasises on the competitive position that the organisation is at present. Other than that, the effect of globalisation also aware the organisation to increase their working efficiency and amend their core competencies.

Strategic formulation: After scanning the environment, Oman Oil Company makes sure in deciding the best core action for accomplishing organisational objectives and improve organisational purpose. This initiates in fulfilling organisational vision and achieve competitive advantage in the marketplace. In the process of strategy formulation several steps are being followed which is setting organisational objectives. Objectives are set by the company as per short term and long terms basis. This allows the company to stay consistent with the activities that they are carrying related to oil and energy projects. Besides, the oil and gas company evaluates the general economic and industrial environment which reflects the competitive position (Hassani *et al.* 2017). Similarly, performance analysis is equally important which tends in identifying the gap in the performance and thus builds up the ability in making desired future performance.

Strategy implementation: Implementation of strategy is undertaken from the strategy that has been formulated to achieve goals and objectives. Herein, Oman Oil Company makes sure in taking feedback from the associated superior and subordinate members before implementing in the work that are related to supply chain management or internal work. Before implementing the strategy, the organisation makes sure in developing, utilising and include organisational structure that lead to better performance. Several steps are undertaken by the Oman Oil Company in implementing strategy that includes strategizing the utilisation of resources, creating strategy encouraging policies, and making the use of strategic leadership.

Strategy evaluation: This is the final phase of strategic management process which focuses on the effectiveness and efficiency of the plan that are used for accomplishing adequate results. de Medeiros *et al.* (2018) stated that strategy evaluation holds importance as it judges process and the validity of the strategy. Herein, Oman Oil Company uses benchmark of performance, analysing the variance and by taking corrective actions the performance is evaluated.

3. Describe the measures that are required for determining the success of above innovation initiatives

The measures that are undertaken by Oman Oil Company in respect for determining the success is *identifying the goals and exploring the activities*. This is the most strategically procedure that are utilised by most of the companies in measuring the success of innovation initiatives. With the identification of goal and viewing the present status of the company the strength and weakness of the company is identified. In addition, the organisation makes sure in exploring the activities which are related with oil and energy projects. Other than that, by setting a vision for the innovation goal and giving several opportunities to explore the solution which enables in achieving the goal. For identifying the goal the company needs to accomplish the success which can be prioritised. Legenvre and Gualandris (2018) mentioned that for measuring innovation there is a necessity to measure solutions which enables the organisation in improving solution for the new needs. It is done through technologies and by including innovation metrics. In addition, measuring the gap between the performance and the goal is another suitable approach which initiates in understanding the outcome. Besides, defining clear roles and responsibilities for leading to innovation agenda gives a meaning full result in terms of making effective decision making at every level. In addition, when the organisation like Oman Oil Company fosters a learning environment where people shares their ideas and knowledge reviews that they are aligned with the current innovations.

4. Discuss the role of KSF in the success of the company

The key success factors that has enabled the company in achieving success by reducing the business risk which includes anticipation of fluctuation of oil price. The factor of management commitment is reflected at every stages in Oman Oil Company to support the subordinates in coordinating with the innovation activity. Besides, the commitment of organisational manager initiates in building collaboration within the existing workplace. Herein, sharing of ideas and knowledge are shared among the team members and develop suitable approach that is related with organisational goal (Hassani *et al.* 2017). For example, employees supporting each other with their roles and responsibilities leads to open innovation which in turn enables in mitigating the problems. Hence, responsibility tends to initiate the organisation in following long-term contract with the buyers for gas where Oman Oil Company are able to produce oil and natural gas in order to get better revenue stability and reduce risk.

Besides, in terms of operating management the analysis covers the cost structure, success rate, human resource, productivity and infrastructure. Herein, Oman Oil Company makes sure in upgrading the structure and culture which enables the company in improving the innovation strategies related with different Oil and energy projects. Therefore, in order to promote culture of innovation the manager need to raise awareness for the employees by upgrading their communication level. Empowering the employees for innovation is another effective strategy to involve the employees towards innovation. On other hand, the company makes sure in keeping their programs and services transparent to the customers because it reflects its authenticity of work performance.

5. Assess the sustainability issue that are associated with innovative initiatives

Satar *et al.* (2018) stated that meeting sustainable development requires several actions which includes potential technological innovation. With the usage of technologies there are several sustainability issue that releases carbon. Besides, the manufacturing processes reduces water and pollution. The issues can be related with high cost investment that are required to train the candidates who will be working in the organisation. Setting up new culture in the workplace involves issues as the employees does not agree in adopting new culture. Other than that, the complex working procedure may hinder the organisation performance leading the organisation in losing their sustainability. The issues are also related to policy decision maker which concern the development of policy procedure for sustainability innovation. Even, the strict government rules and regulation are also a huge concern that are faced while working on innovative approaches.

Conclusion

Therefore, it can be concluded that innovation plays a vital role in achieving organisational success. Herein, there is a necessity of innovative thinking in order to deal with new challenges and maximise the serve delivery. Besides, an effective entrepreneurial role leads to innovative creation in terms of products and services which initiates in making the business successful. Moreover, Oman Oil Company makes sure in utilising key factors that will initiate their innovative activities. Several

strategic management processes are also used by the company that has helped in leading them to success.

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